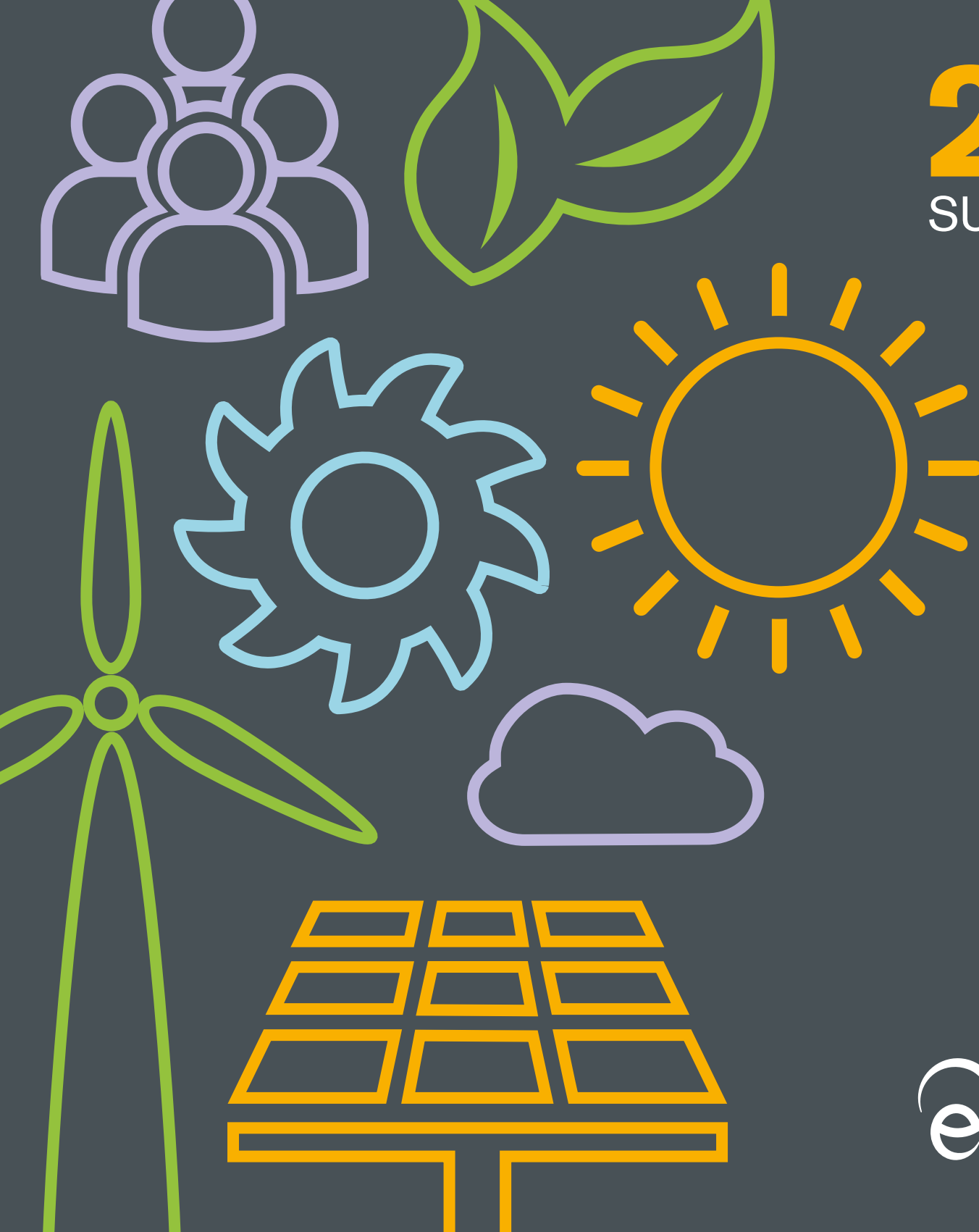


2015

SUSTAINABILITY
REPORT



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2015 SUSTAINABILITY REPORT

LETTER TO OUR STAKEHOLDERS

The just ended year was characterised by an economy that struggle to restart and by energy markets that are still weak and in a phase of restructuring. Edison demonstrated that it can react to the difficulties and to continue looking to the future by combining the concepts of energy, sustainability and develop in an innovative way.

The Italian economy has displayed faint signs of recovery, while consumption remained stagnant. Growth in electricity and gas demand compared to 2014 is mostly due to climatic effects and the wholesale energy prices are at a historical low, putting heavy pressure on the margins as a result. In spite of this fragile context, in 2015, we were able to generate value from our activities thanks to our flexible and efficient management of the various businesses. The good operating and financial results we achieved confirm that Edison is a healthy company able to react to the challenges of the market and ready to seize the opportunities of a situation that is still in relevant change.

Despite the difficult scenario, Edison confirms its commitment to sustainable development. We are, in fact, aware that the role of an energy company has to go beyond the mere supply of products and services, considering the generation of social value as one of its goals. The goal is ambitious and particularly challenging when the markets are not enjoying growth. But we are not alone. Edison intends to propose itself as a vital core of a broader network made up of various parties with whom it interfaces and to become a promoter of

an ecosystem open to the environment in which it operates. It is precisely through the engagement and involvement of our stakeholders that we believe we can generate a value that goes beyond the simple economic value. It is therefore our will to be resolute in our undertaking on the Sustainable Development Policy, the UN Global Compact and our Code of Ethics steadfast.

The world sustainability agenda, in 2015, was marked by several events that relaunched debate on key issues: the Expo, the Universal Exposition of Milan, focused on the theme "Feeding the Planet, Energy for Life"; the approval and publication of the Sustainable Development Goals (SDGs) by the United Nations organisation, which will shape the global agenda from here until 2030 to face the challenges of sustainable development such as poverty, gender equality, clean water, clean energy and the climate change; and lastly, the 21st United Nations Framework Convention on climate changes (COP21), which ended with successful negotiations between the parties that was made concrete with a new global agreement which won the approval of the 195 countries that attended the Paris Conference.

These three events depicted the underlying theme within which the main sustainability initiatives our company promoted in 2015 moved forward.

First of all, Edison's undertaking on the issue of climate changes today plays an important role in

its industrial decisions. During the path towards the Paris Conference, we started up an important strategic discussion shared with experts who gave us incentives and new points of view. On the occasion of Expo, Edison put forward an intensive programme of seminars and initiatives that brought national and international institutions, production sectors, associations and the world of research together, in order to discuss in-depth the views of the countries that were to take part in the Paris negotiations and at the same time to assess the possible repercussions of the effects of a potential agreement on key sectors of the economy. The ideas that emerged from the debates revealed the complex nature of the problem and its interconnection between the different areas of society, the economy and the environment both on a global scale and on a local level, and they converged into the position paper that Edison presented to the Italian Minister of the Environment before COP21.

Secondly, the company started to review its sustainability initiatives in order to align them with the framework proposed by the United Nations Sustainable Development Goals. This enabled the company to upgrade its commitments in a new way, from one hand, more and more integrated with its business and, by the other hand, to increase their contribution in the path of sustainable development of its local communities.

This activity shown relevant results that distinguish the commitment of Edison for its stakeholders, that

is fully in line with the sustainability culture of the EDF group. The common goal is to be recognised by customers and consumers as reliable suppliers of clean energy at accessible costs.

In Edison, we believe in the centrality of the customers, a concept we promoted with the Manifesto of Energy for the Future, together with the consumer associations and with other operators in our sector. The goal is to contribute to shape the rules for a more open and innovative energy market, one that comes closer and closer to the needs and requirements of consumers and small and medium-sized enterprises. Again on the centrality of customers, in the area of energy efficiency Edison Energy Solution continued with its endeavours to make a name for itself in the Italian market. In 2015 it passed the 200 energy audits that were carried out, and considerably contributed toward cutting the energy consumption of the customer companies. The planning and spread of the Edison Energy Control and other new smart metering devices continued. By monitoring consumption and relative expenses in real time, they make the use of electricity and gas more intelligent while guaranteeing high levels of comfort.

These results were also made possible by the contribution of the research, innovation and development activities that concerned other areas as well. They particularly addressed the stockpiling technologies in order to maximize the advantages of producing photovoltaic plants, and studies on innovative materials for oil spill remediation.

Thanks to the constant innovation and continuous improvement efforts, the plant interventions carried out in recent years have given Edison substantial benefits in the environmental field, also in terms of energy saving. One example is the installation and putting into operation of a gas recovery system associated with the Maria a Mare Power Plant. To ensure full regulatory compliance and promote the continuous improvement approach, all of the integrated management systems, applied at the Edison sites, underwent audits and were then modernised. More specifically, E2i completed the integrated environment and safety certification process.

E2i emerged from the common project between F2i, Edison and EDF Energies Nouvelles in 2014, and has established itself as the third operator in the renewable energies from wind source sector in Italy with an installed capacity of 600 MW (mostly wind) and a production of about 981 GWh in 2015. In line with the group's sustainable growth policies, and aware of the role that development of renewable sources plays in the process of decarbonising the economy of our country, E2i promoted and endorsed the "Charter for sustainable wind renewal".

It is an important opportunity to qualify itself as a reliable and transparent operation that wants to play a more and more important role in the Italian renewable energy sector.

Lastly, our activities to local support continued both directly, with over 3 million euros invested in

corporate giving and sponsorships, and indirectly by backing capacity building actions, like the one we were engaged with in Egypt, through a partnership with the American University of Cairo and the Politecnico di Milano to create energy and sustainable development skills in the country.

Referring to respect and valorisation of people and communities, an initiative to raise awareness against gender "stereotypes" was started for all employees, as also the launch of the Wellness@work programme with which the company focuses its attention on creating a work environment that fosters the well-being of its employees by improving their health and lifestyles, as well as by raising their awareness of proper nutrition and physical activity. Play, the corporate sportive association, was also established in 2015. Its objective is to draw all association members around the positive values of sport.

New important challenges lie in store for us in 2016. We intend to take on them by continuing to work in order to anticipate the market and regulatory changes while improving our expertise and strengthening our position on the final and energy services market. All this while keeping ourselves flexible and reactive, protecting the value of the investments made and always acting in accordance with the principles of corporate responsibility, something that has distinguished us for more than 130 years.

Marc Benayoun
CEO Edison



EDISON'S PROFILE

Provide energy and services by building a network of communities and individuals: Edison portrays a history of tradition and innovation with the ambition to continue to create value and development in the areas in which it operates.

Edison is the **oldest electricity company in Europe**: it has been producing electricity since 1884 and has supplied gas to households since 1931. Today it is part of EDF (Electricité de France Group) and is active in the sectors of procurement, production and sale of electricity, gas and crude oil, as well as operating on the wholesale electric power and gas markets.

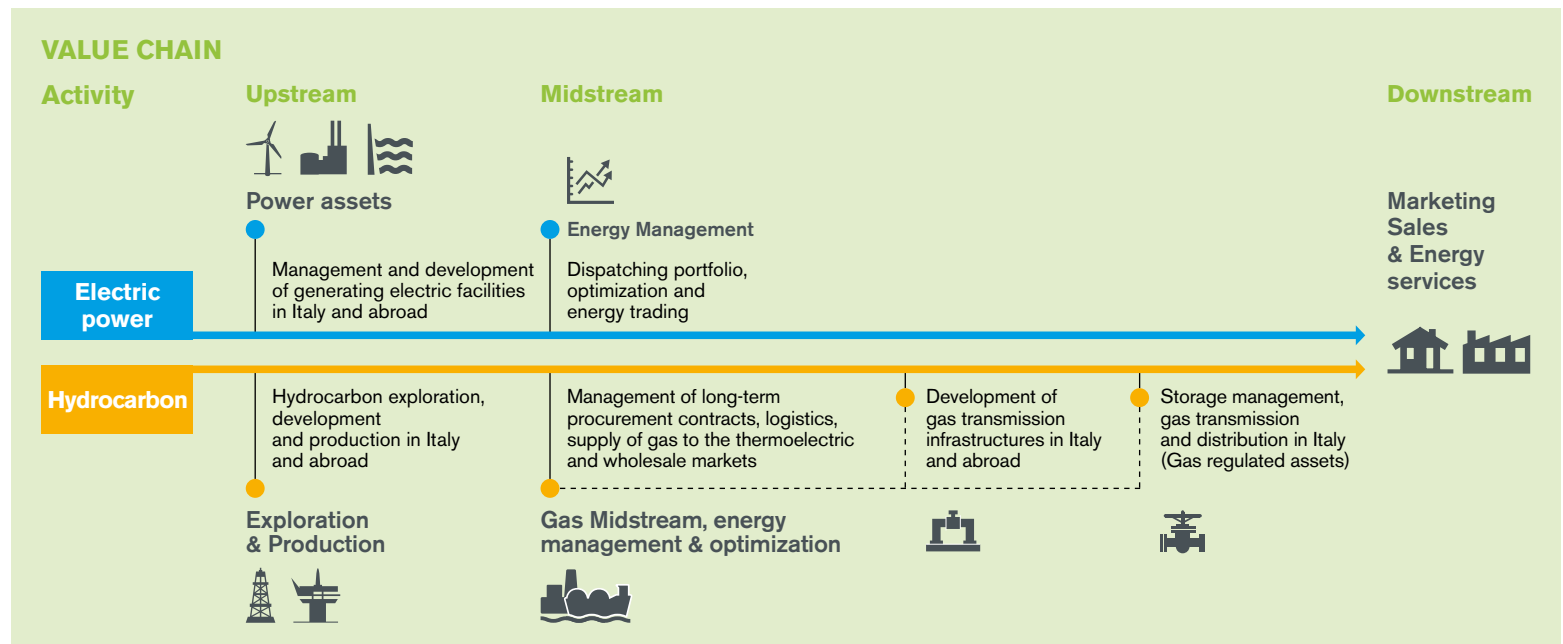
Edison's activities are carried out in more than 10 countries worldwide thanks to over 3,000 individuals and an **efficient and diversified production capacity**, which comprises

combined-cycle gas, hydroelectric, wind, solar and biomass plants. Thanks to the investment in E2i, it has contributed towards the creation of the third Italian operator in the renewable energy sector in. In Italy, Edison sells electric power and natural gas to around one million, two hundred thousand business and residential customers, along with innovative energy efficiency services and solutions.

Edison is involved in the **exploration and production of hydrocarbons** in Italy, northern Europe, the Middle East, South America and Africa,

thanks to more than 100 concessions and permits to explore and produce natural gas and crude oil. It promotes infrastructural projects for importing gas, which encourage the diversification of the routes and procurement sources for Italy and Europe.

It controls dedicated companies which operate in **regulated natural gas activities**, in particular, management of the three gas storage concessions for the Cellino, Collalto and San Potito and Cotignola fields and management of the Cavarzere-Minerbio gas pipeline which connects to the Rovigo regasification terminal.



Business areas

Electric power sector

- Edison is one of the leading operators in the production and sale of electric power in Italy and Greece.
- In Italy, the electric power capacity is currently composed of 48 hydroelectric power plants, 19 thermoelectric power plants, 35 wind farms, 9 photovoltaic plants and 1 biomass plant. In Greece, Edison's presence has been consolidated by means of Elpedison, a joint venture with Hellenic Petroleum, which owns two important combined-cycle plants in Thessaloniki (390 MW) and Thisvi (410 MW).
- The Edison business model envisages a separation between the generation activities (thermoelectric and renewable), the sales to the end market (business and retail),

the proprietary trading activities and the purchase-sales activities on wholesale markets, so as to ensure diversification and risk hedging policies, optimising the portfolios and maximising the profitability.

- During 2015, production in Italy increased by the 4,9% , in particular due to the sharp increase in thermoelectric generation which offsets the drop in hydroelectric production (-31.8%). Wind production and that from other renewable sources increased by the (+9%).
- Sales to end customers decreased by 16,2%, due to a general reduction in the volume sold to Business customers and Public Administration Authorities and due to a greater selectivity vis-à-vis the residential segment.
- Thanks to the strengthening of the co-operation between Edison and Fenice, the Group has the

objective of becoming a key operator in the Italian energy services market, enhancing and diversifying its range.

Hydrocarbon sector

- Edison has an integrated presence in the hydrocarbons production sector, from production to importation, distribution, storage and sales of natural gas and crude oil. Thanks to its experience, its particular competitive positioning and its favourable geographic location in terms of energy flows, it is called on to develop the natural gas business for the EDF Group.
- The exploration and production activities are distributed between Italy and abroad (Egypt, Norway, Algeria, the UK and the Falkland Islands, Greece, Croatia, Israel, the United Arab Emirates), where Edison is recognised by

ELECTRIC POWER SECTOR

Italian market and Edison sales 2015

315.2	TWh	Total gross demand Italy
270.7	TWh	Electric power production in Italy
180.9	TWh	Thermoelectric production in Italy
89.8	TWh	Renewable energy sources production in Italy
89.4	TWh	Total uses Edison
17.1	TWh	Edison end consumer sales
72.3	TWh	Other sales (Wholesalers, IPEX)

Facilities and production capacity 2015

114		Production plants
7.0	GW	Net installed power Edison
18.5	TWh	Edison group electric power production in Italy
14.1	TWh	Thermoelectric production
3.4	TWh	Hydroelectric production
1.0	TWh	Wind and other renewable energy sources production
6.8	%	Edison production quota on total Italy production
71	TWh	Other purchases (Wholesalers, IPEX)

the pertinent national authorities as a qualified operator, on the basis of scrupulous analysis of financial soundness, environmental respect and great technical expertise.

The activities currently include 60 concessions and exploration permits in Italy (of which 23 as operator) and 66 abroad (of which 15 as operator), for a total of 239 gas wells and 76 oil wells in production. Storage activities involve 3 fields and 42 wells.

- Edison has hydrocarbon reserves amounting to 42 billion cubic metres, partly thanks to the acquisition in 2015 of the investments in the Scott and Telford oil fields in the North Sea.
- It can count on 4 long-term contracts for the import of natural gas from production areas (Qatar, Libya, Algeria and Russia) which ensures the diversification of supply sources.
- In order to enhance diversification and safety

of the European gas supplies, Edison is involved in the designing and planning of a number of infrastructures for importing gas, and particularly IGI Poseidon, a company 50% owned by Edison, involved in the development of various projects to connect Greece and Italy (IGI), Greece and Bulgaria (IGB, under 50% partnership with Bulgaria) and Cyprus with Greece (EastMed), in addition to Galsi, destined to connect Italy and Algeria, and in which Edison holds an investment of 23.5%.

- The additional sales (+32.7% of the quantities with respect to 2014) were covered thanks to gas imports and to other purchases on the Italian market. Total gas production (Italy and other countries) fell 7%, in the presence of an increase of 4.6% in crude oil production.
- Capital expenditure in 2015 totalled 340 million euros. In Italy, the main investments

concerned the activities for the development of the Clara north-west field, the development of activities for the Ibleo offshore project, the development of activities (workover of several wells) in the Vega A field.

In other countries, investments concerned the Egyptian Abu Qir concession for asset upgrades, for the workover of 2 wells and for the construction of the new NAQ PIII platform, the Norwegian Zidane concession and activities for the creation of the Polarled pipeline which will connect Zidane to the mainland, and development of the Reggane concession in Algeria. In the UK, Edison invested in the acquisition of the investments in the Scott and Telford fields and in the development of activities on these fields. Investments were also made in exploration for around 139 million euros.

HYDROCARBON SECTOR

Italian market and Edison sales 2015

66.9	Bn. cubic metres	Total requirement in Italy
60.8	Bn. cubic metres	Total imports Italy
6.5	Bn. cubic metres	Italy production
17.6	Bn. cubic metres	Edison sales
12.7	Bn. cubic metres	Edison imports
21	%	Edison import quota on total Italy imports
3,580	Gas network Km	(low- and medium-pressure gas pipelines)
80	Gas network Km	Rete gas (high-pressure gas pipelines)

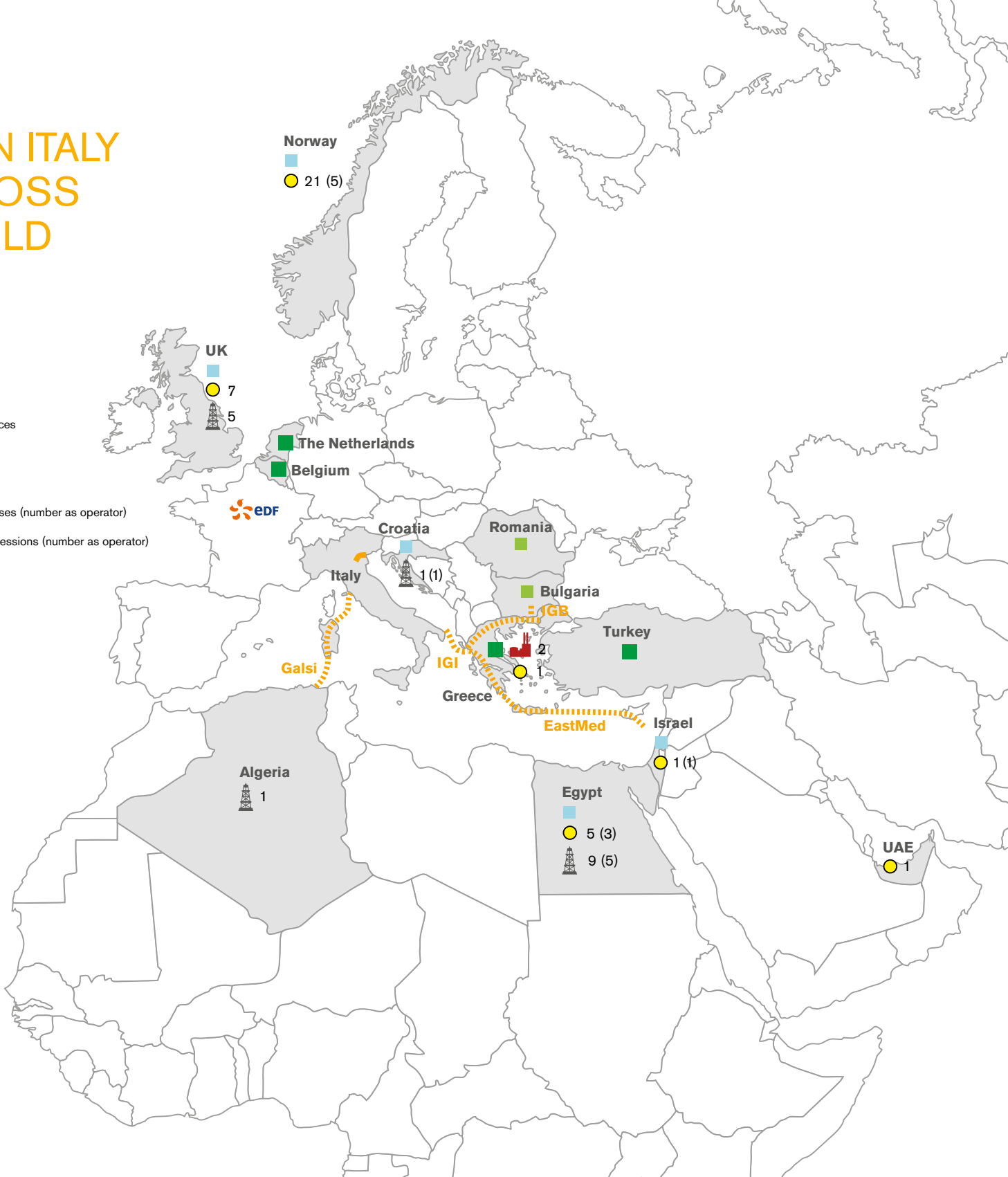
Facilities and production capacity 2015

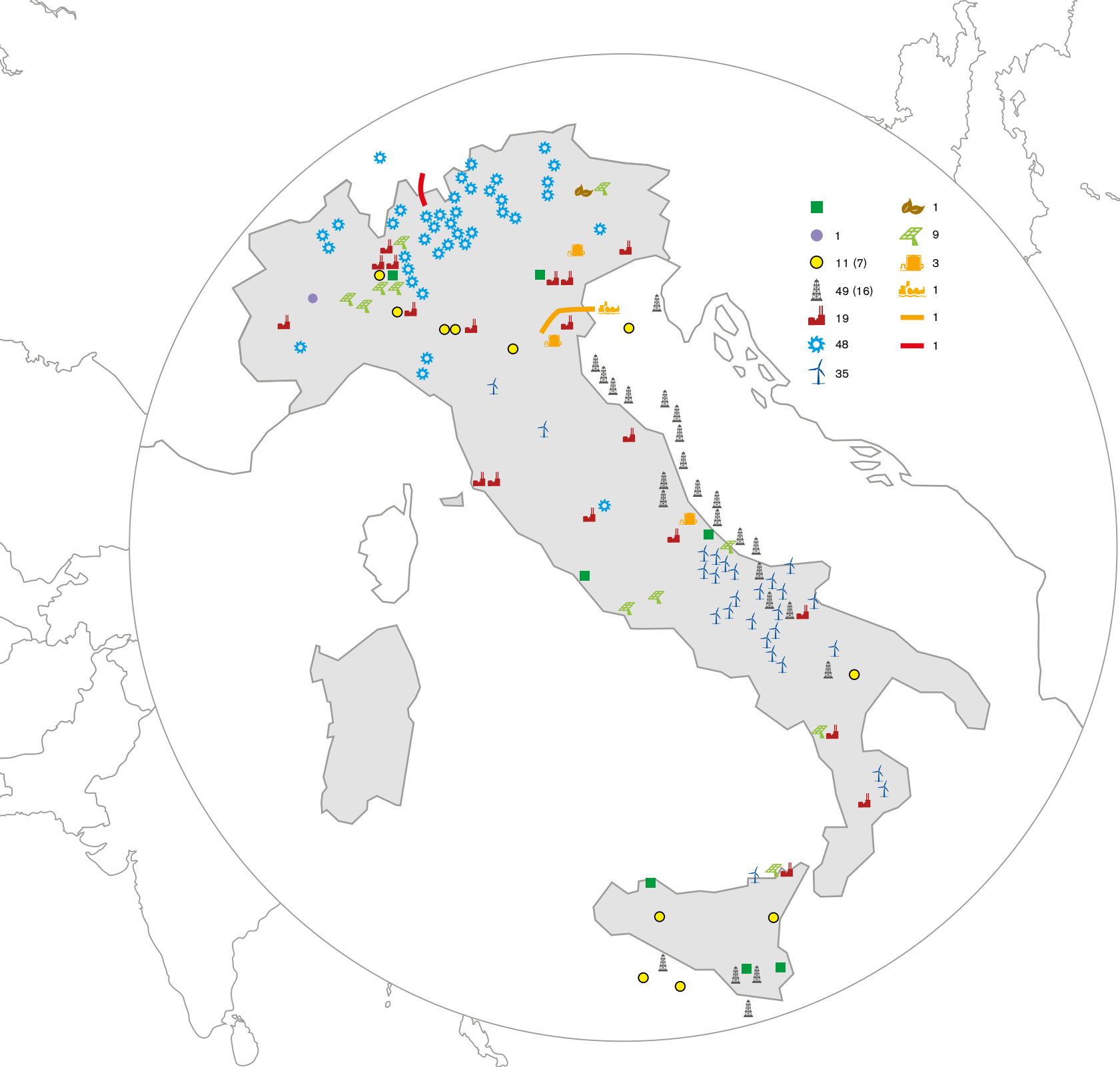
257.5	Mboe	Hydrocarbon reserves
0.5	Bn. cubic metres	Gas production - Edison Italy (*)
1.5	Bn. cubic metres	Gas production - Edison in other countries
2.5	Mboe	Oil production – Edison Italy
1.8	Mboe	Oil production – Edison abroad
60		Concessions and permits in Italy
66		Concessions and permits in other countries

(*) Includes the production of the Izabela concession in Croatia imported in Italy.

ASSETS IN ITALY AND ACROSS THE WORLD

- Edison locations and offices
- Hydrocarbon branches and offices
- Trading branches
- R&D center
- Hydrocarbon exploration licenses (number as operator)
- Hydrocarbon production concessions (number as operator)
- Thermoelectric power plants
- Centrali idroelettriche
- Wind farms (through E2i)
- Biomass power plant
- Photovoltaic systems
- Gas storage centers
- LNG terminal
- Merchant line
- Existing gas pipeline
- Planned gas pipeline





RELATIONS WITH EDF AND SUSTAINABILITY OF THE BUSINESS

As from May 2012, Edison has been a subsidiary of the Electricité de France Group, a European leader in the electric power sector: with 97.40% of Edison's share capital, **EDF, through Edison, intends to strengthen its presence in Italy, one of the strategic countries for the group, developing the activities linked to gas and expanding in the Mediterranean area.**

The Italian energy market is in fact of great strategic interest to EDF due to its importance in the European electric power and gas markets and its geographic positioning connecting the markets of Northern Europe and those of the Mediterranean.

EDF is a leader in the European energy market, active in all business sectors: production, transportation, distribution and sales: leading producer of electricity in the continent, in France it avails of production systems for 140GW mainly nuclear and hydroelectric. It manages over 1,000,000 km of overhead and underground medium and low voltage power lines and approximately 100,000 km of high and very high voltage lines. It is listed on the Paris Stock Exchange.

Forming part of the EDF Group does not only translate into business aspects, linked to the complementary nature, integration and development of the activities, **but in a wider sharing of sustainability and innovation culture** and the strategic objective of being recognised by customers and end consumers as reliable suppliers of clean energy at accessible costs.

During 2015, EDF launched its **CAP 2030 long-term strategy** aimed at meeting the challenges of the energy market and the digitalisation of the economy: Italy was the first country in which the strategy has been presented and discussed with top management, bearing witness to the strategic nature of the country for the Group.

CAP 2030 sets itself the aim of achieving 40 million customers, by means of a low CO₂ emission electricity generation capacity and the contribution of a highly competent team. Being an efficient, responsible company and champion for low environmental impact, the growth means committing oneself for the future accepting all the challenges.

In order to achieve this objective, EDF will play on three fundamental aspects:

- the central nature of the customer by means of the creation of new, competitive and

decentralised solutions, new customised energy services and smart networks;

- a low CO₂ content energy production mix, focusing on the development of renewable energies;
- the development of the business at international level towards new geographic areas, developing low CO₂ content solutions in developing countries and consolidating the position acquired in Europe.

Thanks to the integrated presence in gas and electric power supply chain, the distinctive skills and a contained level of debt, Edison is well placed to seize the opportunities generated by the changes in the market and support the growth, in line with the CAP 2030 priorities and with the Italian energy policy. Edison therefore intends to play an active role in the process to consolidate the Italian market, also acting as catalyst for EDF's presence in the country.



THE CAP 2030 PROJECT IN ITALY

Edison has supported the Group in the communication of CAP 2030: in September, Edison hosted the meeting for its presentation to management in Foro Buonaparte. Italy was the first country, after France, in which the guidelines of the project were presented, a project which will be operative in all the Group companies worldwide.

The new strategic plan unites many of the Sustainable Development Goals launched by the United Nations. Specifically, it furthers the promotion of policies aimed at the development of the production activities, entrepreneurship, creativity and innovation and, furthermore, encourages industrialisation, presence and activities in less developed countries.

THE VALUE CREATION MODEL

In coherence with CAP 2030, Edison's strategy envisages **significantly strengthening its presence close to the customers and territories** thereby managing to **re-balance the portfolio of activities** currently targeted more on production of gas and of electric power.

Playing on the strong positioning of its brand, the company aims to increase the sales of electricity and gas to residential customers and SMEs and maintaining the leadership position in the segment of industrial customers, offering competitive energy and developing an approach aimed at the promotion of efficiency and an informed use of energy. On a parallel, significant events are envisaged for continuing to introduce innovation in the activities and relations with the customers.

Within the sphere of electricity generation, the company aims to optimise its installation portfolio refocusing the thermoelectric generation capacity on more efficient installations and increasing the production of renewable energy. Selective investments are considered in hydroelectric and wind generation, also adopting innovative business models.

With regard to the gas sector, Edison intends to play on its experience and credibility, as well as on the intercompany synergies (in particular on certain aspects, such as LNG) so as to contribute towards the development of new import routes for gas supplies and to ensure the safety of the procurements. In the E&P sector, the company intends to formulate its activities by pursuing selective development integrating the

electric power and gas activities throughout the value chain, focusing efforts in Italy and Egypt and rationalising the presence in other countries at the same time in line with the Group strategy.

The business model aims to **create long-term value for all the stakeholder categories** by means of the achievement of the objectives of profitability and growth, the operating excellence and the management of the business risk, the protection of the environment and the promotion of the communities in which Edison operates, as well as via the safeguarding of the health and

safety of people and the respect of human rights, ethics and accountability. Considering the role of strategic operator in the systems in which it operates, the company pays great attention to generated impacts, aware of its role in the support of the energy economy of the countries and the communities.

Accordingly, Edison allocates, amends and uses the various forms of capital, classified in accordance with the principles contained in the "The International IR Framework" published by the International Integrated Reporting Council (IIRC):

Type of Capital	Description	Significance for the business model
Financial	It is determined by the capital endowment and by the liquidity reserves, by the net equity and the debt capital tracked down on financial markets and via EDF intercompany loans.	It is the fundamental input for ensuring the operating of the plants, achieving the investments and developing the business.
Production-related	This essentially comprises the production and operating assets (hydrocarbon exploration licences and production concessions, plants, support infrastructures, storage centres).	It is the material capital which enables the generation capacity of the products and services which Edison places on the market.
Intellectual	This is the know-how, the management tools, risk management and control, as well the technical and technological abilities and the R&D assets.	It is the immaterial capital based on knowledge and therefore partly distinctive.
Human	Culture and values, experience and professionalism of those which operate within the company at all levels.	It is the capital linked to the human resources which accompanies the dynamics for the transformation of the business model and is in turn affected by the same.
Relational	This translates into the ability to dialogue with the stakeholders and in particular with the areas of reference so as to endow the "plants with citizenship", it includes image and reputation on the market and in the company and the intercompany synergies.	It is the capital which ensures the participation of the stakeholders who are fundamental for the creation of value. It is affected by the good standing and integrity of the conduct, the safety of the operations, the soundness of the Group.
Natural	This takes on the form of presence throughout the area by means of the impact and the external effects generated in particular during the O&M of the infrastructures and includes the natural resources and the biodiversity, the hydrocarbon reserves.	It is the capital which is preserved by means of efficient environmental management and is found in all the main business activities.

Financial results and distribution of added value

2015 closed for Edison with sales proceeds of 11,313 million euros, down 8.2% with respect to the previous year.

The drop in revenues is due to the lower volumes sold as well as the lower average sales prices in the electric power sector (the electric power revenues decreased by 16.9% compared with 2014 and amounted to 6,529 million euros); this effect was partly mitigated by the positive performance of the gas sector revenues, whose sales in 2015 came to

FINANCIAL HIGHLIGHTS

In millions of euros	2015	2014	% difference
Sale proceeds	11,313	12,325	(8.2%)
Gross operating margin	1,261	814	54.9%
Operating profit	(795)	292	<i>n.s.</i>
Group net result	(980)	40	<i>n.s.</i>

5,512 million euros, up 6.7% compared to 2014, thanks to the increases in volumes sold which more than offset the decrease, again in this segment, of the average sales prices which reflects the

downwards trend of the oil scenario.

The gross operating margin reported an increase of 447 million euros and amounted to 1,261 million euros, thanks to the positive outcome of the last

MARKET SCENARIO

2015 was characterised by a global pick-up which continued with a struggle and in a rather irregular manner among the various areas: the re-launch of the United States and the slow recovery of the Eurozone were offset by the slowdown of the emerging economies and the return of Japan to recession. Italy closed 2015 with a satisfactory pick-up in internal consumption and investments, an effect which also continued in the first few months of 2016. Further to the Stability law, which from a tax-related standpoint facilitates businesses, encouraging investments in machinery and operating assets, the expectations for 2016 thus rose. Household spending is expanding mainly due to the general improvement in employment figures, especially in the service sector.

With regard to the electric power sector, gross demand in Italy rose 1.5% (1.3% in de-calendarised terms). National production covered 85%, increasing in total 1.6 TWh, and saw an increase

in thermoelectric production (+8.3%) and in renewable sources (+6.1%) - in particular photovoltaic and geothermal - in the presence of a decrease of 24.9% in hydroelectric production, particularly high in 2014, and wind production (-3.3%). The net import balance rose 6.1% while the pumped consumption fell by a fifth. The Malta-Sicily (200 MW) interconnection long-distance power line came onto stream during the year.

The gas market reported an increase in demand for natural gas of 9.1% compared with the previous year, coming to around 66.9 billion cubic metres. Demand was influenced positively by the growth in non-industrial consumption and the consumption of the power plants essentially due to favourable climatic factors. Hydroelectric production slightly lower than the average also weighed in. A slight drop in the industrial sector can be observed (-3% on 2014).

arbitration proceedings for the supply of gas, as also the plan for the reduction of the operating costs which last year decreased by 12%, scope being the same. Such phenomena made it possible to absorb the impact on the margins deriving from the drop in oil prices, the decrease of the margins from thermoelectric generation, and the fall in water availability with respect to the exceptional level of 2014.

The cash flow was also positive, over 600 million euros in 2015, having benefited from the positive management of the operational working capital carried out during the year, which contributes to the group's financial soundness (Debt/EBITDA ratio close to 1). The forecast market scenario, with reference to both Brent and electric power and gas prices, however imposed non-recurrent writedowns for 1,534 million euros in order to align the assets with the low profitability conditions of the energy markets. A negative net group result thus emerges for 980 million euros.

Since 2010, due to the difficult situation of the gas market, Edison has requested its suppliers adjustments to the contractual conditions, under the form of reviews of the long-term governing contracts. Edison's result for 2015 was in fact affected by the outcome of the arbitration award in the proceedings between Edison and ENI regarding the **review of the long-term contract price** for the supply of natural gas from Libya: the Court of Arbitration upheld the request for the price review formulated by Edison in 2012,

ADDED VALUE				
	2014		2015	
	MEuros	%	MEuros	%
Economic Value Generated by the Group	12,838	100.00	12,466	100.00
Total proceeds	12,580	97.99	12,117	97.20
Financial income	258	2.01	349	2.80
Economic Value Distributed by the Group	11,964	93.19	11,194	89.80
Operating expenses	11,122	86.63	10,303	82.65
Compensation of employees	221	1.72	232	1.86
Compensation of lenders and shareholders	336	2.62	416	3.34
Compensation of the public administration authorities	282	2.20	240	1.93
Charitable contributions and sponsorships	3	0.02	3	0.02
Economic Value Retained by the Group	874	6.81	1,272	10.20
Depreciation, amortisation and writedowns	761	5.93	2,194	17.60
Provisions and reserves	113	0.88	-922	-7.40

for a retroactive value of around 1 billion euros, with a positive impact on the EBITDA of 855 million euros mainly attributable to previous years. The company thus fully demonstrated its ability to manage the business profitably.

Other significant events during the 2015 Management period for Edison included:

- the review of the gas supply price in Egypt, vis-à-vis EGPC (Egyptian General Petroleum Corporation) making it more independent from the listed oil prices;
- the development of hydroelectricity via new agreements and projects. Specifically, the exchange between the minority holdings in Alto Adige and the new concession in Friuli, and the developments in the mini-hydroelectric plant on the Adda (Maleo acquisition, 3MW, and development of Pizzighettone, 4.5MW);
- the strengthening of its presence in the North Sea, in the UK, with the acquisition of investments in the Scott (10.5%) and Telford (15.7%) oil fields.

THE IMPORTANCE OF THE GOVERNANCE MODEL

The achievement of the sustainable growth objectives also passes via a series of rules which permit the stable control and management of the company and, at the same time, enhance the mechanisms for the involvement of senior management, the shareholders and all the stakeholders.

The **Edison corporate governance model** reflects the sustainable growth model which the Group pursues and has been designed, in line with the strategic approaches, to contribute to the achievement of commercial results and to maintain the confidence of stakeholders high. Particular attention is paid to the prevention of conflicts of interest, especially by virtue of the control undertaken by EDF over the company.

Edison's **governance structure** complies with the indications in the self-regulation code promoted by the Italian Stock Exchange, and is made up of the following governing bodies:

- Shareholders' meeting;
- Board of Directors (which operates via executive directors and directors who have representational powers and is supported by advisory committees for Control and Risks, Compensation and Independent directors);
- Board of statutory auditors;
- Independent auditing company;
- 231 Supervisory Body.

During 2015, Edison's Board of Directors co-opted Marc Benayoun to replace the outgoing Denis Lépée; **Marc Benayoun was appointed Chief Executive Officer** of the company as from 1 January 2016, in replacement of Bruno Lescoeur who maintained full powers of attorney until that date.

In order to support the traditional governance structure, Edison has also equipped itself with an Executive Committee (**Comex**) led by the CEO and made up of Divisional heads representing the various areas of business, Managerial committees in support of senior management and the Internal Auditing Team depending directly on the Board of Directors.

The Comex works together with the **Corporate Social Responsibility unit** (CSR) which shares with the Committee the main sustainability projects and the results achieved, implementing the indications received. For the purpose of integrating the sustainability goals in Edison operations and strategy in an increasingly structured manner, the CSR unit supports various Divisions and Business Units, thereby contributing towards defining actions and plans consistent with the Group strategy. For a more extensive and transparent accountability of its activities, it annually drafts the Sustainability Report: approved with regard to the key points

by the BoD, it is then sent out to both the shareholders during general meeting and to all the stakeholders via the website.

At the end of 2015, the CSR unit launched a project to formalize the already active internal network of focal points of the corporate sustainability, with the aim of developing individual contribution and making the structure of contacts of the various Business Units and Divisions stable. The activities of this structured network of focal points will make it possible to more consistently and effectively support the sustainable development of Edison's activities, increase the commitment of all the company members and strengthen the integration process of the environment and social aspects in the core activities.

Internal control and risk management system

Edison's internal control and risk management system is composed of a structured and organic set of rules, procedures and organisational structures to prevent or limit the impact of unexpected results and to allow the Company to achieve its strategic and operational objectives (i.e. the consistency of activities with objectives, the effectiveness and efficiency of activities, and

THE FORMATION OF THE CODE OF ETHICS

During the year, an important campaign was launched to raise awareness and inform about the company Code of Ethics, addressing all the employees. Achieved by means of an on-line training course designed taking into account the experiences of Edison employees – from the managers to the employees – it has been focused on the company values, ethics, the rules of conduct when handling business, work and protection/development of the employees.

The course opens with a precise reference by the CEO to the respect of human rights, workers rights, protection of the environment and the 10 Global Impact principles of the United Nations, which the Edison Code of Ethics incarnates. To-date, the on-line course has been completed by more than half the Edison employees (more than 1,000 individuals) and a class-room seminar was created to supplement it with the contribution of the managers and outside professionals.

the protection of corporate assets), ensure their compliance with applicable laws and regulations, and provide fair and transparent disclosures both internally and towards the market (reporting). Such a system permeates the entire Company and involves different people with specific roles and responsibilities.

The Code of Ethics and Organisational Model pursuant to Leg. Dec. 231/01 (Model 231) form the basis of Edison's internal control and risk management systems.

In September 2003 Edison approved its Code of Ethics, in line with the best international practices, which defines the principles and values underlying the corporate ethics, as well as rules of conduct and related implementation regulations for a sustainable management of the business.

The **Code of Ethics** was forwarded to and also approved by the subsidiary companies: it is binding for all Group collaborators (directors, employees and anyone who acts in the Company's name by virtue of special proxies or powers of attorney), i.e. anyone who, for any reason and irrespective of the nature of the contractual relationship, contributes to the achievement of the Company's purposes and objectives. It is delivered to all of the Company's employees and collaborators.

The Code of Ethics, an integral and established part of the Model 231, has been subject to periodic reviews and updates for the purpose, amongst other things, of reinforcing the principle of so-called "zero tolerance" towards fraud and corruption, also via explicit reference to the contents of the United Nations Global Compact

that Edison strives to promote and support. The ten principles of Global Compact on human rights, job protection, environmental protection and the fight against corruption are therefore already an integral part of the organizational culture of the Group and the daily operations, representing section IV of the Code.

The **Model 231** is a series of general principles, rules of conduct, control tools, administrative procedures, training and information programmes and disciplinary systems, designed to guarantee, as far as is possible, the prevention of illegal offences and the company's subsequent administrative responsibility. Adopted by Edison in July 2004, it has been structured following detailed analysis of company activities to identify those that are potentially at risk. Over the years, it has been constantly updated both to take into account the numerous types of offences which over time have extended the catalogue of the predicate offences for 231/2001 purposes, and for assimilating the necessary adjustments in relation to the organisational changes which have taken place over the years.

According to a logic of continual updating, activities continued in 2015 for the review of Model 231 and the related behavioural protocols, for the purpose of assimilating new and additional control safeguards, also in the anti-fraud and anti-corruption sphere, set up further to the introduction, in particular, of the new "Self-laundering" offence.

Assessment activities also continued, making it possible to identify the areas most at risk of fraud and the organisation of a Fraud Risk Assessment model for the analysis of the relevance of the risks identified, completing the risks already mapped by the existing systems. During 2015, a series of priority risks was selected, on the basis of the relevance assigned to the same, on which activities for the mapping of the existing anti-fraud controls and assessment of their effectiveness were successfully carried out, leading to the proposal of certain action plans aimed at enhancing the existing controls. The thus defined Action Plans, which will have to be developed during 2016, may represent the basis on which to schedule audit measures in the future targeted to the most critical and sensitive areas, and thereby extend the activities also in regard to Fraud prevention and Fraud detection.

In the anti-corruption sphere, Edison's Board of Directors adopted, in May 2015, specific **"Anti-corruption Guidelines"**: thanks to the introduction of this instrument, Edison wishes to strengthen the prevention of risks related to corruption offences within the sphere of the operations of the foreign subsidiaries, for which the adoption of Model 231 is not envisaged. The Guidelines fall within the more extensive policy of Edison which proposes to highlight a position of total refusal of any type of corruption and opposition against any type of similar conduct, with particular regard to the activities carried out

INTERNAL AUDIT ACTIVITIES

	Unit of measurement	2013	2014	2015
Total number of audits carried out for each managerial area				
- of which Corporate & IT	No.	10	11	11
- of which Exploration & Production	No.	2	3	5
- of which Gas Midstream, Energy Management & Optimisation	No.	4	3	2
- of which Power Asset Management	No.	1	1	2
- of which Marketing, Sales & Energy Services	No.	3	4	4
Total	No.	20	22	24

abroad. With regard to the companies operating in Italy, in fact, the Guidelines supplement Model 231. The Anti-corruption Guidelines, like the Code of Ethics and the general section of Model 231, are published on the company website: they contribute towards providing both to Edison employees and those who, in any role, contribute towards the company objectives, a systematic framework of the principles and the norms which must always be observed for the purpose of preventing acts of corruption in the areas with greater exposure to risk.

The **Supervisory Body** (SB), elected by the Board of Directors, is responsible for ensuring that Model 231 functions effectively and is kept up to date and for this reason reports half-yearly to the Board of Directors and the Board of Statutory Auditors.

Compliance with the Code of Ethics and Model 231 is monitored by means of a special **procedure for reporting potential violations and internal audits** that cover all corporate areas, also environmental and workers' health and safety aspects.

During 2015, a project was launched aimed at enhancing the method for reporting to the SB by means of the development of a reporting platform (so-called whistleblowing) accessible from the company website, capable - once fully up and running - of ensuring an improved efficacy in the handling of the same, and at the same time of protecting the anonymity of the reporter. Together with the launch of the new platform, the organisation of training and awareness-raising meetings is also envisaged, without which these systems risk being less effective.

Enterprise Risk Management

Edison has developed an in-house integrated risk management model based on the international principles of Enterprise Risk Management (ERM), in particular the CoSO framework (Committee of Sponsoring Organizations of the Treadway Commission), whose main purpose is to adopt a systematic approach in identifying the priority risks for the company, which makes it possible to assess in advance their potential negative effects and to undertake the appropriate mitigating actions.

For this purpose, Edison has equipped itself with a **risk mapping and risk scoring method**, which assigns a relevance index to the risk in relation to the assessment of its overall impact, probability of occurrence and level of control, and a Business Risk Model, developed on the basis of the best sector and international

practices, which includes the various types of risk characterising the business in which the Group operates in an integrated framework.

These aspects can be divided up into:

- risks linked to the outside environment, dependent on market conditions and the competitive environment, as well as on the evolution of the political, legislative and regulatory context;
- operating risks, linked to the business management processes, structures and systems, in particular with reference to the production and marketing activities;
- strategic risks, relating to the definition and implementation of the strategic policies of the Company.

In detail, with the co-ordination of the Risk Office, the heads of the various company divisions identify the pertinent risks through a **Risk Self Assessment process**, providing initial indication about the mitigation actions associated with the



same. The results of this process are successfully consolidated at central level in a mapping in which the risks are prioritised in relation to the scoring which emerged and aggregated in order to further the co-ordination of the mitigation plans in the perspective of an integrated management of the risks.

The results of the ERM process are subject to periodic structured reporting by Management, which evaluates the suitability of the risk profile adopted in relation to the predetermined business objectives and the effectiveness of the control and mitigation measures adopted. Specifically, the main aspects of risk to which Edison is exposed are outlined in the 'Risks and uncertainties' chapter of the management report and in the explanatory notes to the consolidated financial statements, where further information can be found.

CSR ASPECTS IN RISK ASSESSMENT

Within the sphere of identification of the risks characterising the business of the company, and in particular in the assessment of the risk profile associated with new ventures, both in Italy and abroad, the aspects related to sustainable development, including environmental and health and safety issues, are analysed and

dealt within in the investment projects, with respect to which they are important decision-making drivers.

This is achieved by the direct involvement of the Corporate Social Responsibility unit, which takes part in the assessment of the environmental and social impacts of the projects.

THE INTEGRATION OF SUSTAINABILITY AND THE NEW FRONTIER FOR GROWTH



EDISON AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

On 25 September 2015, the United Nations Organisation (UNO) finally adopted a new series of Sustainable Development Goals (SDGs), officially launched the following day during the Private Sector Forum held in New York.

Via the SDGs, which will shape the agenda of global development from now until 2030, the United Nations invited businesses to use creativity and innovation in order to deal with the challenges of sustainable development, such as poverty, equal opportunities, clean water, clean energy and climate change.

Within the sphere of the Private Sector Forum, a new tool was also presented supporting business in developing a new strategic approach to the SDGs and contributing towards the sustainable development via the core business.

The SDG Compass was developed together with the Global Reporting Initiative - GRI, the Global Compact of the United Nations and the World Business Council for Sustainable

Development (WBCSD) and will help businesses of any size to align their strategies with the pertinent SDGs according to the sector and the type of activity. The tool will therefore make it possible for companies to gauge and handle their impact.

Even if all 193 member countries of the United Nations have reached an agreement on the SDGs, the pursuit of new objectives is based on the action which will be implemented by all the players involved and by collaboration initiatives which will be activated between them. On the basis of these premises, during the year Edison launched a process for “coherence implementation” and progressive alignment of its sustainability practices with the goals and targets envisaged by the international initiative.

At the beginning of each section of this document, the main actions implemented by the company having an impact on its operations and, at the same time, being capable to offer a contribution towards the achievement of the SDGs, are summarised..

For Edison, **corporate social responsibility is an extended governance model of the organisation**, on the basis of which whoever governs it has responsibilities which are not limited to trust-related duties with regard to the ownership/shareholder but extend to attention with regard to the various stakeholders, first and foremost the employees, for a correct perception of the company from various standpoints.

Trust is built through daily activities in conditions of communication, involvement and transparency in management to foster consistency between what is declared and what is done.

Edison interprets social responsibility also as a competitive lever: a good portion of the sustainability measures are effective if they enhance the competitive advantage.

By means of its social responsibility practices, Edison intends to:

- further the integration of the sustainable development of the business;
- support its “licence to operate” and its positioning as “citizen”, responsible and innovative (for the Italian market and the stakeholders);
- support the industrial development and production activities;
- be competitive on the market;

- report risks and business opportunities which emerge from the Italian and international context;
- improve the dialogue with the local communities and the acceptability of the plants;
- increase awareness within the company with regard to sustainability aspects.

In this regard, Edison has relaunched its approach to sustainability, redesigning it to be increasingly integrated with the business, embracing the topic of shared value, namely initiating discussions and processes to create economic value while at the same time meeting social needs.

Materiality and engagement

Edison's strategic approach to sustainability is consistent with its industrial background and business culture. It is based on the belief that an energy company's role in society must not be limited to supplying services and products to create economic value.

Edison's goal is to become the pivot of a broader network composed of various parties with which it has relations, promoting an ecosystem open to the settings in which it operates. The feedback from the various stakeholders contributes towards generating a value which exceeds the mere economic value: the social value.

In this sense, the current historic and market phase is an important occasion for Edison to speed up the change and relaunch the sustainability activities. One of the most important activities which Edison developing within its process is the **structured dialogue with its stakeholders**. "Stakeholder engagement" therefore takes on the form of systematic feedback activities and involvement of the stakeholders of the company with regard to significant aspects, inherent to sustainability. This activity is carried out to improve quality of the relationships with communities and the market, acknowledging the requests, checking the state of alignment between strategic objectives and reference context as well as the positioning of the same with respect to the reputational and strategic risks.

Stakeholder engagement activities are also functional for providing a prompt response to the requests expressed in the Guidelines issued by the Global Reporting Initiative (GRI G4) for sustainability reporting, which lay down a high degree of transparency in the materiality analysis processes, or rather the stage of the reporting in which the aspects important for the company and for the stakeholders are identified, on which then the accounting is required to be focused.

The stakeholder engagement cycle, whose results are summarised in this document, was carried out in the period between October and

December 2015, and complies with the following principle aims:

- setting up a systemic safeguard capable of intercepting "in real time" the needs originating from the specific stakeholders, also for the purpose of integrating the sustainability plan and generating new business development opportunities or efficiency processes (e.g. specific products), within a shared value logic;
- activating a mapping of the significant issues from an external standpoint, for the purpose of strengthening the analysis of the materiality and activating a reporting process and a Sustainability Report which is effectively useful;
- preventing the risks [initially reputational, but not only] deriving from the handling of unplanned situations (crisis management) and developing the wealth of relationships which the company has, exploiting it so as to increase the relational capital also with a view to shared value.

The stakeholder engagement activities have followed a structured approach, characterised by the following macro-phases:

- preliminary phase with activities aimed at the identification of the significant aspects on which to set the materiality analysis, or rather the selection of the material aspects subject to engagement;
- identification and mapping of the external stakeholders to be interviewed (subject to justified selection);

- “field” phase in which interviews are carried out with “opinion leader” stakeholders, aimed at seeking useful elements for identifying the material aspects in the Edison-stakeholder relationship and for defining a number of objectives in the perspective of a closer collaboration with the reference stakeholders, which bridge the gap between that expected by Edison and that perceived by the stakeholders.

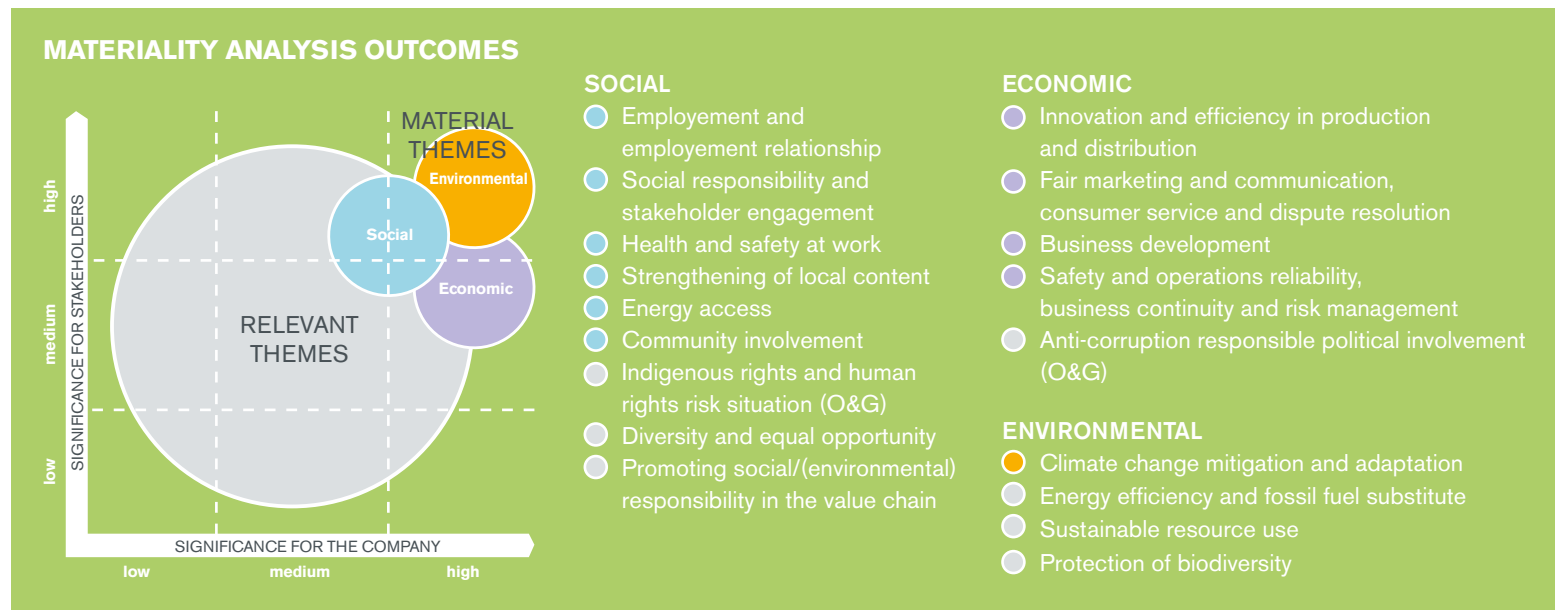
The stakeholder panel has involved parties with senior roles, belonging to the following organisations:

- EBRD
- Global Compact Italia Foundation
- Legambiente
- Movimento Consumatori
- Università Bocconi
- SDSN - Mediterranean
- Kyoto Club

The results of this phase have been processed and supplemented with the assessments made by the desk analysis (which took into consideration both the information and the requests relating to the context in which Edison

operates and the results of a benchmark analysis with principal competitors, as well as the analysis of the press and web review aimed at identifying the matters of greatest interest in the public debate) and the perception of the internal stakeholders, interviewed last year, expression of the company's point of view.

These activities made it possible to achieve the **creation of a materiality matrix**, capable of focusing the priority aspects in a position to impact the business strategy and , at the same time, the expectation of the stakeholders.



In short, the aspects considered to be material for the company, can be summarised and aggregated as follows:

Material aspect	Description
Sustainable energy	The mitigation of the climate changes and the protection of the environment by means of promoting energy efficiency, the innovation in production and distribution and the sustainable use of the resources.
Local content	Responsibility vis-à-vis the individuals and the local communities, so as to make sure that the talent people is strengthened both at national and local level, guaranteeing the health, safety, professional development and spreading of the skills, involving local players.
Customers and customer satisfaction	Correct commercial practices, innovation and quality of the service, supply of an extensive advisory and support service.

Other forms of engagement and dialogue with the stakeholders

On a parallel with the structured dialogue and involvement activities launched with the stakeholder panel, during 2015 there were



other occasions for engagement with various stakeholders inside and outside the company.

For example, by means of the My EDF Survey, Edison employees were able to express the impressions, indications and reflections on the company climate; the employees were all involved and listened to in occasion of numerous initiatives of the Edison Open4Expo programme which saw the participation of representatives from academic circles, businesses, institutions, organisations and

national and local associations, opinion leaders and journalists, and also civil society.

In particular, mention is made of the working groups organised in occasion of the Innovation Week focused on the aspects of energy, digital culture, intelligent communities and social innovation. Experts from different settings took part in workshops to discuss together on the future of innovation in Italy. The starting points which emerged from these debates, together with other suggestions emerging within the

sphere of the programme, have been analysed and organised in the document entitled “Lessons for the Future”.

The debate, during the innovation week, also concerned the world of the school, as a change and innovation driver. Starting off from the experience acquired over the years through the project “Eco-Generation – The School is Friend of Climate”, in collaboration with Legambiente, the players already involved - the so-called scholastic community - including students, parents, local public administration authorities, local organisations - engaged together and with the business world on aspects of sustainable mobility, recycling, energy efficiency and school construction for the purpose of developing the good practices created thanks to the project and boost new and fruitful synergies.

In consideration of the importance of the theme of global sustainability, highlighted by the attention of the United Nations with the issue of the new Sustainable Development Goals, but also emphasised by the EXPO message “Nutrire il Pianeta. Energia per la vita” (Feeding the Planet. Energy for Life), in the months which preceded the twenty-first Conference of Parties, held in Paris at the end of the year, Edison organised three encounters which looked in-depth at the subject of climate changes from various point of views. Experts, institutions,

business, associations, universities and national and international research centres engaged on the impacts and prospects of global warming in relation to the efficient use of the water resource, the Mediterranean context and the geopolitical dynamics.

All the actions carried out by the company divisions in the ordinary activities, by means of participation to networks and national and international think tanks, analysis and surveys, dialogue with specific subjects in conclusion represent occasions for discussion and dialogue with the stakeholders.

A shared value process

Edison has for some time dealt with the subject of corporate sustainability, both for its needs linked to the specific nature of its business, and for the new boost originating from the recent market changes as well as from the competitive scenario. Edison's path towards consolidated leadership in the electric power and gas sector in Italy includes modulation of an innovative approach to sustainability and corporate citizenship. Edison assumes a key role in applying its energies for the development of the communities in which it operates. In a logic of creating value, it transforms into a force for change able to bring a long term vision not only with regard to the economy, but society as a whole.

To reinforce its sustainability strategy, from 2013 Edison has set itself the ambitious goal of maximising the positive benefits of its presence in Italy and in local areas, and consequently, embarking on a path to redefine and strengthen its practices of communication, debate and partnership with the stakeholders, positioning them with an innovative approach that aims to generate shared value.

To this end, **a consideration** was started **focusing on leveraging key assets both tangible**, such as places and technologies, and intangible, consisting of company skills and relational capital. Its purpose is to grasp opportunities in priority.

The theme of shared value is considered as an identifying, before than operational, framework, capable of reinterpreting the contribution of sustainability to the competitiveness of the business.

The actions, an account of which is given on the following pages, centre on the material topics which characterise Edison's activity. Among these topics, particular importance is attached to challenging climate change, relations with local communities and the activities for accessing energy, regarding which the Company has already launched specific projects.

Together for change: the network and the partnerships

Edison has built a **national and international network** entering into contact with the most important multi-stakeholder contexts with the aim of being part of a network so as to strengthen the supervision of sustainability aspects. In this way the company pays the attention to the evolution of the scenarios and actively contributes to the debate relating to the evolution of the requests of the stakeholders.

The main networks Edison is present in include:

UN Global Compact and Global Compact Italia Foundation, of which Edison is a founding member. Involved in promoting a healthy and sustainable global economy, Global Compact today claims the contribution of around 10,000 organisations from around the globe who have joined the initiative launched 16 years ago by the United Nations.

IPIECA (International Petroleum Industry Environmental Conservation Association), is the global association which oversees environmental and social aspects relating to the activities of the oil & gas sector industries. Edison is a member of the same and is on its executive committee.

Politeia for more than 30 years has taken steps to further the analysis of the decision-

making processes in complex and economically advanced societies: Edison is part of the Committee to promote the Forum on Business Ethics and CSR in a Global Economy.

CSR Manager Network Italia is the Italian association which gathers together professionals who deal with sustainability topics in organisations of various kinds.

Sodalitas Foundation carries out activities for the promotion and development of sustainability and corporate social responsibility in Italy, gathering together the experiences of more than 90 companies. Edison is a founding partner.

Centro per la cultura d'impresa is a cultural association founded by the Milan Chamber of Commerce, to develop the historic heritage of the business and the establishment of territorial economic archives. It maintains the Edison photographic Archive. Edison is on its Board.

Consiglio Nazionale dei Consumatori e degli Utenti is the Italian body representative of the associations of consumers and users, chaired by the Minister for Economic Development. Its task is to contribute towards the improvement and strengthening of the position of the consumer/user within the market.

Archivio Nazionale del Cinema d'Impresa, founded in 2006, it carries out activities for the conservation and disclosure of the visual documents created in the most historic Italian companies including more than 300 films on the Edison story.

SDSN MEDITERRANEAN "Sustainable Development Solutions for the Mediterranean Region" is a network of universities, co-ordinated by the University of Siena, and supported by business and civil society organisations, which has set itself the objective of identifying solutions for sustainable development for countries in the Mediterranean.

RES4MED the association was formed in 2012, also thanks to Edison's contribution, with the aim of encouraging the spread of renewable energy in the Mediterranean, above all else involving the area of North Africa, the Balkans and the Middle East.

OME (Observatoire Méditerranéen de l'Energie): a no-profit organisation created in 1988, it groups together 32 of the largest energy companies in 14 countries of the Mediterranean with the aim of furthering co-operation on energy aspects. In 2015, the OME was tasked with ensuring the secretariat of the Gas Platform in co-ordination with the UFM: its role will be that of neutral facilitator for the dialogue on the matters relating to the gas market in the Euro-Mediterranean region.



ENERGY SUSTAINABILITY

Edison's strategy clarifies its commitment for fighting climate change, focusing on energy from renewable sources and on greater energy efficiency investing in mechanism and resources which support the end consumers.



7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

- Edison has helped create E2i, the third largest operator in the renewable energy from wind power sector in Italy.

7.3 By 2030, double the global rate of improvement in energy efficiency.

- 300 customers have received training to enhance awareness of the topics linked to energy efficiency and at the same time implement best practices.
- Edison Energy Solution makes solutions for energy efficiency available (advice, optimisation, energy production in situ).
- Energy Performance Contract, a contractual instrument by means of which Edison undertakes responsibility of the objectives of its customers regarding energy efficiency, financing the measures and sharing the benefit.
- Ambassade Verte, energy efficiency project of the French Embassy in Italy, supported by Edison.



8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and

production, with developed countries taking the lead.

- In order to support the sustainable consumption of energy, Edison implemented the Energy Control system, both for the residential market and the business market.
- E-Manager, service for monitoring and controlling consumption in the tertiary and SMEs.



13.2 Integrate climate change measures into national policies, strategies and planning.

- Edison's commitment to fight climate change (defined by the position paper drafted at the time of COP21) is an integral part of its strategy.

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- Waiting for COP21 was an occasion for awareness raising and engagement launched by Edison in preparation of the Paris Conference.
- #WeAreTheClimateGeneration: photographic exhibition on the subject of climate change.
- The Eco-Generation, Edison Green Movie and Film4Climate projects are dedicated to educating on climate changes in the schools and in the world of cinema.

THE CLIMATE CHANGE CHALLENGE

On 12 December 2015, the 21st United Nations Framework Conference (COP21) on climate change came to a close in Paris.

The Conference ended with a contractual success of the Parties and came forward about with a new global agreement which received the consensus of the 195 countries taking part in the French capital. In detail, by means of this agreement the need to maintain well under 2°C the increase in the average global temperature, above the levels of the pre-industrial period, was acknowledged

and ratified, bringing into play every effort so that the temperature does not rise over 1.5°C. The afore-mentioned limits represent the threshold deemed critical by scientific circles, beyond which the effects of the climate changes could be more serious than envisaged and difficult to handle. The final phase of the talks was preceded by specific declarations and assumptions of responsibility of the 188 countries who expressed to the UNO the will to adopt measures on the limitation of the greenhouse gas emissions

(Intended Nationally Determined Contributions) for the next 10 or 15 years. With regard to Edison, the Paris Agreement represents an important step towards more incisive policies for the de-carbonisation of the economic sectors and the start of a truly global strategy for fighting climate change and reducing greenhouse gas emissions.

A review of the Agreement reveals that many elements indicated by Edison as priority for the success of the contractual stage (universal

dimension of the agreement, by means of an inclusive logic capable of involving all the countries in the fight against climate change, on a consistent basis with the principle of “common, but differentiated responsibility”, the adoption of long-term goals, the observance of principles of equity and transparency) have been confirmed in the text of said Agreement.

Edison's commitment to fight climate change

Edison's commitment for the fight against climate change is by now a significant part of the industrial choices. This commitment was also re-proposed during the **journey towards COP21**. And within the sphere of the framework

for concluding the new international agreement, Edison confirms its aptitude to adopt the best practices aimed at increasing the environmental value of the industrial choices and **ensuring an energy transition** which progressively leads to the decarbonisation of the energy sector. Edison therefore continues with the action aimed at reducing the carbon foot print,

EDISON'S JOURNEY TOWARDS COP21 - WAITING FOR COP 21

2015 represented an important year for the fight against climate change. In fact, in view of the 21st Conference of the United Nations on the climate, discussions and debates were launched which mobilised the main sectors of the economy, industry, research and civil society.

In this context, Edison has been an important point of reference, at Italian and international level, having organised and dealt with a cycle of theme-based conferences aimed at increasing sensitivity on the effects which changes in the climate may produce on the natural eco-systems, on the more vulnerable populations and on the manufacturing fabric of the various regions of the Planet. The three important conventions which preceded the Paris conference brought to the attention of the political decision-makers a number of relevant topics such as the scarcity and efficient use of natural resources, with particular reference to water, the tensions and the geopolitical set-ups consequent to global warming, as well as the role of the Mediterranean as pivot between Europe and the countries of the Middle East and North Africa.

The seminar “**The water resource and climate change - Direct and indirect impacts and adaptation measures**” dealt with the topic of uses of the water resource, fundamental element of development, not only from the standpoint of agricultural and food requirements, but also with regard to the management of the area and the production of electric power as a CO₂ zero emissions source.

“**Geopolitics of climate change**”, starting off from the analysis of the current geopolitical set-up, attempted to outline the scenarios and dynamics underway (migratory phenomena, social tensions, desertification, health aspects) triggered off by the rise in the global temperature, highlighting at the same time the probable alliances and contracts which could have influenced the final agreement in Paris and more generally the economic and energy policies of each country..

“**The Mediterranean region and the climate change challenge**”, moreover, engaged Italian and international experts on the subject of Mare Nostrum (the Italian sea) as an extremely sensitive sphere to climatic changes and the role of its shores (the North and the South) in the definition of “co-operation platforms” for energy growth in tune with the environment.

The cycle of conferences was an important occasion for feedback and discussion with experts and stakeholders and made it possible to gain ideas for launching constructive dialogue between the industrial sphere and the institutional sphere. In fact, the suggestions which emerged were used to send a message to the Italian Minister for the Environment so that he might take into account, within the Paris negotiations, the aspects associated with the topic of “low carbon energy”, especially in this phase of transition towards low carbon content consumption and production models.

showing preference for **industrial initiatives based on five cornerstones which may be able to contribute towards creating the implementation phase for the objectives deriving from COP21.**

1. Natural gas for the production of electric power.

The choice of the electricity generation mix is fundamental for reducing the exposure to climate changing emissions. Within this sphere, the use of natural gas represents a solution with high environmental compatibility and may accompany the decarbonisation policies in the energy transition phase. Edison is on the right track having chosen to produce electric power using combined-cycle gas plants: the most efficient and flexible amongst those intended for the production of electricity, with outputs which can reach 56% and contained levels of specific CO₂ emissions.

2. Sustainable mobility.

Transport fuelled by natural gas is the technology which more than others would make it possible to accompany the progressive penetration in the electric motor propulsion market. Accordingly, Edison is an active party in promoting the use of liquid natural gas (LNG) both for heavy road haulage, essentially long-haul outside urban areas, and for maritime transport, which will make it possible to significantly reduce CO₂ emissions.

3. Renewable energy sources benefiting sustainability.

Besides confirming the historical

#WEARETHECLIMATEGENERATION

#WeAreTheClimateGeneration is an initiative of Associazione Globe Italia, furthered in many countries of the European Union, which relates the collective commitment against climate change by means of photographic reportage.

The venture started off with a photo-project made up of 40 images in 7 different European countries (Italy, France, Germany, the UK, Belgium, Denmark and Turkey): the fine art shots were grouped together at the time of the Paris Conference in a collective

exhibition and will return during 2016 to their respective countries of origin so as to continue to raise the awareness of a vast and not always informed public on the consequences of climate change. Thanks to Edison's support, the first Italian stage of the #WeAreTheClimateGeneration exhibition was inaugurated in Rome in November 2015 care of the Chamber of Deputies, in the presence of the Chairwoman of the Chamber Laura Boldrini and the Minister for the Environment Gian Luca Galletti.

commitment with regard to hydroelectricity, also through the development of "mini-hydro" plants, Edison has launched partnership operations for sharing investments in wind power and by means of the company E2i Energie Speciali has drawn up the "Charter for sustainable renewal of the Italian wind farm".

4. Energy efficiency as an opportunity for combining development and reduction of energy consumption.

In this context, Edison's commitment is particularly significant in furthering projects for increasing energy efficiency in the industrial and tertiary sectors with the aim of encouraging the "energy restructuring" of the businesses by means of the application of innovative technologies and the divulgation

of energy management models which permit the end customers to optimise their consumption profile.

5. Multi stakeholder partnerships and Capacity building.

The creation and divulgation of skills are essential levers for facing the challenges of climate changes, generating value for the communities. In this sense, Edison renews its commitment in the implementation of programmes for the development of skills at local level and, in particular, pursues their growth by in-depth analysis of the energy system and the resources available in the locations in which it is present, also by involving the territorial expertise in an integrated process where production and efficiency are joined to access to energy.

DEVELOPMENT OF RENEWABLE ENERGY SOURCES

Renewable energy sources are an essential part of the energy future, also in consideration of growing attention to the levels of consumption of fossil fuels and in light of the commitments signed during COP21.

With regard to Italy and Europe, renewable energy sources therefore represent a fundamental lever not only for ensuring economic growth but also for guaranteeing a more extensive energy mix, at the same time ensuring the safety of the supply and the containment of the polluting emissions.

In 2015, the **company E2i** established at the end of 2014 by the mutual project between F2i, Edison and EDF Energies Nouvelles, confirmed itself to be the third largest operator in the sector of renewable energy from wind sources in Italy, with an installed capacity of 600 MW (mainly wind) and a production of about 981 GWh in 2015. Out further to the unification of the plants of Edison Energie Speciali (EDENS) and part of the plants of EDF Energie Nouvelles Italia and plays on the industrial skills of Edison in the management and optimisation of electric power production with different technologies, together with those of EDF Energies Nouvelles, in its Operation & Maintenance (O&M) activities. F2i, a long-term investor, is a strategic partner with

its soundness and financial expertise, as well as consolidated experience in the renewable energy sector.

The first year of E2i's activities permitted the start-up and reorganisation of the activities with the aim, thanks to the close synergy with the shareholders, of maintaining the commitment in the development of projects underway, both green field and repowering, constant. At the same time, E2i wishes to be a centre of aggregation and consolidation for small and medium-sized operators of the renewable energy sector, focusing on increasing its installed capacity also by means of M&A transactions.

The Italian electric power market is undergoing a difficult moment, despite remaining highly attractive: the need for a legislative framework persists, which would permit the operators a long-term view such as to make it possible to plan the investments with greater awareness. In 2015, E2i did not make any investments in new power, pending the publication of the decree and the procedures for the auction assignment of the incentives for the period 2015-2016. It does however dedicate itself to the maintenance and increase of the performances, in terms of availability of production, of the existing plants. The Baselice (12 MW) wind farm started commercial activities in 2015.

Over the next few years, a large part of the wind capacity installed will need repowering measures or complete reconstruction (more than 2,000 MW in 10 and 15 years). E2i is also affected by this renewal process which will have to be characterised by transparency, reliability and sustainability. Accordingly, the company is furthering a public debate on the value of these investments for the country system in terms of sustainability of the resources. The objective is to lay emphasis on the opportunity offered by the renewal of the plants by means of the use of more efficient and more effective technologies in the use of the natural resource, on the limitation of the impacts and on the consolidation of the presence of sustainable industrial operators in an area with which a by now consolidated relationship of dialogue and collaboration exists.

If Italy wishes to remain faithful to its commitments to contain emissions and the safety objectives with regard to supplies and reduction of the energy dependence on other countries, it will have to invest in renewable sources, defining clear rules for constructing plants which produce more green kilowatt-hours at increasingly more competitive prices.

This process has given rise to the "Charter for sustainable wind renewal" - which E2i is a sponsor of - signed by the company and by the

leading sector operators, by ANCI (Associazione Nazionale Comuni Italiani) and Legambiente; furthermore, aware of the role which the development of renewable sources plays in the process for decarbonisation of the economy in Italy, in November 2015 E2i signed the **“Appeal for an efficient international agreement on the climate”** furthered by the National Council of the Green Economy at the time of the Paris COP21.

In parallel with this “external” process, E2i continues with the review and consolidation of its ethical and compliance instruments. In September 2015, it obtained the “legality rating” from the Anti-trust Authority, with a maximum score of three stars.

E2i’s BoD adopted the new Organisational and Management Model pursuant to Leg. Dec.

231/2001, the Code of Ethics, the Protocols and the Expenditure Regulations: together with the Anti-corruption Code adopted by the BoD in July, these instruments define the governance regulations of the Company.

E2i also pursues its development activities paying great attention to environmental sustainability, health and safety, by the implementation and maintenance of a management system compliant with the UNI EN ISO 14001 and BSI OHSAS 18001 standards and the EC Regulation 1221/2009 (EMAS). In October 2015, the EMAS Registration was up-dated and in November the up-date of the ISO 14001 and OHSAS 18001 Environment and Safety Certifications was achieved.



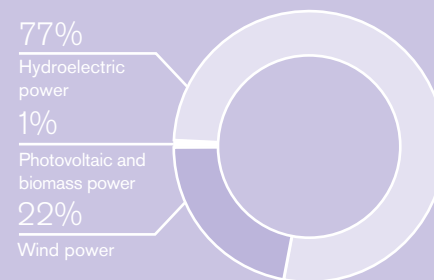
THE CHARTER FOR SUSTAINABLE WIND RENEWAL

The “Charter for sustainable wind renewal” was signed in Rimini on 3 November 2015 by E2i and by the leading sector operators, together with ANCI (Associazione Nazionale Comuni Italiani) and Legambiente.

E2i become the sponsor for the achievement and disclosure of this initiative: the Charter represents a solid commitment for the operators in the wind sector with regard to identifying more sustainable operating rules,

applicative criteria, standards, procedures and best practices in the renewal projects which will involve the more obsolete wind farms, guaranteeing efficacy and transparency. The Charter also represents an occasion for launching a developmental process of qualifying sustainability which involves all the operators for the purpose of making these initiatives not only industrial projects effectively feasible but a genuine example of sustainable growth.

RENEWABLES PRODUCTION MIX 2015



ENERGY EFFICIENCY AND SUSTAINABLE ENERGY

The relationship that links Edison to its customers is designed to make energy consumption increasingly sustainable. A partnership with a common goal: optimise resources and be more aware and rational regarding consumption.

The solid partnership between Edison and its customers, characterised by common long-term interests and by the sharing of the results obtained, represents the evolution of the original concept of customer-supplier where the complementary nature of the expertise and the common objective of a reduction in energy consumption, respect for the environment and maximum attention to safety in the workplace are the aggregating elements.

For this reason, Edison's offer, aimed at end customers (both private and business), is characterised by a series of services for the rational use of energy and, more generally, energy efficiency.

The solutions made available to the customers are diversified and fundamentally cover three spheres:

- **energy advice**, based above all else on the energy audit, the handling of the Energy Efficiency Credits (the TEEs, also known as White Certificates) and **training for the businesses** so as to deal with ISO 50001 certification, the recording of the CO₂ emissions, other forms of advice for

customers deriving from the development of the legislation or from specific requests;

- **energy optimisation**, aimed at reducing consumption, with output of the production process remaining at least equal, and with an increase in the quality of the services;
- **energy production *in situ***, with low or nil environmental impact systems, such as for example photovoltaic, other renewable energy sources, high-output co-generation, etc.).

In 2015 Edison Energy Solutions confirmed the ESCo certification, in conformity with technical standard UNI CEI 11352-2014 and that relating to the quality management system according to the ISO 9001 standard. Specific procedures have been issued, in particular an internal procedure for the optimisation of the management of the environmental aspects in the running of the plants, for energy efficiency enhancement and finally for the handling of the waste.

During the course of the year, collaboration with other Edison Departments, particularly the R&D Unit and the Institutional Affairs Unit, was increased with the aim of monitoring both the technological development of innovative solutions linked to energy efficiency, with particular focus on tertiary and residential segments, and the legislative changes.

Energy efficiency in industry

The reconfirmation of the UNI 11352 certification confirmed the validity of the **Energy Performance Contract** model adopted by Edison Energy Solutions: via this contractual instrument, Edison undertakes responsibility for the objectives of its customers regarding energy efficiency, directly financing the measures and sharing the consequent benefit and/or guaranteeing economic conditions for the purchase of energy which are more advantageous with respect to the best procurement alternative from the network.

The spheres of application of this innovative contractual type depend on real needs of customers and range from the streamlining of the production system for compressed air, modernisation of lighting systems with high efficiency solutions, recovery of waste heat, cooling systems, to, for example, high-efficiency electric engines or engines controlled through inverters.

Generally, in Edison's proposal to its customers, a made-to-measure process is outlined which, starting off from the energy audits leads, step by step, to the accomplishment of the measures, the handling and monitoring so as to guarantee the effective result of saving over time. Edison also fosters communication with the customer

regarding the activities completed and the environmental benefits achieved.

During 2015, thanks to the extensive information and training campaign in favour of more than 200 customers (mainly large-size and energy-intensive companies) with regard to the obligation stemming from Italian Legislative Decree No. 102/2014 to carry out an energy audit by 5 December 2015 and to systematically repeat it every 4 years, Edison Energy Solutions carried out 225 site audits. The output of these audits highlighted a great number of potential measures for efficiency enhancement which will represent one of the greatest commercial and implementation commitments for the coming year. Again during the year, the authorisation processes care of the pertinent public administration authorities were concluded successfully, for a 4.4 MW tri-generation plant and a 1.2 MW co-generation plant care of sites of industrial customers. Training sessions were also organised in 2015, regarding energy audits, SEU/SESEU and co-generation legislation. Different Edison representatives took part as speakers in seminars and conferences dedicated to energy efficiency, thereby making the Company's experience and expertise available as a way of supplying concrete tools for navigating and understanding the themes of energy efficiency and transmitting best practices in the field.

ENERGY EFFICIENCY TRAINING FOR CUSTOMERS

During 2015, Edison made its know-how available to more than 300 customers with specific training initiatives: the sharing of technical skills is designed to increase awareness regarding energy consumption, while also creating added value through its customers. The training supplied is designed to provide useful tools for navigating and understanding subjects linked to energy efficiency as well as to promote best practices. Focusing on energy efficiency does not only mean reducing consumption and emissions but also acting in respect of regulations, contextually lowering production costs and thus relaunching business competitiveness, in a period of unfavourable economic circumstance.

Some of the training sessions focused on the energy audits by virtue of the recent legislative developments introduced by Italian Legislative Decree No. 102/2014. The audit actually represents a first important step for the diffusion and realisation of procedures linked to energy efficiency, with a systematic

procedure designed to provide, as well as more detailed information about energy behaviour, the identification of concrete opportunities to apply efficiency.

Several training sessions were also held (in Milan, Rome and Catania) relating to the new provisions envisaged for self-generation within the sphere of the so-called SEU/SESEU models, in particular addressing customers and prospects already in possession of a plant for the self-generation of energy, so as to permit a suitable technical/administrative alignment with the new obligations which came into force on 30 September 2015.

Two customer and prospect training sessions were also held with regard to legislation, authorisation procedures, technical features and assessment of the various forms of application of the co-generation (ESCo Model, Tolling, TurnKey, etc.) so as to permit an informed choice among the various methods of application of the co-generation that the market may make available.

AMBASSADE VERTE: AN ENERGY EFFICIENCY PROJECT

In view of the United Nations Conference "COP21" in Paris, the French Embassy in Italy launched an innovative project at the end of 2014 for the reduction of its environmental impact: the "Green Embassy" project.

The project is based on a global audit about the impacts of the institution by means of two technical studies:

- an energy audit carried out by Edison for the purpose to assess the energy consumption of each category of plants, and to identify the areas of intervention within the sphere of the energy efficiency;
- a CO₂ budget in partnership with

ADEME (French Environment and Energy Management Agency).

As of 1 November 2015, the embassy had reduced its greenhouse gas emissions by 27% compared to the previous year. In less than a year, the embassy has launched a clear message: it is possible, in a XVIth century building, to considerably and rapidly reduce the environmental impact.

The French Embassy is one of the first, within the French diplomatic network and in Rome, which has undertaken a global venture for reducing its environmental impact, by the performance of an energy audit in

collaboration with Edison, and a CO₂ budget in collaboration with ADEME. This venture involved all the agents of the embassy, leading as a result to various actions which involve all the aspects of activities at Palazzo Farnese. With regard to mobility, the venture was supported by Renault with the offer of a Zoé electric vehicle and with the installation of a recharge station. On the basis of the carbon balance and the energy balance, the Embassy set itself the objective of adopting a 5-year global action plan (2016-2020) which will include a series of supplementary measures for the reduction of the energy consumption, sustainable mobility, reduction in waste and relating to sustainable public tenders.

With regard to the smaller commercial activities, Edison has developed the **Energy Control Business** Service, a solution for energy efficiency which will be launched on the business market in the first half of 2016. This service monitoring electrical consumption makes it possible to know electrical consumption and costs, in real time, and, via the sending of a personalised report, to analyse and improve one's consumption habits. As well as the total costs, it is possible to find out the energy consumption and cost of single devices monitored with simple measuring equipment.

Energy Control Business also makes it possible to engage, where possible, with similar entities for the purpose of assessing the real efficiency of the management of the consumption and the adoption of best practices in this sense.

Services for the tertiary sector

During the year, an ambitious energy efficiency enhancement project was launched for the tertiary sector and SMEs with the aim of reducing the energy bill by means of eco-sustainable measures: in particular, in a first

stage photovoltaic, solar heating systems, micro/mini co-generation, heat pumps, HVAC and lighting were proposed to the market. A technical-commercial structure dedicated to this market segment is undergoing implementation.

The **E-Manager** service launched in 2014 continued in 2015 as well and offers a system monitoring and controlling consumption in the tertiary and SME sector which is completed with support for customers to introduce virtuous conduct aimed at reduced energy wastage and measures to be achieved for the purpose of

further reducing consumption (certain tests have been carried out in particular in the hotel sphere).

An analysis of the various cutting edge Building Management System solutions available on the market will make it possible to supplement the measurement, control and consultancy services with the achievement of measures, with innovative financing formulas particularly interesting for the customers.

Services for the residential segment

In the residential sector, Edison has introduced **Energy Control** on the market, a device to

monitor energy consumption by means of the analysis of household energy habits. The main objective is to reduce consumption thanks to a more economical and informed lifestyle.

The device allows to view electric consumption directly on a PC, tablet or smartphone, with an online platform that records and represents the energy spending of the residential customer in real time. With this tool, Edison allows its users to understand their energy spending and intervene if there are any unusual peaks in consumption, to stem waste and improve personal behaviour, achieving savings greater than 10% on the bill. By means of the monitoring of real-time consumption, facilitated by the processing of

customised graphs, advice on the efficient use of electrical household appliances and comparison with other Energy Control users in the new section of the website, it is possible to achieve pre-established savings targets and to help others: the economic equivalent of the energy not consumed thanks to the stratagems adopted is donated directly by Edison to a non-profit making organisation chosen by the customer.

An additional service launched by Edison for residential customers is the **Edison Netatmo** smart thermostat which makes it possible to save on gas consumption for household heating, while keeping comfort levels high.

NETATMO, THE GAS CONSUMPTION REMOTE-CONTROL DEVICE

The Edison Netatmo smart thermostat is a device which makes it possible to save on gas consumption for household heating, while guaranteeing high comfort levels.

The singularity of the smart thermostat permits an innovative and efficient use of household heating. The customer in fact uses household heating in a flexible and dynamic manner, starting off from the understanding of their habits, presence in the house and weather conditions.

The Edison Netatmo smart thermostat switches on the boiler on the basis of the customer's habits and makes it possible to remotely control the heating via devices (remote control via App). By means of a few simple questions, it sets the switching on times of the heating on the basis of

the consumers habits. Furthermore, after the first two weeks of use, it obtains the heating and cooling times of the home based on the quality of insulation of the same. Thanks to this information, it anticipates the start up and shut down of the boiler with respect to the set times, based on the quality of heat insulation of the home and the outside temperature data. Thus, it is able to offer the maximum comfort at the desired temperature, at the right moment and without wastage.

The benefits for the customers deriving from the functions and the advance technology of the Edison Netatmo thermostat involve a reduction in gas consumption for heating of up to 25% for an annual savings of up to 200 euros (Study on Netatmo users between November 2014 and March 2015).

A SERIES OF MEETINGS ON CONSUMER PROTECTION AND ENERGY EFFICIENCY

Edison met with the public in occasion of a series of meetings dedicated to consumer protection and energy efficiency, so as to further the exchange and enhancement, with the consumer sector, on subjects linked to energy and so as to spread the culture of energy efficiency among the companies. Prevention of improper commercial

practices, complaints handling and culture of conciliation were at the centre of the debates. The initiative falls within a virtuous process of collaboration and engagement with the Consumers' Associations, already launched as from 2008, to help the citizen/customers to be more aware when choosing their supplier.

RESEARCH AND DEVELOPMENT FOR THE FUTURE OF ENERGY

The activities of Edison's Research, Development & Innovation Department are defined to support the development of a business which is consistent with the increasingly competitive and constantly changing market reality in which the Group operates, maintaining environmental sustainability.

Therefore, projects have been launched which aim to develop and enhance **solutions for energy efficiency**, with the purpose of increasing the awareness of the consumers, as well as projects more directly targeted at the reduction of the environmental impact of the industrial activities both under normal operations and under emergency conditions.

Main examples of the Edison research activities includes the assessment work on the accumulation technologies to maximise the benefits of the production of the photovoltaic plants and the studies into innovative materials for the containment of oil leaks.

In the current energy context undergoing rapid transformation, acting in a sustainable manner imposes the needs to identify increasingly innovative solutions. Accordingly, Edison has recently equipped itself with an innovation policy and a new participatory model of innovation development entitled **Innovation Lab**, in which the RD&I Department actively takes part providing support and technical advice for the policy activities.

The research activities take place both care of the Milan headquarters and at the Trofarello (TO) Research, Innovation and Development Centre, where in June the new **Hydrocarbons Lab** was opened, with the collaboration of Turin Polytechnic and Milan-Bicocca University. The Hydrocarbons Laboratory is made up of the Geochemical, Geomechanical and Petrophysical sections, all equipped with cutting edge instrumentation for the development of particular sponges capable of cleaning the sea, increasingly efficient algorithms

in the study of the rocks which contain gas and oil and in the acquisition of 3D images.

With regard to renewable energies, Edison is currently developing particular solar energy storage systems in the **Energy Storage Laboratory**, connected to glass panes covered with thin film for the electrical self-maintenance of the buildings. Again in the direction of energy self-sufficiency, work is going ahead with another laboratory, **Fuel Cell**, where the researchers - in close collaboration with the EIFER Institute in Karlsruhe, Germany and with the Department of Energy at Turin Polytechnic - study how to improve the ceramic electrolyte material for the co-generator cells which are able to generate electric power for household consumption directly from household gas.

In conclusion, in **Domus**, where the inside of a home (with kitchen, lounge and laundry room) is reproduced to simulate the energy consumption of an average household, the researchers

monitor the effective consumption of the electrical household appliance in real time thanks to the Energy Control device, for the purpose of improving the performances even further.

Edison's Research, Development and Innovation Centre operates in close collaboration with the EDF's R&D division and boasts a vast network and national and international partnerships with academic circles and industry. Among the most recent: Stanford University for the simulation and forecasting of the morphology of the deposits, Turin Polytechnic for the hydrocarbons sector, the University of Pisa for the development and application of more efficient algorithms in the processing of seismic data, the University of Milan - Bicocca for the development of soft computing and training techniques for the tests relating to hydrocarbons, and the Italian Institute of Technology in Genoa for nano-structured materials.



THE EDISON RESEARCH LABORATORY AT THE UNIVERSITY OF L'AQUILA

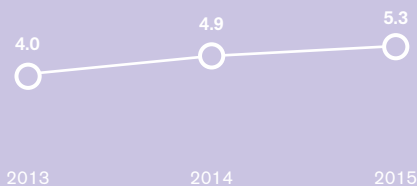
Collaboration with academic and research bodies is essential for Edison in order to enhance, deepen and expand technical and scientific know-how, above all to finalise new ideas and develop technologies that can increasingly combine efficiency and sustainability. The Edison "New technologies for monitoring energy" Laboratory that opened in 2014 at the Department of Industrial Engineering and Information and Economics of the University of L'Aquila was created with the aim of identifying solutions to increase energy saving and efficiency. The Laboratory is one of the initiatives undertaken as part of the 5-year convention signed with the University in Abruzzo which also includes the

establishment of 4 PhDs in issues related to the energy sector, the recognition of 4 post-graduate grants for a year each, and the possibility for 10 students in the final year of their specialist degree to take part in training courses in the oil and natural gas sectors organised by Edison in collaboration with the World Energy Council (WEC ITALIA).

Under the convention it is also envisaged to undertake joint research projects and degree theses, always on energy themes. The collaboration between Edison and the University of L'Aquila is an opportunity to encourage the development of applied research and above all to stimulate the process of bringing students closer to the world of work.

RESEARCH & DEVELOPMENT EXPENDITURE

(In millions of euros)





11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

- In 2015 an operation was carried out to improve the waste management system by using a digital database for managing the register and filling in transport documents and the environmental declaration form (MUD).



12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

- Edison is aware of its impact on the environment and aims at mitigating and monitoring the effects: its commitment is ratified by the Group's Policy for the Environment and Safety.

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

- New classifications of the waste produced at the Edison sites were introduced in 2015, in accordance with the new EU legislation.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

- Edison has published the information relating to its sustainability performance since 2001, first of all in the Environmental and Safety Report and then in the Sustainability Report.



13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- Edison and Istituto Montani of Fermo work together for the development of the first naval simulator in Europe with software dedicated to environmental protection activities.



- Special guidelines for quicker internal and external communication were drawn up as part of the crisis drill on the Rospo Mare platform.

14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

- Emergency exercise on the Campo Rospo Mare platform for the purpose of testing the communication flows and the procedures for the plant engineering and environmental emergencies.
- Pilot projects for the assessment of the flora and fauna existing in a stretch of the Silisia mountain stream in Val Meduna, Biovega project and Mosselmonitor project.



15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

- The environmental recovery and reclamation measures for the contaminated sites are performed by Edison using innovative intervention methods and refer to the sites of Marghera Levante and Marghera Azotati in Porto Marghera (VE), Sesto San Giovanni (MI), Piombino (LI), Bussi sul Tirino (PE), San Giuseppe di Cairo (SV) and Pieve Vergonte (VB), joined by intervention on the sites that are no longer operational.

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

- There are numerous Edison projects for the protection and promotion of the biodiversity relating to: the Silisia mountain stream in Val Meduna (PN), the Vega Platform and the Rospo Mare Platform, the San Benedetto Val di Sambro Wind Farm, the Melissa and Melissa-Strongoli wind farms.

PROTECTING THE ENVIRONMENT AND ON-GOING IMPROVEMENT

The energy system is essential for the development and growth of a country. At the same time, it is fundamental to know, assess and handle its impacts on the area, both from a social and environmental standpoint. Edison is aware of the impacts of its production activities on the environment and constantly implements mitigation, control and monitoring actions.

Edison's commitment is ratified by the **Group's Policy for the Environment and Safety** which gathers together the guiding principles aimed at inspiring the work of all the employees and independent contractors and at strengthening the alliance between competitiveness and environmental sustainability. During 2015, important work was carried out to update a number of the company norms in relation to the application of the control system to third party companies and relating to the Edison guidelines for the application of the integrated management systems and to the handling of company emergencies, in co-ordination with the EDF group.

The main aim which Edison has set itself is that of handling and mitigating the environmental impacts of its business and of the pertinent plant engineering infrastructures, contributing to the reduction of impacts on climate and natural resources, creating a culture of energy saving and specific services to customers, and through a development of an energy

model in line with environmental needs. Edison's approach to the protection and safeguarding of the global and local environment follows four guidelines:

- application of certified environmental management systems to monitor and manage environmental issues;
- use of the best techniques available, which encourage a constant reduction of the emissions, alongside research and development of new technologies and less polluting energy sources;
- ongoing use of programmes to train Company employees and contractor and increase their awareness of these issues;
- transparency in communication and continue relationship with local communities.

Guarantee full legislative compliance

Businesses, and in particular those which operate in the energy sector, are required to constantly monitor their environmental performances which, starting from the necessary legislative adaptation on the subject, obliges them to adopt certified management systems which contribute towards containing the environmental impacts of their business.

During 2015, Edison concluded all the activities required by **Italian environmental legislation**, according to the envisaged deadlines. Specifically,

the following were carried out: the communications relating to the management of the water pumped and drained off, the reports relating to the production of waste, the communications regarding the handling of fluorine greenhouse gases, the transmission of the data for the INES/E-PRTR register for the pertinent plants, whose emissions exceed the thresholds defined by legislation, the communications envisaged by the legislation on Emission Trading; an application has also been presented for the issue of the Integrated Environmental Authorisation and the fee has been paid for the waste traceability system (SISTRI). In this latter case, steps were also taken to consolidate the on-line process for the transportation of hazardous waste.

From an operational standpoint, further to the enforcement of EU Regulation 1272, the criteria for the classification of waste were amended so as to make them consistent with those for substances and mixtures (CLP). Consequently, it became necessary to make new classifications of the waste produced by the Edison sites so as to be compliant with legislation.

Further to the enforcement of Legislative Decree No. 46/2014 "Implementation of directive 2010/75/EU relating to industrial emissions (integrated prevention and reduction of pollution)" which updated the regulation of



the integrated environmental authorisations, it became necessary to make a number of assessments in order to adapt the existing authorisations, for the plants which carry out incineration and co-incineration activities.

During 2015, with regard to the Verzuolo plant of the company GEVER, an Edison subsidiary, the amendment of the previous authorisation was accepted by the Cuneo Provincial Authority, with renewal value for the IEA already existing. With regard to the Castellavazzo C.E.B. plant, in contrast to that envisaged, no change was made to the existing Integrated Environmental Authorisation (IEA), since it did not become necessary to go ahead with any update.

In conclusion, it is hereby disclosed that to-date no equipment present at the Edison sites contains PCB. The plants which contain harmful substances for the ozone layer are subject to

periodic checks and, in compliance with current legislative provisions, special plant schedules have been prepared included in the environment and safety management system.

Apply certified management systems

During 2015, **all the integrated management systems applied at the Edison sites were subject to audit and renewed.** Specifically, mention is made of the completion of the integrated environmental and safety certification process for E2i (November 2015), which bears witness to the optimum results achieved in the process for reorganisation of the renewable energy resources sector.

With regard to hydrocarbon assets, all supervision inspections of the integrated environmental and safety management systems of the Italian

Production Department were completed successfully. The ISO 14001 and OHSAS 18001 certifications for Edison Stocaggio Spa and Edison D.G. Spa are also confirmed.

The integrated environmental and safety management system for the electric asset underwent an audit (in March 2015 for its hydroelectric facilities and in May 2015 for its thermoelectric facilities) by the certification body CSQ-IMQ and an accredited auditor for the EMAS registration: all the audits were successful and a three-year renewal of the EMAS regulation registration has been issued. The integrated management systems care of the Engineering Division and care of the Trofarello Research & Development centre were also renewed during 2015.

A fundamental aspect of environmental management is the control activities carried out across all Edison sites in order to ensure the

correct functioning of management systems. As well as third-party audits (which were 14 in 2015), internal audits are carried out periodically to maintain and improve the handling of operational practices (overall 81). In addition there were 8 inspections carried out by public bodies and agencies, unscheduled visits designed to check that current legislation is being respected.

The review of the organisational models and the environmental and safety management systems carried out during the year made it possible to analyse the results for 2014 and identify the improvement programmes for the coming years. Furthermore, in February an overall business review was launched with the aim of making the various certified management systems present in Edison coherent; the HSE contacts of the foreign branches also took part in these activities. The results of the review made it

possible to define the goals for 2015 and to discuss both the internal audit programme and the training programme for the professional family to which the company experts on environmental protection pertain.

Adopt the best techniques and technologies available

The **plant engineering measures** achieved over the last few years have permitted Edison to gain considerable benefits in the environmental field, also in terms of energy savings.

For example, during 2015, the installation and activation of an associated gas recovery plant at the Maria a Mare Plant has allowed the recovery of roughly 4 million Sm³/year of gas, which previously was dispatched to incineration units. Furthermore, steps were taken to replace the steam turbines and the related post-combustion plant care of the Sesto San Giovanni plant: this measure led to an efficiency enhancement of the plant, with an improvement in emissions into the atmosphere.

In general, environmental spending discloses a slightly rising trend due to the extraordinary drilling activities in Norway and as a result of the taxes in the hydroelectric sector on the withdrawal of water.

During the course of 2015 no incidents or spillages significant enough to cause

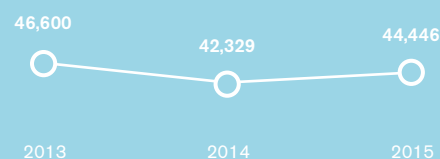
contamination of environmental matrices were reported at Edison sites: the lack of accidents was the result of the extremely high attention which the company pays to prevent any type of environmental pollution which may take place following its activities. No significant reports have been registered with regard to natural gas leaks.

Edison has equipped itself with management and operating procedures which permit it to prevent accidents and handle the emergency situations with the purpose of reducing the potential impacts on the environment to a minimum. For the purpose of keeping the procedures constantly up-to-date, drills are periodically carried out, reconstructing dangerous scenarios that might lead to situations of environmental pollution or risk to the health of the local population; the objective is to verify the best conditions of intervention and to check any potential damage.

The **environmental recovery and remediation measures** on the contaminated sites are carried out by Edison, in collaboration with the appointed bodies, using innovative intervention methods to minimise the environment impacts (ISCO system - *in situ* oxidation technologies - or bioremediation - a technique which makes use of the natural predisposition of bacterial communities to degrade polluting compounds). During 2015, work to profile, make safe and restore certain sites continued, with most of the sites being particularly important industrial

TOTAL CAPITAL AND ENVIRONMENTAL EXPENDITURE (*)

(€/000)



(*) The values include the water use fees for the hydroelectric concessions.

areas which were potentially polluted by previous activities, transferred and/or sold off. Environmental reclamation procedures relating to locations with soil and aquifer contamination identified or started in previous years at some of the Group's thermoelectric and hydroelectric power plants also continued during 2015. In detail, reference is made to the industrial sites of Marghera Levante and Marghera Azotati at Porto Marghera (VE), Sesto San Giovanni (MI), Piombino (LI), Bussi sul Tirino (PE), San Giuseppe di Cairo (SV) and Pieve Vergonte (VB), while the technical report issued following the activities carried out at the Pentima (TR) site has been validated by ARPA and consequent acknowledgement by the Ministry of the Environment and protection of the land and sea is awaited.

Mitigate the environmental impacts

Edison deems the protection of the environment to be a central issue and pays great attention to the reduction of the environmental impacts which derive from its activities.

At the Trofarello Research Centre, during 2015, an improvement measure was carried out on the waste management system by implementing the use of a computerised database which permits the management of the register, the compilation of the transport documents and the MUD. The introduction of the system allowed to reduce the work of the involved people and the risk of error in the compilation of the documentation and the drafting of the summary reports.

Furthermore there was a monitoring in the work environments envisaged by Legislative Decree No. 81/08 has been carried out; the points having elevated intensity are limited and the exposure short-term. The staff have been equipped with suitable PPE and therefore no soundproofing measures are necessary.

The main impacts on the environment due to the activities of the Research Centre concern the emissions from the boilers used to heat the building and the heat pumps powered by methane gas. The emissions of the boilers are subject to periodic checks as envisaged by current legislation; the heat pumps are monitored in the basis of a plan of checks defined on a voluntary basis. The waste produced by the research activities mainly regard the prototypes tested and no longer



functioning, the process fluids deriving from the laboratory tests and the maintenance activities.

Again in 2015, the Simeri Crichi phytopurification plant was completed, relating to the treatment and discharge of waste water and sewage; the commissioning of the plant is awaited, which will make it possible to reduce the quantity of waste produced for the discharge of the civil waste water.

Further to the commissioning of the process gas recovery plant care of the Maria a Mare Facility, around 4,000,000 m³ of gas associated with the oil extracted were recovered. In November 2015, monitoring was also carried out on the leaking emissions using the LDAR method care of the Rospo Mare B platform so as to mitigate this aspect, in accordance with the matters laid down by the Integrated Environmental Authorisation.

The Comiso plant obtained EMAS registration in December 2015 and was subject to planting activities which concerned the perimeter bordering the road, on a consistent basis with the EMAS declaration.

With regard to the recovery measures further to mine closures, mention is made of the cases of Cirò, where activities have been carried out for the profiling of the land and the environmental recovery request launched, currently awaiting the authorisations from the competent bodies, and of Codogno, where activities have been

started for the removal of aggregates, concrete and ferrous materials.

Raising awareness on environmental aspects

Raising the awareness of the employees is a fundamental process for encouraging greater responsibility and individual attention to environmental matters, contributing to improving

the overall management of the environmental topics within the company.

With a view to this, Edison implements specific training plans: in 2015, the environmental training programme for the “professional family” to which the company experts on environmental protection pertain was concluded, envisaging measures on the profiling of the waste, on the legislation relating to fluorine gases and on the new ISO 14001:2015 standard, for a total of 16 hours.

EDISON WITH THE STUDENTS OF FERMO PROTECTING THE ENVIRONMENT

Istituto Montani of Fermo and Edison last October inaugurated the first naval simulator in Europe with software dedicated to environmental protection activities.

The laboratory is the result of an agreement signed in 2014 between the Institute and Edison with the collaboration of the Maritime Authority, and permits training activities both for maritime navigation and for the use of means for the safeguarding of the marine ecosystem for students and technicians.

Thanks to this project, the students carried out exercises both out at sea, onboard naval vessels, and on-board Edison off-shore installations in the Adriatic, putting into practise the aspects they have learnt during lessons: going out to sea, fire-fighting and anti-pollution exercises and manoeuvres for entering and leaving the port were the main

activities. More than 500 training hours provided to the students during the course of this first year of launch of the project. If necessary, the agreement envisages that the naval simulation system can be used both by Edison to implement its Anti-Pollution Plan as arranged for its mining concessions and by the Maritime Authority to train and prepare its maritime personnel.

Edison's commitment and in particular that of the operational district with headquarters in Pescara, to be an active and integral part of the communities in which it operates, also takes on the form of accommodating, care of the storage ship Alba Marina serving the off-shore field Rospo Mare off the coast of Vasto, 100 students from the Nautical Institutes of Ortona and Termoli for training courses lasting between one and three days.

THE COMMITMENT FOR BIODIVERSITY

Over the years, Edison has continued to monitor the use of the ground, the industrial activities neighbouring protected areas and the distribution of vertebrate species. The sites have been classified on the basis of their sensitivity, above all else in relation to the authorisations for the realisation of new wind farms and photovoltaic plants which specifically envisage biodiversity monitoring in particular for birdlife, bats and flora generally.

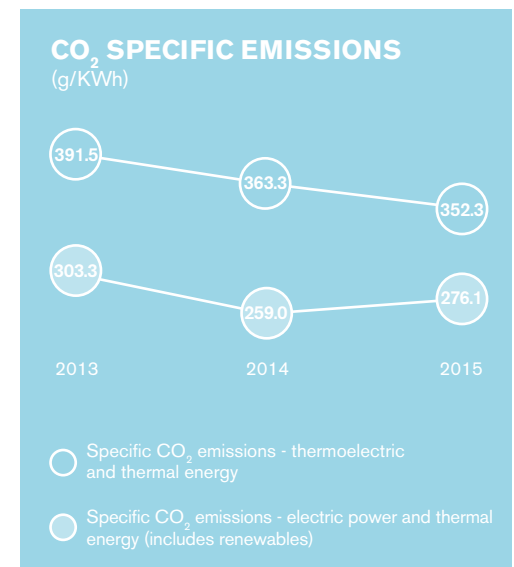
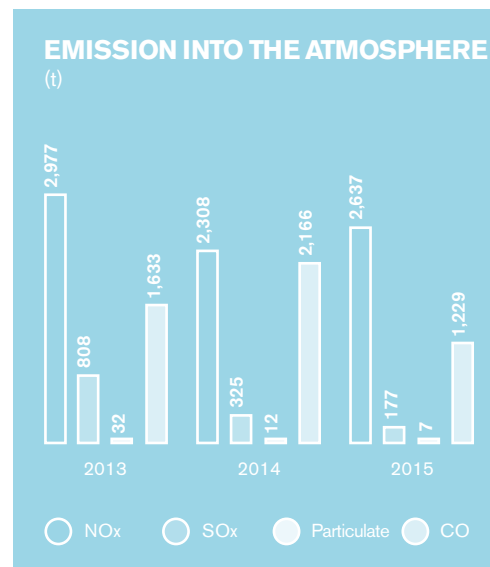
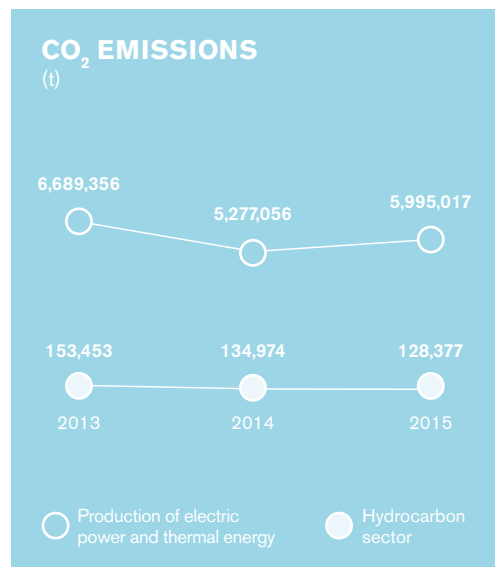
With regard to the hydroelectric sector, in 2013 a pilot project was launched to assess the flora

and fauna in a section of the Silisia mountain stream in Val Meduna (PN), between the Ca' Selva dam and the Chievolis power plant, which made it possible to confirm the satisfactory level of saving of the water course despite the activities which took place.

With regard to the hydrocarbons sector, sites which present particular criticalities have not been identified: the Vega and Rospo Mare Platforms have been involved in projects targeted at improving biodiversity, in collaboration with the concerned bodies..

In detail, the **Biovega project** continued with the second operating phase, thanks to the technology, location of the devices and the players who will support Edison in the activities. The installation of the tecnoreefs (which exceed and improve the original project which envisaged the use of reefballs), expected in 2016, will by contrast be postponed, while additional feasibility studies will be carried out in line with that accomplished in 2015.

The bio-monitoring activities on the waters adjacent to the off-shore field of Rospo Mare



using the "**Mosselmonitor**" system also continued in 2015 and a further monitoring project was launched on the state of biodiversity referring to the submarine species with the support of a biologist and the Institute for Animal Health in Termini (CB).

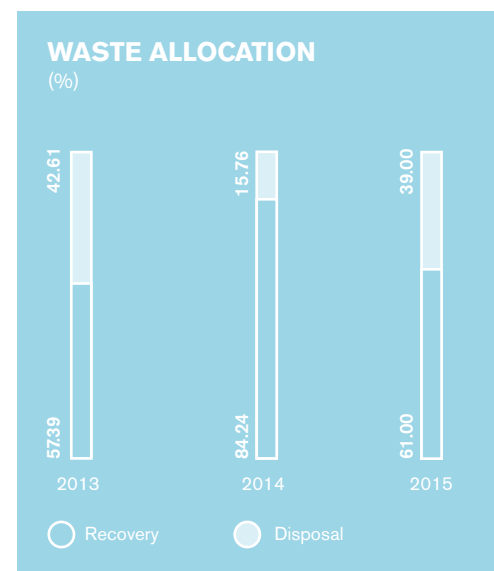
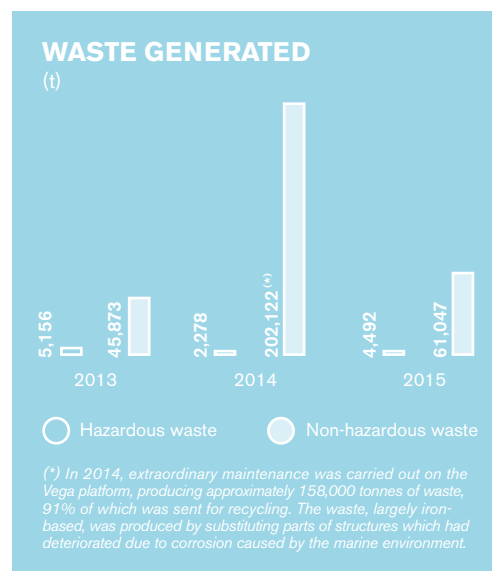
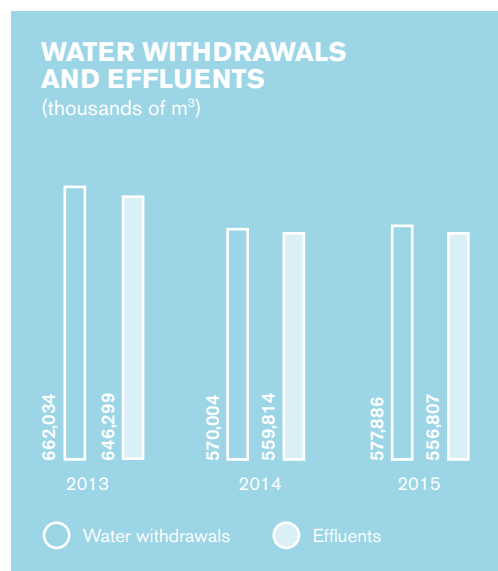
The third year of monitoring care of the San Benedetto Val di Sambro confirmed the scant vocation of the site as a migratory route for the birds both in Spring and in Autumn. With regard to the reproductive period, the species subject to specific survey were not observed when compared with 2014, and thus the Short-toed eagle and the Honey

buzzard. Monitoring activities will continue during 2016. With regard to the bats, overall 4 species were noted, relatively common, observed mainly in open environments, plus one belonging to the Myotis class. The number of traces of use increased in the Bat Boxes, but no creatures have yet been observed. The monitoring will be brought forward next year.

At the Melissa and Melissa-Strongoli Wind Farms, besides the monitoring of birds, a mobile charnel house was set up in a specified area, to encourage birds of prey to nest at a distance from the wind farms. A survey was carried out

in the area surrounding the wind facility in June 2015 which, a little more than one month from the installation of the nesting box, provided results considered extremely satisfactory: in fact, one or more couples of Lesser kestrels occupied the boxes installed on one of the pylons present in the area.

Recent studies on occupation of the artificial nests by the species, demonstrated that the Lesser kestrel occupies the boxes after a year of installation. Therefore, the immediate nesting in the Strongoli case is particularly interesting for knowledge of the biology of the species and for its saving.





COMMERCIAL RESPONSIBILITY AND TRANSPARENCY

The dialogue with customers is a priority for Edison: in order to ensure an increasingly competitive commercial range, to share experiences and instruments for an improved management of electrical power and gas, to grow together.



7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.

- Edison has furthered the Manifesto of energy for the future, which is based on four fundamental principles: Saving, Sustainability, Innovation and No-one Excluded.



11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

- Edison provides the social bonus, in line with the provisions of the Electric Power and Gas Authority (AEEG), to around 15,000 customers. It also permits the division of the bills into instalments.



12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

- Edison is involved in dialogue with the leading international institutions, consumer and trade associations, in order to improve communication and disclosure of information.

SUSTAINABLE SUPPLY

The Edison range aims to respond to the needs of its customers with the introduction of new, increasingly customised contractual solutions.

The **business segment** is managed directly with a network of sales Account Managers and is controlled with dedicated monitoring of supply management. Edison has in fact created instruments which make it possible to respond in real time, simply and immediately, to the needs of its business customers: today, the business clientele is increasingly well informed and aware of market trends and seek the best opportunity possible to combine service quality and energy saving. Action has also been launched relating to the creation of infrastructures and logistics for the sale of LNG (liquid natural gas) to industrial customers in replacement of more polluting fuels such as diesel and fuel oil.

The **Small and Medium-sized Enterprise (SME)** segment has adopted a more complete and widespread coverage of the area made up of door to door agencies, web presence, inbound/outbound telephone operators.

CUSTOMERS BY TYPE OF SERVICE

47%

Gas customers

53%

Electric power customers

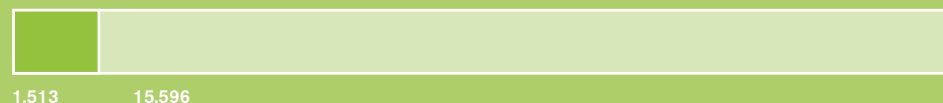


SUPPLIES BY TYPE OF CUSTOMER

Gas service (mil Sm³)



Electric power service (GWh)



○ Residential ○ Industrial/Business

Furthermore, experimentation activities continued with a number of customers by means of the installation of evolved instruments for monitoring and controlling electrical loads.

The **residential segment** is mainly controlled by both inbound and outbound telesales channels and online, which in recent years has increased its share, rising to over 20%. Selling door-to-door has been entrusted to a selected and targeted number of agencies in order to improve the quality of the acquired customers.

The sale of “Energy Control” has increased on the residential markets, real time electricity consumption monitoring devices and the functions on the digital platform have been increased. In November, as mentioned, the sale of the Netatmo device was launched, capable of monitoring and checking residual gas consumption remotely.

Today, more than 60% of the customer base uses Direct Debt for payments and more than 40% digital metering: supported by the introduction of the obligation to make payments via direct debit (starting from mid-2014) and thanks to encouraging the use of digital metering, the quality of the new business in the residential and SME segments has grown.

Edison pays out the social bonus, as per the AEEG provisions, to around 15,000 customers: the social bonus is intended for households

EDISON WITH CARIPARMA CRÉDIT AGRICOLE FOR THE GRAN MUTUO GREEN 2015 (GREAT GREEN MORTGAGE)

The new mortgage loan range of the Cariparma Crédit Agricole Group, Gran Mutuo Green 2015, has originated from listening to the customers needs and attention to the environment: an innovative solution which, thanks to the partnership with the Edison Group, will also make it possible to save on the electricity supply. The Banking Group has destined a maximum amount of 2.5 billion euros to this new promotion, in order to allow Italian households to achieve the objective of

purchasing their own home. This is thanks to advantageous, clear and transparent economic conditions, because the customer will be informed straightaway of the instalment and its expedience over time. The exclusive partnership with Edison will permit each customer who takes out a loan to receive one years supply of electricity free. Thanks to the partnership with AzzeroCO₂, the initiative will support forestation measures in areas of Italy at risk of hydro-geological instability.



MANIFESTO OF ENERGY FOR THE FUTURE

Together with other sector operators and with the collaboration of a number of Consumer Associations, Edison has furthered the **Manifesto of energy for the future**, whose objective is to create the regulations for a more open energy market which increasingly comes closer to the needs and requirements of the consumers and the small and medium-sized companies.

The Manifesto proposes 4 main fundamentals which may accompany and characterise the complete deregulation of the end energy market: Saving, Sustainability, Innovation and No-one excluded. This approach will permit the citizens and the businesses to enjoy the

benefits of a fully competitive market, by means of simple and effective rules, which contribute towards making the involved consumers aware of the choices.

During 2016, the Manifesto will be upgraded with new occasions for engagement with all the stakeholders with the purpose of contributing towards the creation of an innovative and competitive market which protects those who have the most need of support. Edison intends to support the new model which places the consumer at the centre, capable of meeting the needs of the individuals and the business by means of innovative services, having taken into account their requirements and lifestyles.

in financial difficulties or in which one of the members is affected by a serious physical problem so as to save on their energy bills. Edison provides useful information on the right to access the bonus and the means to apply for it, through the various channels which it has available (from the website edisonenergia.it, to the Service Quality Charter, and Customer Service). Edison, in addition to the tools guaranteed by the Authority, gives households in financial difficulties the option of paying their bills in instalments, breaking them up into smaller and more manageable payments, without the risk of becoming insolvent.

During 2015, the Credit Management Department was set up, including all the credit management operating units for each market on which Edison Energia operates as vendor of electrical power and gas to end customers. Again in 2015, the CMD project was progressively released, for the use of a specific applications environment dedicated to the monitoring and execution of the processes for dunning amounts receivable which Edison Energia is owed by its customers.

The two innovations described above have led to a further reduction in past due amounts,

in particular with regard to active customers, generating a significant performance on the retail portfolio which maintains the value of past due amounts at 2.8% compared with the sales revenue and on a parallel registered an increase of 92% of the collections registered within 3 months of expiry.

Again within the retail sphere of the handling of the documentation relating to former customers, whether they are being handled in or out of court, the performance gross of the allowance for doubtful receivables of the former customers' portfolio was over 30%. Also the past due amounts of the business market of industrial customers was fully under control, whose value is lower than 1.5% of the sales revenue, as well as that of the public administration authority market thanks to of factoring transactions without recourse. Within the credit management project, all the communications sent to customers in default have also been reviewed and supplemented, with the aim of further increasing transparency on the status of the payments and on the contractual actions envisaged, in observance of sector legislation. The notifications are always sent via several communications channels (e.g. sms, e-mail, certified e-mail) where available, and two additional communications have been added, relating to the notice confirming the request for discontinuation of the supply.

Monitoring customer satisfaction

Monitoring the level of perception of the service and identifying the areas of intervention with a view to on-going improvement of the quality supplied: with this aim, Edison is attentive to constantly check the levels of satisfaction of its customers.

During 2015, it was possible to appreciate the positive effects of the action implemented during the previous year aimed at increasing the service quality: the result was an improvement in the efficacy of the operating and management processes on the customers and the increase in the efficiency obtained with the introduction of new CRM (Customer Relationship Management) systems redefined with a highly customer-oriented approach.

The monthly satisfaction monitoring for Customer Service reveals, both with regard to households and business, a growing satisfaction trend for customers who contact Edison for information and requests for assistance: they appreciate the professionalism of the operators, the ability to quickly identify the solutions and, an even more important element, the timeframe for sorting out any problems emerging during the supply service.

FAIR COMMERCIAL PRACTICES

In the free market, transparency and fairness of commercial practices represent a key element in the relationship with the consumers. Accordingly, Edison has implemented an approach which aims at greater clarity of the contractual documentation, the training of sales personnel and its suppliers and the drafting of all the information needed for customers to move to the market, according to the regulations of the Code of Commercial Conduct, as updated by the Electric Power, Gas and Water Authority (AEEGSI).

With this purpose in mind, Edison has prepared a series of instruments which enhance the transparency, simplify the information and discipline the conduct also on the basis of the on-going dialogue with the Consumer Associations, in particular those recognised by the Ministry of Economic Development and enrolled in the National Consumers and Users Council (CNCU).

The **“Voluntary Self-Regulation Protocol to combat the phenomenon of unwanted electric**

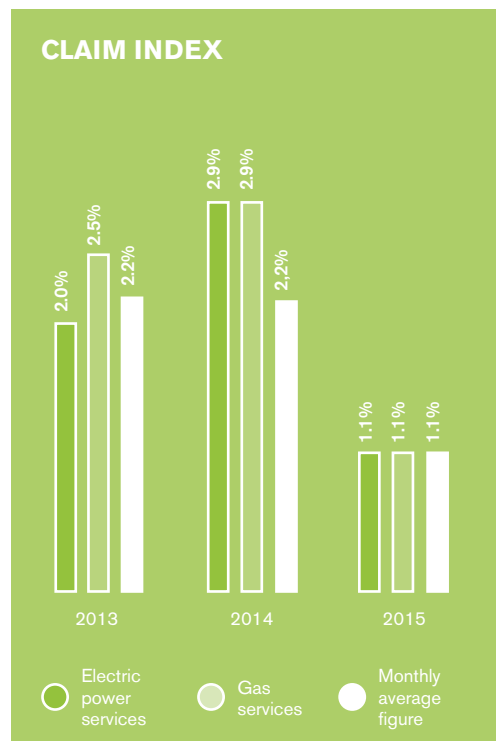
TRAINING FOR AN IMPROVED QUALITY OF THE OFFER

During 2015 the activities of the Edison Market Academy (EMA), which was created in 2011 with the aim of pursuing an innovative approach for the development of skills and corporate culture based on “focus on customer” and “service quality” concepts, continued unabated.

The EMA is increasingly oriented towards offering training to improve and develop professional skills: 10 new courses were set up in 2015, of which 3 using the proprietary e-learning platform.

Between 2011 and now, EMA has provided over 32,000 hours of training, of which 6,500 in 2015, maintaining a level of participant satisfaction of 4.5 (on a scale from 1 to 5). A total of 16 training programmes were planned and completed in 2015, involving a total of 54 sessions. One of the focus points of this year’s training was the extension of the course also to the individuals who work for the Contact Centers, with interaction vis-à-vis the customer, so as to increasingly raise their sense of belonging to Edison and improve the skills linked to customer satisfaction.

power or natural gas contracts or activations”, adopted further to Resolution No. 153/2012 of the AEEGSI (“Adopting pre-emptive measures and restoration in case of unwanted electric power or natural gas contracts or activations”), has been entered into by Edison with all the Consumer Associations of the CNCU.



The objective of the Protocol is to increase the guarantees relating to the stages of the process for acquiring a new customer and activating new supplies, going beyond what is already provided for by the law.

By means of entering into the Protocol, an e-mail channel has been opened dedicated to the Consumer Associations which collates the reports of unwanted contracts or activations. Furthermore, the company's attention with respect to the activation phase has further increased, both thanks to the increase in the number of the “confirmation calls” and via an improved training of the seller. Fines are introduced for improper procedures, and furthermore, the customer is offered the possibility of requesting the blocking of the invoices and requesting economic compensation in the event of non-fulfilment.

The Protocol also avails itself of a joint Watchdog, in which the companies and the Consumer Associations take part; this body oversees the observance of the envisaged provisions. The Watchdog meets every six months or upon the request of the parties. Its duties include: agreement on the training modules intended for the agencies, the analysis of the Report sent to the AEEGSI with the results of the monitoring

of the reports, the participation in the process for checking the recognition of the measures envisaged in the event of non-fulfilments, the updating of the protocol and the disclosure of the accounts of the six-monthly meetings to all the Consumer Associations complying with the Protocol.

Thanks to the implementation of the Protocol and its instruments, a reduction in the number of improper commercial practices has been seen in the last two years.

Supporting the Protocol and in order to ensure increasingly effective and efficient controls on the commercial network, Edison has implemented the “Welcome call” which on the one hand makes it possible to welcome new customers and on the other to check the correctness of the data provided at the time of signing the contract and that the customer is effectively informed.

Joint Conciliation

Conciliation is an alternative to the judicial system to resolve disputes amicably, voluntarily and free of charge, contributing to the improvement of the services provided to the public and is less onerous and faster both for consumers and businesses, without having to resort to the courts.

The customers are at the centre of Edison's attention. Nevertheless, in the event that problematic issues should emerge, thanks to the agreement between Edison and all the Consumer Associations of the CNCU, any disputes can be settled simply, quickly and entirely without costs by means of joint conciliation. The joint conciliation procedures is active for all the electrical power and natural gas supplies relating to residential household customers.

Edison has set up a permanent round table with all the Consumer Associations for the monitoring of the joint conciliation procedure aimed at improving the results of the procedures constantly and making said results increasingly efficient.

Edison also takes part in the Conciliation Service established by the AEEGSI care of the Single Buyer in order to facilitate the settlement of the disputes between end customers and electrical power and gas operators. The Service envisages the intervention of a third party facilitator who helps the parties to identify a mutually agreed solution without resorting to legal action. The Service is voluntary, free and takes place completely on-line by accessing the website www.conciliazione.energia.it.

DIALOGUE WITH CONSUMERS

Edison pays great attention to dialogue with end users and with institutions and associations which operate to make the market more efficient and transparent. This dialogue is essential to be more connected to the signs and the dynamics of the political, administrative and social system as well as the market and its players in order to guide any possible corporate strategic choices.

The Institutional Affairs Department, which has offices in Rome and Brussels, handles relations with the bodies of Government, the Parliament, the European Commission, the European Parliament and the Council of Europe, and handles relations with the independent authorities in Italy (Electric Power, Gas and Water Authority and the Antitrust Authority) and Europe, diplomatic representations and sector associations, making available the Company's specific know-how, guaranteeing all support that might help the process of drawing up provisions and contributing to the development of "corporate positions" which best represents the Group's interests. In this dialogue process, Edison regularly engages with all the **Consumer Associations belonging to the CNCU** - National Consumers and Users Council, which are recognised by the Ministry

of Economic Development. This attention has made it possible to develop a strong ability to listen to the needs of the customer: various round tables have been set up and numerous initiatives achieved, such as for example the "Regional Roadmap" and the "Service Quality Charter", valuable occasions for assimilating the observations and suggestions for the purpose of better responding to the needs of the consumers.

Equally active is Edison's collaboration with the national European industry associations (Confindustria, Confindustria Energia, Assoelettrica, Assolombarda, Assomineraria, Assorinnovabili, IGAS, Unindustria, Eurelectric, Eurogas, etc.) by taking part in working groups.

The debate with organisations

In conclusion, via the Institutional Affairs Department, Edison has structured on-going and lasting dialogue with the main think tanks and opinion leaders at Italian and international level, engaging on various topics of interest through research programmes, in-depth studies, joint organisation of events and seminars to further public debate.



On the basis of the provisions of the Code of Ethics, the relations between Edison and political forces are limited to looking into issues regarding relevant activities and promoting its positions transparently. Edison neither finances nor supports political parties or their representatives and takes a strictly neutral stance towards contending political groups. Dialogue with the Public Administration Authorities, both national and local, is based on transparency to more fully oversee the aspects relating to the authorisation processes, the permits, the concessions, the contributions and the public funding.

Edison is part of Confindustria, through its adhesion to both the structures linked to the territories where it is based and to the category or production sector associations, thereby strengthening the safeguarding of the aspects on which it operates and which have an impact on the mutual interests with the business world. Edison's active participation in the work groups of Assolombarda, Assomineraria, Confindustria, Assoelettrica and IGAS, is of particular significance with respect to the debate on the aspects associated with the energy supply chain. IGAS, together with Assogas and Anigas, launched the merger process which will lead to the formation in 2017 of a national gas federation.

In conclusion, Edison takes part in the initiatives of environmentalist associations and of the trade unions to support widespread interests not necessarily connected to the energy sector.

ENGAGEMENT WITH INSTITUTIONS FOR A QUALITY RELATIONSHIP

In order to strengthen its supervision of environmental and energy-related issues and contribute towards the Italian, European and international debate, Edison engages with the leading associations and organisations. The company is a member of **Eurogas**: made up of more than 50 businesses and associations from 27 countries, the association represents the midstream and shippers in the natural gas sector in Europe. Through its participation in the association and the direct involvement in the Governing Board - the body responsible for the choice of its strategic guidelines - Edison contributes to the dialogue with the European institutions for the regulation of the sector also within the **Gas Forum in Madrid**, the **Gas Coordination Group** and the **Citizens Energy Forum**.

With regard to the debate focused on the interests of the electrical power industry, Edison is a member of **Eurelectric**. The association is made up of electrical power generation and distribution companies in Europe and Edison is a member of the Board of Directors, the body which established the strategic policies, and is present in numerous work groups. It also chairs the Europe Committee, the body through which **Assoelettrica** takes part in the activities of Eurelectric. The company participates

in the activities of EFET, the European Federation of Energy Traders and is present on the Board of EFET Italia: the purpose of the Federation is to improve the market infrastructures for energy trading and for the markets' liquidity through dialogue with the European institutions.

Edison also represents the Investors Advisory Panel of the **Energy Community** (organisation created to align the regulation of the internal energy market of the European Union with that of the contracting parties of South East Europe). Edison's role as Investors Advisory Panel is to facilitate a more structured dialogue between private investors and the Energy Community and promote medium and large infrastructure investments in the area by means of specific recommendations.

The company is also part of the **Renewable Energy Task Force**, a group that was created with the aim of studying and proposing methods to extend European policies in support of renewable energy sources within the Energy Community Treaty.

Edison covers the Vice Presidency of the national Committee of the **World Energy Council Italia**. The WEC is an important international organisation which brings together 90 countries and is accredited care of the

United Nations. Edison contributes to the achievement of studies and research in the energy field, the organisation of meetings and seminars, as also it supports collaboration with International Institutions and Organisations. By means of the World Energy Congress, the most authoritative event of the international energy debate, the WEC discloses the result of its studies and analysis: the next date is fixed for 2019 in Abu-Dhabi.

In conclusion, the company participates in the **WEC Trilemma Study Group** and the **Rules of Trade Group**, it has coordinated the **WEC Europe Task Force** created at the World Energy Congress in Daegu for Italy with the aim of positioning the WEC with respect to EU issues and institutions, and co-ordinates the **Market Design Task Force**.



THE VALORISATION OF HUMAN AND INTELLECTUAL CAPITAL

Strengthening the trust and the active of its employees and developing their potential: these are the levers that Edison pushes in order to make its human and intellectual capital grow



3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

- Systematic healthcare monitoring of all employees connected with occupational health and safety risks.
- “Edison per” te is the company welfare programme addressed to all employees that includes ne plus ultra healthcare services.
- Edison has focussed on the nutrition, health and comfort of its employees through its “Wellness@work” programme.
- PLAY is the Edison Amateur Sports Association that motivates employees to do sports activities.



4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

- Edison guarantees all of its employees, the companies with which it works and young students of the secondary schools and universities continuous training.

4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others,

through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

- As part of the “Edison Open 4EXPO” programme, the employees took part in an intensive programme of cultural, scientific, educational, artistic and musical initiatives.



5.1 End all forms of discrimination against all women and girls everywhere.

- Edison has organised a communication initiative against stereotypes and is a permanent member of the EDF Diversity Community.
- Edison contributes to the Global Compact Human Rights work group.



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

- Edison applies itself to the development of skills, and the involvement and development of capabilities while ensuring a friendly and inclusive environment and equal opportunities for growth and compensation.

THE CREATION OF QUALITY EMPLOYMENT

Respect and valorisation of people represent the heart of Edison's actions, which keep communication and dialogue with its employees always open. Building a quality work environment is an essential challenge in today's context, above all in order to improve the well-being of all employees. With this objective, the organisation and management of the company's resources set out to attain ever-increasing quality of

service and a growing satisfaction of the individual employee. Even though the context scenario has not been an easy one, Edison has continued to invest in people through research and by including proactive employees who are determined and able to work in a team.

People and their talents are the strength through which Edison's business becomes consolidated and successfully tackles the

challenges of a more and more competitive market. Furthering the development of skills and the involvement and improvement of the individual's abilities contribute toward creating team spirit and a friendly and inclusive work environment; this is essential both to increase the efficiency and competitiveness of the Group and to always attract new talents, in this way reinforcing the human capital on which Edison can rely.

Edison addresses the market with transparency and fairness in search of young people to whom it can offer their first opportunity in the world of work with customised training programmes and of persons with a longer professional experience, thanks to whom it enriches its portfolio of skills necessary to develop its business. The selection is carried out based on objective criteria and in observance of privacy and equal opportunities of the candidates. Edison is a company that operates in many countries, so not only is it essential that it observes the local laws, but that it also guarantees observance of the managerial and professional culture, the practices and the operational approach of the single country consistently with the company's principles and values.

Edison's company welfare

Edison has launched the **Edison per te** programme to better reconcile everyday life, the needs and the working activity of its employees. The programme supplements and completes the Edison welfare offer that includes insurance policies, company and contractual healthcare and retirement coverage. Owing to this initiative and to the many benefits that it guarantees its employees, the company is able to actively contribute to the overall improvement in well-being of each one of its employees. During 2015 the Programme handled 7,536 requests for services or cost reimbursements of 1,606 employees, equal to 66.6% of the Italians working at Edison. According to the latest records available regarding 2014,

85% of its employees are satisfied with the Edison Programme and Welfare, while 96% consider the "Edison per te" programme extremely useful, very useful or useful.

More specifically, the "Edison per te" programme offers services and support regarding:

- **Family:** with special attention paid to the children of its employees, paediatric consultations, leisure time activities (residential and day summer camps in Italy, study holidays and intercultural exchanges abroad thanks to the long partnership with the AFS Intercultura Foundation) and study initiatives such as small school loans have been introduced. Thanks to the partnership with Intercultura, in 2015 two annual scholarships and nine summer programmes abroad were fully funded.

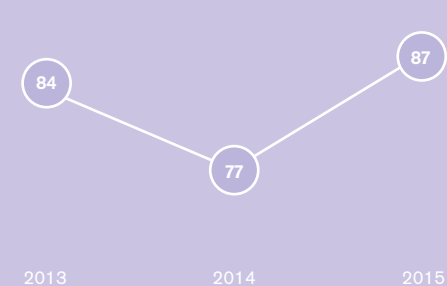
PERSONNEL BY GENDER



PERSONNEL BY GEOGRAPHICAL AREA



NEW HIRES



Support for managing elderly or disabled family members (bureaucratic paperwork, nursing facilities, home assistance services) has been provided through the Help Desk for the Elderly, with the possibility of booking services directly for family members. The service to find and make available professional babysitters has been active several years in the Milan and Rome offices, with the benefit of being able to use the "Buoni Tata" ("nanny coupons") that guarantee a certain number of free support hours for their children. New possibilities for reimbursement of school and university costs and for attending non-residential camps for those living outside Milan were introduced in 2014.

- **Health and Well-being:** as a long-standing

practice, during 2015 specific medical prevention campaigns were launched. For the employees of the various Italian offices, a prevention campaign with a choice of examinations, including cardiovascular, gastroenterological and women's prevention protocols, was proposed. The company Occupational Health and Safety specialists contributed to setting up seminars and training sessions on methods for improving posture during the working hours. Through "Wellness@Work", a programme to promote the physical activity was launched, while an online consultancy service with the support of an external profession, in observance of privacy, was started for psychological well-being. Collaboration with AVIS in Milan is still solid.

- **Tempo per te** (Time for you): for managing everyday activities and errands and home-work transportation. Online and telephone legal and tax consultancy services (a service for bureaucratic, postal and banking business is also active in Milan, with a front office in the company) and numerous programmes and discounts for leisure time (theatre and cinema box office, theme parks, trips and cultural events) for saving time and reinvesting it outside working hours. The employees of the Milan offices also benefit from the agreements drawn up with the local transport companies ATM and Trenord. Alongside the company initiatives for Fuori Expo, this year over 700 requests for admission to Expo 2015 were managed under very easy terms, which reached a total of almost 3,000 tickets.

RECOGNISING THE VALUE OF DIVERSITY

Giving value to diversity and guaranteeing equal opportunities is the spirit underlying the policies and initiatives that Edison has deployed in recent years in order to give concrete form to its commitment to keep sensitivity to respect for diversity higher. A communication initiative against "stereotyping", addressed to all employees, was started in 2015 to coincide with the

World Day for Cultural Diversity for Dialogue and Development promoted by UNESCO. The management of diversity in Edison is in line with the policies of the EDF Group: Edison is a permanent member of the EDF Diversity Community, the body in which all the entities of the Group are represented and which develops a strategy on more inclusive diversity.



WELLNESS@WORK: FOCUS ON WELL-BEING

The **Wellness@Work** programme was launched in 2015. With it, Edison focuses attention on creating a working context that supports the well-being of its employees by improving their health and lifestyles, and by raising their awareness to proper nutrition and physical activity. The project, which supplements and completes the other company initiatives, develops transversally in various fields (nutrition, health and comfort), and involves all employees in the different company offices through an extensive programme of activities, some of which are already active. For example, interventions have been made in recent years at the Milan office to improve the microclimate, the hygienic standards and air conditioning of the offices, especially in the open spaces. Lastly, work started in 2015 to build a new in-house coffee shop as an alternative and supplement to the traditional canteen in order to introduce a

new way of conceiving work breaks in a more modern, more comfortable and more socializing room. The coffee shop, which will be inaugurated in 2016, will be a room that interprets the new ways of working and will be able to accommodate informal meetings in alternative spaces.

Edison wanted to strengthen its undertaking in the health of its workers by promoting motor activity in a more structured manner. In 2015 an amateur corporate sports association was formed, and it promotes the culture and the sport values education among the employees, also through tournaments and sports corporate competitions (in sports such as football, volleyball, marathon and cycling) amongst employees. An equipped area with changing rooms and showers has been installed at the Milan offices. It is useful for those who plan to take advantage of outdoor activities during their work breaks.

On the nutrition level, Edison researches and proposes the nutritional quality of meals to eat healthier and stay fit and healthy by promoting the culture of dietary well-being at the company. A specific line of wellness dishes suggested by nutritionists was introduced at the in-house canteen in 2015. Even the snack and beverage vending machines have been replaced with fresh foods (orange juices) and product lines without saturated fats or additives. Lastly, specific seminars and conferences on the subject of nutrition were organised.

The small bottles of water and plastic cups at the company canteen have been replaced with free micro-filtered water dispensers and washable glasses. In this way up to 7.5 tons a year of plastic waste, equivalent to 18 tons of CO₂ not emitted, are being saved.

- **Purchases:** with an interactive portal and easy terms within a network of agreements which is increasingly broader and interesting, employees can purchase goods and services on an exclusive basis. Payback mechanisms are offered in addition to discounts on many purchases.

To ensure a wide choice, Edison also continues its membership in the Business and People Network (leP), which sets out to encourage and promote the use of employee fringe benefits as a competitive tool for businesses and a responsible contribution to the improvement of society by these businesses.

Lastly, this year as well two on-site Temporary Shops connected with Bambinisenzasbarre, a non-profit association which deals with the construction of a "Yellow Space" (a welcome centre for children where parents and children can be together) at detention centres in Lombardy, were managed, and 5% of the proceeds from sales were given to the initiative.

THE VALORISATION AND INVOLVEMENT OF PEOPLE

Edison's commitment to those who are in its team is based on **systematically listening to the needs and expectations of the individual worker**, on developing opportunities for all, and on safeguarding health and safety in order to support their personal growth and their work-life balance.

To this regard, the "annual feedback interview" for feedback between each worker and their manager gathered strength in 2015 by introducing awareness raising, information and training activities for both the managers and the workers. In 2015 the percentage of interviews held reached 65% of all employees (with an 80% peak at the wholly-owned subsidiaries).

Continuous training to strengthen skills

Professional growth of an individual worker is assisted by a structured training programme that at the same time focuses on real needs and on identifying the key skills necessary for business development.

Edison supports the development of the professional skills of its employees through growth that is based on continuous training, acknowledging their performance and valorising talent in all its forms. The Human Resources

and Organisation Department, in close cooperation with managers, draws up an annual training plan for all personnel.

The aim is to strengthen the skills of the various "professional families" and those linked to managerial skills and to "cross-cutting skills". In 2015, Edison provided a total training programme of 97,106 hours involving 2,485 people at a cost of around 6.05 million euro, of which more than 200 thousand euro were covered by the loan procedure initiated by using the training account of the interprofessional funds Fondimpresa and Fondirigenti.

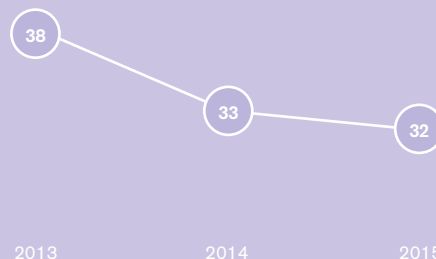
The average training hours in 2015 amounted to 32. The decrease compared to the previous

year is due to the change in perimeter after several plants were mothballed and the changes relating to the scope of consolidation.

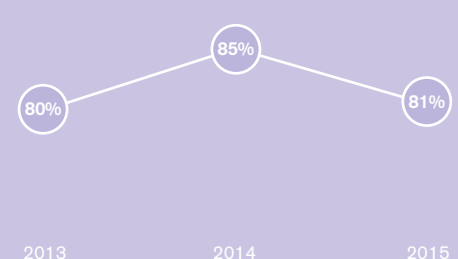
The 2015 training programme was also notable owing to its broad and transverse coverage of the Company's population (81%), both in terms of professional and technical training, and in terms of the customary emphasis on safety and the environment.

The usual institutional training programmes dedicated to the new recruits and professionals (including induction for the new recruits of 2014) were carried out as part of the 2015 Development and Training activities, added to which was the training programme specifically

AVERAGE TRAINING HOURS PER EMPLOYEE



PERSONNEL TRAINED DURING THE YEAR



designed for the 50 young people placed in the “early talent detection” programme.

As for the skills concerning the “professional families”, the activity of the Market Academy was significant. It is of interest to and involves the employees of the companies providing the “contact center” service as well.

Several specialised training programmes were also started up, in particular the “Nautilus” programme on geosciences/subsoil that involves the professionals of Exploration and Production and Research and Development on an international scale. A structured programme on Project Management dedicated to the ACT professionals also got under way. It is offered in collaboration with MIP, the business school of Milan Polytechnic, of which Edison is a founding member.

Management training focussed on the theme of the Annual Interview as a preferential tool for communication between head and employee. Management extensively applies it in just under 2,000 interviews. The offer of the company management training platform “Ecampusmanagers” was also further developed, and it particularly dealt with economic and innovation content, in addition to “hosting” the video of the many meetings and seminars Edison has organised as part of the “Edison Open 4Expo” cultural initiative, with the key topics of sustainability, the environment and innovation.

In addition, collaboration continued between Edison’s Training division and EDF’s Corporate University, which are active in all the leadership and management programmes; particularly noteworthy is the consolidation of the programme Gas & Hydrocarbons Fundamentals developed by Edison and EDF in collaboration with SDA Bocconi.

Singling out and cultivating talent

To help young talents growth and to give them the tools for coping with the world of work. Edison contributes to the attainment of this goal through structured partnerships with the main Italian universities and business schools and with some of the technical institutes of the province of Milan with which they launched the first alternating study-work projects.

To protect the growth of younger employees who come from schools and universities there is a specific development, training and recognition policy, applied during the first 3-4 years of joining the company, which aims to support the Young Community in acquiring knowledge and enhancing the talent of each.

The company also supports specialisation and post-graduate master’s degree courses: the Master in Green Management, Energy and Corporate Social Responsibility of Bocconi

University, the Master in the Economics of Competition and Regulation of Public Utilities of Tor Vergata University in Rome, the Master in Energy Resource Management by SAFE, the Master’s Degree in Media Relations and Business Communication of the Università Cattolica in Milan, as well as colleges and institutions for the most deserving students, such as the College of Milan and the Collège des Ingénieurs of Turin. It supports undergraduates and doctoral researchers of the Engineering Department of the environment, the local territory and infrastructure of Turin Polytechnic, which contributes to corporate research and development.

In-house listening through a climate survey

Listen to the employees on important topics concerning company life, and gather their perceptions on Edison’s strategies and activities, on relations with management, on the trust relationship with the company and on the work motivation: **MyEDF** is the main tool with which all Edison employees can express their personal opinions each year.

With this survey, they are given a wide-ranging questionnaire containing about 80 questions that represent the elements of satisfaction and those considered critical referring to everything regarding their professional activity,

working conditions and the means of managing day-to-day work in-house. Afterwards the results and the action plan for the problems identified are shared. It is a constructive phase that involves people who have different responsibilities and that presents an opportunity for communication and dialogue.

The major results that emerged from the 2014 survey (the third carried out) were reported to the employees in 2015 as well, and they served as the starting point in the continuous improvement process that Edison implemented in managing its resources. Approximately 86% of the employees declared the survey results were returned to them.

In particular, the 2014 survey, in which 79% of employees participated, confirmed that the level of trust in the future of the EDF group as that for Edison is solid, despite the difficult situation. Two-thirds of the respondents consider themselves fully involved in company activities, and with a very high sense of belonging. The vast majority of employees identify with the values and culture of the company, and is proud to work there. Eighty-four percent of the employees are very satisfied with the services placed at their disposal through the “Edison per te” programme and the set of welfare policies that reflect the company's true concern for its employees. Seventy-seven percent of Edison employees states that they are satisfied with their working conditions.

The perception of the importance that the company gives to innovation likewise increased. On the management tools level, the survey confirmed the progressive diffusion of the annual head-employee interview.

The survey naturally revealed also many areas for improvement. For example, only 26% of employees in 2014 said they are familiar with the Group's strategic orientations, and only 53% deemed communication on this topic clear (a subject being broached in 2015 with a widespread communication and involvement programme as part of the Cap2030 project). Organisation and the key company processes were assessed as effective by only 54% of the people surveyed. As for management, knowledge of the professional opportunities the company offers its employees proved to be still limited (39%). Action plans on the single company areas and topics and cross-cutting and common actions were then defined and launched on these and other topics in 2015: on training, communication and innovation support themes in particular.

As far as My EDF 2015 is concerned, the survey that was handed out to the employees between 6 October and 5 November and 77% of them participated, a percentage slightly lower than the first editions, but still with a very significant level of adherence. At the moment of drawing up this document the Company is still sorting the results of the 2015 edition survey which

will be disseminated in coming months. As from March 2016, the new results will be used as an instrument to monitor Edison's corporate performance, to mobilise the Company on important issues that emerged and to share and implement new improvement initiatives.

Active participation and involvement

Following the celebrations organised for the 130th anniversary of its establishment, Edison's year 2015 represented an opportunity to think about the future with an innovative spirit, also through various employee involvement projects.

As part of the **“Edison Open 4EXPO” project**, Edison employees took part voluntarily in an intensive programme of cultural, scientific, educational, artistic and musical initiatives held from May to October at Palazzo Edison in Foro Buonaparte, at the Edison Open Garden Triennale in the Palazzo della Triennale gardens, and at the Rotonda della Besana, home of the children's museum MUBA - Museo dei Bambini. In particular, the “inSIDE Edison” project that studied the key theme of the “Edison Open 4Expo” programme, innovation, in depth was developed for employees. Four focus groups were held, with the participation of innovative communication experts, a Twitter Manager of the Accademia della Crusca, a Marvel artist, a storyteller of a programme on Radio2 and

a Wired illustrator. The participants were supported in the production of a Twitter-based Glossary, a comic strip dedicated to the killers of innovation, a podcast on best practices and a digital publishing product.

When the Expo year closed in December, the event “Edison Open 4Christmas” was held, and it was an opportunity for employees to meet and interact as they celebrated Christmas and it concluded the programme dedicated to innovation that Edison carried out in 2015. The Parents at Work Day reached its ninth year, and it contributed to raising awareness in children and families of the employees as well as to bringing them closer to the themes of Expo,

not to mention to serving as an opportunity for children to see where their parents work.

The **Edison+ Intranet** confirmed its function as a constantly updated space where employees can find news and information about the Company and personnel, work tools and services for employees. In parallel, the work to build the New Edison Intranet Portal commenced. A listening activity was carried out during the year, involving the Edison employees and stakeholders. Its goal was to collect expectations and suggestions regarding the new portal. Over 600 colleagues replied to the survey on the new portal, which was followed up with 30 interviews with internal stakeholders. Forty colleagues provided their

contribution to the workshops dedicated to defining the information architecture. And more than 200 of them took part in the online testing of content positioning. A significant contribution was given by the people who showed considerable interest in the project as they consider the portal an important professional tool.

This year Edison also invested heavily in paying attention to the health and well-being of its people at the workplace by promoting the physical activity of its employees. Edison also hosted the event “Mangiare bene... Lavorare meglio” (“Eat well... Work better”), during which a showcooking was held with the participation of a nutrition and cooking expert.



As previously mentioned, this area also included the launch of **PLAY**, the Edison Amateur Sports Association that by way of a number of sports initiatives will further the culture and the sport values and the habit of ongoing physical activity to prevent diseases, for greater body energy and for a psycho-physical well-being that reflects on a better quality of life.

One of the company's volunteer activities the **Siticibo project**, continued in collaboration with Banco Alimentare to recover the excess food from the company canteen which is then donated to soup kitchens in Milan. A food collection was also held at the Edison offices in Milan as part of the "Edison Open

4Expo" project. Edison employees collected as much as 676 kg of food products for a total of 57 boxes and 233 donors.

Edison took part in the in-house **EDF Pulse** contest, whose goal is to give value to the innovative actions carried out by EDF group employees.

Transparency in industrial relations

Debate on the needs and requests of works is at the heart of industrial relations at Edison. Through **dialogue with the leading Labour Unions**, positive and innovative solutions

that prevent conflicts and improve working conditions have been implemented.

An important agreement that sets out a new Industrial Relations System and a new organization of the union representatives in the Edison group was signed with the national labour organisations in July. The new model will be more representative of the workers, will offer greater certainty on the timetable, parties and contents of dialogue with the union, will contribute to supporting growing integration between the different business areas and the international dimension, and will be aimed at sustaining the life and development of the Group companies



and the workers' employability over the years. In conformity with the relational model update, the elections for renewing the representatives of the unit employee organisations (RSU) and of the safety and environment workers (RLSA) in all the local units of the Edison group were held in December and 65% of the employees took part.

As for the regulatory context, the year 2015 was marked by the coming into force of the decrees implementing reform in the labour law ("Jobs Act").

The industrial relations activity then focussed on analysing the repercussions of the "Jobs Act" decrees on the Human Resources department activities by both organising specific information and in-depth study

meetings and updating the rules governing the drawing up of contracts.

On 31 December 2015 the main national collective bargaining agreements (CCNL) applied in the Group (Electricity, Energy and Oil, Gas-Water) expired, and negotiations for their renewal got under way during the latter months of the year.

Activities connected with managing employment problems arising from the crisis of the Italian thermoelectric sector, which was also felt in the Edison group with the consequent necessity to mothball several production sites, also continued throughout the year. In conformity with the signed national union agreements, activity

continued to retrain and redeploy employees to other Edison group companies, in particular the San Quirico (PR) and Piombino (LI) units.

As regards the management of the workers of the Piombino site, a joint review report for recourse to the Extraordinary Redundancy Fund was signed at the offices of the Province of Livorno on 20 October 2015, with validity from 16 November 2015 until 15 November 2016. Its aim is to have a longer period of time for reallocating this surplus personnel.

At the end of the year the performance bonuses for productivity and participation of the electric, hydrocarbons and gas-water sectors were renewed for the year 2015 with a single agreement for all the various sectors.

EDISON WINS THE TOP EMPLOYER 2015 AWARD

Edison was named Top Employer Italy 2015. Top Employer certification is a prestigious international recognition awarded to the companies that create excellent working conditions for their employees and demonstrate that they apply outstanding human resource valorisation, training and development

practices. The analysis made by Top Employer Institute according to a methodology that examines a series of objective data considers all the major areas in the Human Resources field, and only those companies that demonstrate a propensity for continuous improvement of their process obtain certification.



THE COMMITMENT IN HEALTH AND SAFETY

Creating a healthy and safe environment for all employees is one of Edison's main commitments. Its efforts and activities in this direction have led to a **guarantee of ever-greater protection for the people who work in the company and to extend this same protection not only to all of the production processes, but to contractors as well.**

Edison has fulfilled all requirements set out in current regulations, with particular reference to updating risk assessments to the organisation of the periodic safety meetings. They are also an occasion for sharing the

progress of the training processes and the macro results of the healthcare monitoring carried out on employees. Edison's commitment has also made it possible to meet time and quality compliance by the deadlines established by national environmental laws.

In 2015 Edison took another step forward by adopting a **new Health, Safety and Environment Policy**, which is in line with that of the Group. It also updated General Rule 08/93, "Guidelines for protecting the environment and for safeguarding the health and safety of people", the chief reference of company management on the subject.

During the year:

- all the scheduled monitoring and/or renewal inspections of the management systems certified according to the BSI OHSAS 18001 standard for health and safety were successfully completed;
- all the scheduled management reviews required by applying the organisational models and the environment and safety management systems were carried out, during which the 2014 results were analysed and the programmes for improvement for the upcoming years were identified;

- the overall company review was carried out in order to make the various certified management systems at Edison consistent with each other. The HSE managers from the foreign branches who had contributed to setting the goals for the year in progress, the internal audit programme and the training programme were also involved for this purpose.

As mentioned previously, a total of 81 internal audits were completed during 2015, a number higher than the one planned at the beginning of the year.

The company procedure, "Guidelines for reporting accidents in the health, safety and environment area", was updated to make it consistent with the General Rule "Guidelines for handling company crises". With the contribution of EDF Group managers, a company crisis simulation connected with a possible accident at the offshore field Rospo Mare was carried out in November. It was completed with positive results.

As for the previous years, Edison took an active part in the European Safety Week dedicated to muscular and skeletal problems. In addition



to information initiatives, all personnel of Edison's headquarters benefited from a special e-learning awareness session thanks to the "Back to school 2.0" project. The second cycle of the postural risks training project therefore broadened the number of people who benefited from all the information necessary for correct posture and for raising the awareness necessary to reduce muscular and skeletal risks.

Edison's commitment on health and safety protection themes can be monitored by processing accident rates that are calculated taking into account both the data of Edison personnel and those of the suppliers. In this way to all management can be assigned goals to

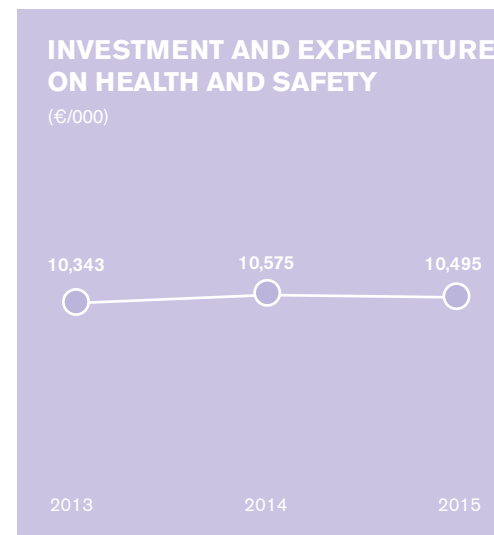
improve over the average of the results of the last three-year period, goals that make a direct impact on the relevant MBOs.

Edison's commitment goes beyond the confines of the Company and impacts on the contractors which work alongside it day by day to achieve the business goals. In this light it is essential to protect the health and safety also of their employees, in order to improve the Group's overall performance.

The contractor employees who regularly work on operational sites are actively involved in coordination meetings and training courses on specific issues for the sites where

they largely undertake their work as well as on more general safety themes, in order to enhance the health and safety culture. In particular, contractor personnel was trained on topics concerning the emergency plan, chemical risk and manual load handling.

The frequency injury rate about the contractors' employees confirms the positive trend of 2014, as well as the gravity rate, without considering the fatal accident that concerns an external company which operates at the floating storage vessel FSO Leonis of the Vega A Platform in the mining concession operated by Edison. On the accident, that happened during a unauthorized task and unknown to



Edison, is currently on course an investigation carried out by the in charge authorities that aim to verify the causes and the responsibilities of what happened.

The year 2015 closed with a total 2.1 **injury rate** for activities in Italy and abroad, in line with the trend of recent years, even if slightly higher than the end of 2014 rate (1.8).

In detail, the injury rate for company personnel in 2015 was 1.9 (1.7 in 2014), while that for contractor personnel was 2.4 (2.0 in 2014). The difference is due to the fewer number of hours worked compared to a number of injuries that, on the other hand, did not change.

The total **severity rate** for activities in Italy and abroad in 2015 was 0.11, slightly improved over that of 2014 (0.13), with a significant deviation between company personnel (0.06) and contractor personnel (0.23).

Safety in local communities

As part of the process of adopting integrated management systems for health, safety and the environment at all operating sites of the Edison group, the Company carried out an assessment of all of the risks inherent in its business activities, including those with a potential impact on local communities.

The analysis takes in consideration not only the plant operational aspects, but also those in the design stage. The issues that are monitored the most concern emissions into the atmosphere, noise generation and management of the levels of hydroelectric reservoirs.

Note should be taken of the experience developed over some years with the earthquake monitoring network of Collalto. The seismic monitoring network is a piece of infrastructure created with the aim of monitoring natural seismic activity and any micro-seismic activity induced in the area where the Collalto storage field lies.



Edison entrusted the design, realisation and management of the network to the National Institute of Oceanography and Experimental Geophysics which on the one hand guaranteed to provide Edison with a reliable instrument to identify any external interaction arising from its activity and, on the other side, guaranteed the control bodies, the local authorities and the population that lives near the plant the availability of accessible and reliable data to check the work of the operator of the storage plant.



CRISIS SIMULATION

On 28 October, in the waters of the maritime district of San Benedetto del Tronto there was a complex unscheduled exercise called POLLEX 2015. The scenario assumed included the accidental spillage of crude oil into the sea from the Off-Shore platform Sarago Mare, located off coast near the border between Porto Sant'Elpidio and Civitanova Marche.

The purpose of the exercise was to test the operational readiness and capacity for coordination of the Port of San Benedetto's Capitaneria and also implementing the

Operational Plan of emergency against marine pollution as well as to test the emergency response capacities of Edison that, as a platform dealership, it has ordered the use of naval units with anti-pollution ability.

Exercise was attended by naval units of the Coast Guard, also a patrol boat of the Operation section of San Benedetto's Guardia di Finanza. The simulation, in which it participated as an observer even the Ministry of Economic Development, confirmed the efficiency and effectiveness of the emergency plan of which Edison is

relevant actor, and which has been given positive notice also on the local media.

An emergency drill was carried out in November 2015 that simulated the collision of a motorship in distress against the Rospo Mare platform, with plant, health and environmental consequences. The scenario of the simulated accident involved the offshore facilities of the Rospo Mare Field - RSMB platform, the operational district of Sambuceto and the crisis committee monitoring from Milan. The final result was positive and the simulation will be repeated in the next years changing the contexts.



7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.

- Edison joined the project "World Access to Modern Energy & Expo 2015" as founding member.
- Edison supports the "Elettrici Senza Frontiere" association, which makes expertise available in order to guarantee access to energies in the more disadvantaged areas of the world.



8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

- "Edison Pulse": the Edison programme for developing the best start-ups selected on the basis of their potential positive impact on the community.
- Partnerships with the qualified suppliers and training to boost their capacity building.



9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

- The activities of the Edison Foundation are centred on promoting scientific research and studying local production systems.



10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

- The Human Rights work group started up in the Italian Global Compact network in which Edison takes part permanently and on a proactive basis. The group started specific work on promoting diversity.



11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

- Edison contributed to the fulfilment of many cultural promotion initiatives (particularly in cinema and music) and for spreading sustainability values.
- Environmental conservation and protection initiatives at the facilities and surrounding areas.
- Preservation and improvement of Edison's historical and cultural heritage (photographic and cinematographic archive).



12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

- "Siticibo" project, in collaboration with Banco Alimentare to collect surplus food from the company canteen for donation to soup kitchens in Milan.
- One of the winners of Edison Pulse, "Last minute sotto casa" sets out to fight food waste.



13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- "Eco-Generation 2.0. The School is Friend of Climate", in collaboration with Legambiente, is the project to encourage sustainable behaviour inside local schools.
- Edison launched the Edison Green Movie protocol in 2011. It is a practical guideline pointing out the best solutions for reducing environmental impacts, as well as economic impacts of a film production.
- "Waiting for COP21" (3 seminars in preparation for the Paris Conference).
- The "Open 4Expo" programme consists of over 300 events including conferences, exhibits, concerts, workshops for children, debates on sustainability, innovation, and social and economic themes that involve prominent experts on the various topics.
- Edison contributed to "The Water Room" project promoted by UNESCO in order to promote awareness in the public at large on the theme of the water resource and its shortage.



17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

- The network of parties with whom Edison works on the Corporate Social Responsibility (CSR) theme has become strengthened.
- The route taken to bring Edison closer to COP21 involved prominent figures coming from institutions, enterprises, NGOs and society in a logic of mutual value.

17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.

- Capacity building initiatives and access to energy in Egypt.



EDISON OPEN 4EXPO: EDISON'S PROGRAMME FOR THE UNIVERSAL EXPOSITION

The universal exposition provided Edison with an opportunity to seek out and share considerations and in-depth studies on the strategic themes closest to the company's identification: innovation, sustainability, and economic and social growth. During Expo Edison was a partner of the City of Milan for the "Expo in Città" initiative, thus confirming its identity as a historic and innovative company focussed on the welfare of the community. By putting together a number of cultural, scientific, educational, artistic and musical events – grouped under the name of Edison Open 4EXPO – it stacked the most brilliant minds against each other: Nobel prizewinners, prestigious economists, well-known columnists, Italian and international artists, researchers and start-uppers faced each other during the six-month period of Expo at the historic headquarters in Foro Bonaparte, at

the Edison Open Garden Triennale and at the Rotonda della Besana.

The calendar of dates was made up of over 300 events comprising conferences, exhibits, concerts, workshops for children, debates on sustainability, innovation, social and economic themes and opened with the inauguration of Riccardo Previdi's installation in the gardens of the Milan Triennial Exhibition that played host to the Nobel prizewinner for economics, Amartya Sen, on May 15th.

Twenty-two thousand people, more than 26 million views and 8 million clicks recorded on the website and social pages: the success of Open 4Expo was confirmed by the "Best Event Award" in the 2015 best cultural event category. The meetings and conferences that

Edison set up during the six months that Expo ran provided a collection of thoughts and views on Italy's future. Together with the ideas gathered on the web, these contributions were absorbed into "Lezioni di Futuro" ("Lessons for the Future"), a document drawn up to track the course leading to tomorrow's Italy.

"Lessons for the Future" is an ambitious project that creates dialogue between the collective thinking of the web and the viewpoints of technicians and experts. Where do we start from to innovate? The answer that the report provides indicates that the solution is to urgently integrate technology and real economy because it is only through digitalisation that the small and medium-sized enterprises on which Italian economy stands can win the challenges of the future.

EDISON FOR TERRITORIES AND LOCAL COMMUNITIES

The year 2015 was characterised by Expo in Milan, by the definition of the Sustainable Development Goals of the United Nations and by the climate change agreements at COP21 (Conference of Parties) in Paris. Edison played an active role in studying these topics in-depth and in exchanging views with many different parties inside and outside the company.

A systematic activity of listening to stakeholders, the building of an open and innovative cultural debate and the planning of local projects: thanks to these means, Edison's commitment took concrete form in facts.

Edison has focussed its commitment on the spreading of a culture more knowledgeable

of energy savings, careful utilisation of energy and renewable sources through the many initiatives undertaken throughout the country during the year.

Attention paid to the communities is fundamental in the dialogue and partnerships with national organisations active in the territories of reference for developing shared projects.

In 2015 Edison invested over 3 million euros for projects for the communities, especially in Italy. The main recipients of this type of activity are the children, youngsters and young people involved by means of music, cinema and educational activities.

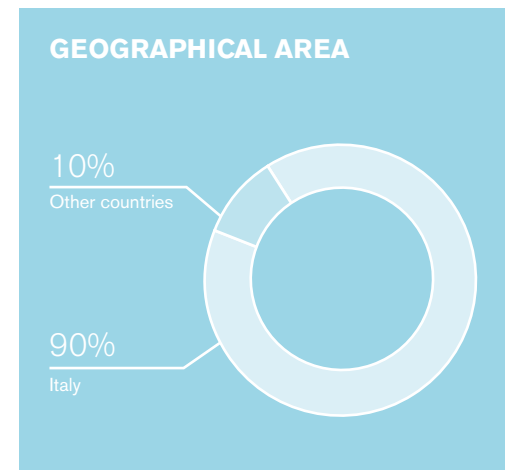
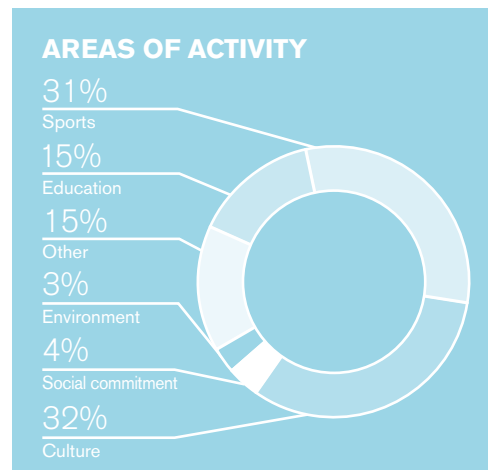
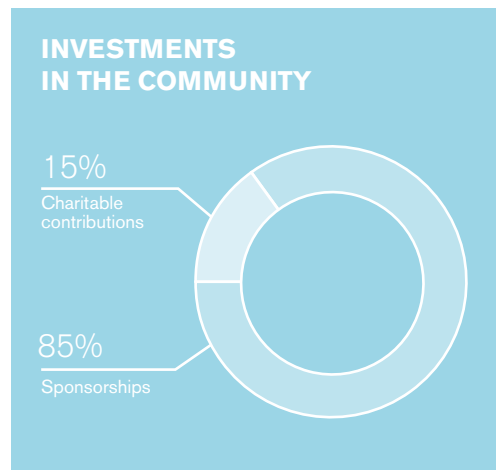
The sustainability culture

Edison is engaged in the creation of a widespread culture on sustainable development and in a broader education of young people on energy efficiency.

In Edison's opinion, the school is the preferential place for creating and raising the awareness of tomorrow's generations on sustainability topics.

"Eco-Generation 2.0. The School is Friend of Climate", in collaboration with Legambiente, is the project for encouraging sustainable behaviours and actions inside local schools.

The last three-year project, which concluded during the 2014-2015 academic year, involved





5,500 students, 2,500 parents, 180 teachers, 20 regions, 35 public administrations and 45 associations throughout the country. Special attention was paid this year to the school building and relevant safety and energy saving themes.

The schools that particularly distinguished themselves in the project over the three-year period have been awarded in June. Those that received certificates of merit were the delegations of students, teachers and headmasters of the schools "Cesare Chiominto" of Cori (Latina), "Rodari" of Briona (Novara), "XXV Aprile" of Piacenza, "Galileo" of Trento, "Esseneto" of Agrigento, "Cosimo Ridolfi" of Scerni (Chieti), "Einaudi" of Genoa, "Massalonga"

of Verona and the primary school of Tavagnacco (Udine).

To promote the good practices of Eco-Generation and amplify their spread and benefits on the local level, shared planning days were organised within the Open 4Expo programme and they involved parties having different experience (schools, local administrations, organisations and also companies and start-ups), which debated on themes of energy efficiency, waste management, school canteens and urban mobility.

Edison and Legambiente also set up the **Eco-Generation Labs** for children on the themes of renewable energies, energy

efficiency, recycling-reuse and reutilisation of materials, soft mobility and sustainable lifestyles in the setting of the Rotonda della Besana.

To reinforce its undertaking in the educational projects, the company started a partnership with MUBA and the City of Milan with the inauguration of "**Energial!**", a play and educational programme centred on electricity with striking installations able to make science fun, innovative and fascinating. To set up the exhibit, Edison placed a team of experts and their expertise in the electricity and hydrocarbon production sector at the disposal of MUBA to design a playful route without foregoing a rigorous approach. More than 25,000 visitors - students and families - visited the exhibit during the first half of 2015.

The partnership then continued participating to the Childrenshare, the cultural programme on Expo themes dedicated to children. In October 2015 energy resumed its key role at the children's workshops that Edison and MUBA proposed with **"Radio MUBA"**, a real radio broadcasting studio tailor-made for children so they can learn about radio while having fun.

Thanks to the collaboration with RAI Radio2 Caterpillar, the children were able to put together an actual programme dedicated to the themes of sustainability, innovation and the future consistent with Edison's traditional "M'illumino di meno" campaign by turning themselves into hosts, journalists, directors and correspondents.

As previously mentioned, Edison accompanied the route taken to the Paris Conference with the discussion and involvement of experts and by contributing to the construction and feeding of national public debate. Beside the cycle of conferences **"Waiting for COP21"**, a number of initiatives to raise public awareness on the topic of climate change were organised.

As part of the Open 4Expo events, Edison started the second edition of the road show **"Al cuore dell'energia. Un viaggio alla scoperta degli impianti"** ("At the heart of energy. A journey in search of the plants"), which consisted of opening its energy production plants. Six energy production sites

were opened to tours: the hydroelectric power plants Sonico and Cedegolo in Valcamonica, the Venina power plant and the Frera dam in Valtellina, and the Meduno power plant and Ca' Selva dam in Friuli Venezia Giulia. They welcomed over 4,600 visitors.

The possibility to try a virtual experience was offered during the weekend when the plants were open with the **"Gear Virtual Reality"** stations, which gave access to areas usually impossible for the public to visit, such as slopes and dams. Gear Virtual Reality is a special visor that offers the wearer a totally immersed 360-degree video that gives the impression of being physically present in the places presented.

ADOPT A SCHOOL FOR EXPO 2015

Edison and Unindustria - the Association for Industrialists and Businesses - of Rome, Frosinone, Latina, Rieti and Viterbo joined the project "Adotta una Scuola per l'Expo 2015" ("Adopt a School for Expo 2015") as part of the Memorandum of Understanding signed by Confindustria and the Ministry of Education, Universities and Research in order to mobilize the Association system in favour of participation of schools at Expo 2015.

Unindustria and Edison encouraged a school delegation of the Istituto Lucio Lombardo Radice to visit Expo Milano 2015 by organising a meeting entitled "Sostenibilità ambientale ed efficienza energetica – come dare una mano per un Pianeta più pulito" ("Environmental sustainability and energy efficiency - how to help to get a cleaner planet").



As confirmation of the attention to the local communities that host its plants and the desire to give its contribution to valorize the local excellences and initiatives, Edison hosted several local organisations (such as local tourist offices, entities and associations) who, through their volunteers, were able to hand out information and materials on their events and initiatives to promote their organisations and local products.

Edison also sponsored live music events (involving Paolo Belli, Big Band and Irene Grandi) in collaboration with the municipal administrations on the days the power plants were open.

The green contribution to cinema

In 2011, Edison launched the **Edison Green Movie** protocol. It is a practical guideline pointing to the best solutions for reducing environmental impacts, as well as economic impacts of a film production. Solutions for optimising energy and material consumption or the use of vehicles are suggested, in this way contributing not only to the reduction of environmental impact, but also in order to make the overall organisation efficient with real economic savings.

As of today the protocol has been applied to five film productions, including the film “Capitale

Umano” by Paolo Virzì in 2013 and afterwards the film by Aldo, Giovanni & Giacomo, “Il ricco, il povero e il maggiordomo”, and in the film “Torneranno i prati” by Ermanno Olmi. A full programme of showings of the latter film was organised at schools in consideration of the centenary of World War I.

The experience that Edison has gained and its will to spread the good practices connected with application of the protocol have led to a parallel participation in specific networks, with local and also international circulation.

Owing to the agreement signed in July with Italian Film Commissions (IFC) and



its collaboration on the World Bank's Action4Climate project, Edison Green Movie becomes widespread in Italy and abroad.

Collaboration with IFC will provide widespread circulation of good practices for sustainable cinematographic production in all the regions thanks to the involvement of the local film commissions that will take steps to ensure that the films within their jurisdiction adopt the guidelines of the Edison protocol and serving as a reservoir with the public and private entities in the territory able to supply

eco-friendly products and services, by making easier the energy supply and the local territory and landscape.

Edison Green Movie also participates in World Bank's Film4Climate initiative. The objective of the project is to develop a tangible international plan to lessen the environmental impact of cinematographic productions and at the same to promote and encourage actions to respect the environment, in connection with the climate change theme through cinema.

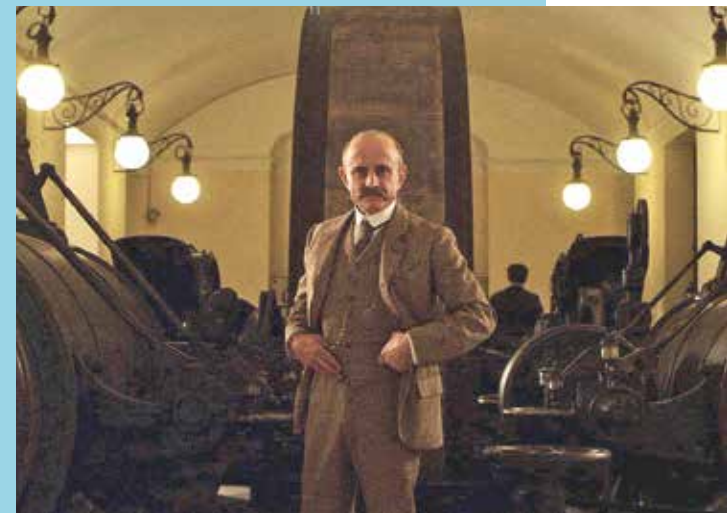
But for Edison, attention paid to cinema also regards its history, which is documented in documentaries by great directors like Ermanno Olmi, who started his own film career precisely at Edison, and which are stored at the Archivio Nazionale del Cinema di Impresa in Ivrea.

All of Olmi's documentaries on Edison were shown during a retrospective at the Cinematheque Francaise of Paris from February to April 2015 that was fully dedicated to his works, with over 60 short films, documentaries and full-length films.

IL TEMPIO DELLE MERAVIGLIE: THE DOCUFILM ON EDISON'S HISTORY

With the docufilm "Il Tempio delle Meraviglie" ("The Temple of Wonders"), Edison had the chance to relate a piece of its history: the years of its foundation and the challenge of the country's electrification starting from a symbolic place such as the Teatro alla Scala. "Il Tempio delle Meraviglie", produced by Rai Com, Skira Classica, ARTE France and Camera Lucida Productions, directed by Luca Lucini and with Luca Bigazzi as head of photography, is the first full-length film dedicated to the Teatro alla Scala, one of the world's temples of art and music.

Stories told by historic figures, who come back to life on the screen through the interpretations of first-rate actors, merge past and present together in the film. Giuseppe Cederna gives voice and body to the engineer Giuseppe Colombo, the founder of Edison, in his remembrance of the evening in 1883 when the Teatro alla Scala was lit up for the first time with the electricity coming from the nearby Santa Radegonda power plant. Outstanding locations include the National Museum of Science and Technology with the Regina Margherita thermoelectric plant.



Music as a vehicle of sustainability

This year Edison was the main partner of the French Embassy in Rome and of the Institut Français Italia for the project **“La Francia in Scena”**, which promotes high quality emerging French music in Italy. The concert that celebrates the climax of the show was moved from Rome to Milan, inside the Sforza Castle, on the occasion of Expo 2015. Nicolas Godin (Air) and the Cabaret Contemporain performed on stage before almost 2,000 people.

In collaboration with the City of Milan, Edison supported the **Piano City** initiative, which this year gave citizens the possibility to use an extraordinary stage inside the Edison Open Garden Triennale. Many concerts were offered by Edison. The usual appointments were on board “Piano Tram” (travelling concerts in the heart of the city accompanied by the account of the origins of Milan’s public transport) and the “Piano-Bici” are confirmed for this year as well.

Music and culture formed the underlying theme of many initiatives brought forward in 2015. **MITO SettembreMusica**, the International Festival that unites the cities of Milan and Turin with Edison’s support was able to continue its international ISO 20121 course synonymous with environmental, socio-

cultural and economic responsibility, and organised four concerts at the Edison Open Garden Triennale.

As in previous years, Edison – main partner of the **Scala première** – lit up the inaugural evening with the energy produced from renewable sources of the hydroelectric power plants to cancel out the emissions of the opening night of the 2015-2016 season and to thus prevent the emission of 64 tons of carbon dioxide into the atmosphere. As usual, the inaugural evening of 7 December was accompanied by the **Prima Diffusa**, the cultural programme with over 50 free events dedicated

to Verdi’s opera “Joan of Arc”, which returned to Milan after a 150-year absence.

The core of the **Prima Diffusa** initiatives were the 21 free screenings and free admission to the live broadcast of the Scala première in the nine zones of Milan that involve important cultural institutions. The many appointments set up for the **Prima Diffusa** occasion included an interview with Patti Smith entitled “Patti Smith VS Joan of Arc: histories of women representing freedom” and the meeting with Carla Fracci, Monica Guerriore and Silvia Ballestra on topics of the opera and of women, both held at Palazzo Edison, which met with public success without precedent.



Edison for sports

Edison has been a supporter of various sports projects for many years as it interprets sports as a means for promoting positive values, such as respect and team spirit.

In 2015 support continued to be given to the **Associazione Sportiva Rugby Milano** for the project “Il senso di una meta” (The sense of a try), started in 2008, inside the Beccaria Young Offenders Institution in Milan with the aim of involving young offenders in a team game which is also a contact sport based on managing aggression and on a system of

technical and ethical rules. Over the last two years, the educators at the Club have made themselves available to the children and youngsters of the city, in the places where they usually congregate (such as grassy corners, gardens, squares, some streets in Milan) to let them all know about the sport of rugby.

An initiative to take back public space and breathe life back into it thanks to a new positive energy. The partnership between Edison and AS Rugby Milano enabled the advancement of the project “**Rugby Barbari Bollate**”. Started in 2013, it is achieving the goals which were set, enabling prisoners to found a real team.

The Barbari di Bollate team played an official match for the first time on 13 June 2015, against the AS Rugby team, outside the walls of the prison on a day dedicated to the inauguration of the new facility of the sports association.

Edison also supports the Italian national rugby team. In 2015 the company strengthened its commitment by also supporting the **School Project of the Italian Rugby Federation**, which involved 2,300 schools and over 600 thousand youngsters all over Italy with work-outs in the gym, training on the sports field and provincial, regional and national tournaments.



The project **“Sport all’Opera”**, addressed to the detained of the Opera prison, continued in collaboration with the Cannavò Foundation. This year the project also included an Open Day at the San Vittore Prison in Milan. The day was given over to sports in which prisoners and staff of the prison challenged each other in a number of disciplines.

Edison employees took part in a soccer tournament that on the same day involved employees of Gazzetta dello Sport, the Cariplo Foundation, prisoners and staff of the prison.

Edison also reserves a special place for running, and it renewed its support to the ANPIL Association by running the 2015 Milan Marathon in favour of the “Together for Haiti” project. Joining the sports challenge that 50 Edison employees participated in as relay runners and marathon runners was the solidarity challenge through a fund-raising activity together with Rete del Dono, which with the corporate support given to the non-profit organisation by Edison, made it possible to support improvements to the school Notre Dames des Palmistes in Tortuga, an island facing Haiti, the only place where the children of the island can gather.

Edison also participated in the **Hope Run** as sponsor. This initiative was started by the “Correre per la Speranza” Association with



the goal of developing social solidarity and awareness raising actions in the oncological field by giving support to studies and projects addressed to paediatric oncology.

The Play Sports Association that was recently established inside the company will make it easier for employees and family members to take part in these activities and increase their active participation.

Edison promoted use of the bicycle for more sustainable mobility in collaboration with Cyclopride. Workshops for children and temporary bike garages were organised at the Rotonda della Besana. Edison continued to support the **Cyclopride Day** initiative and also



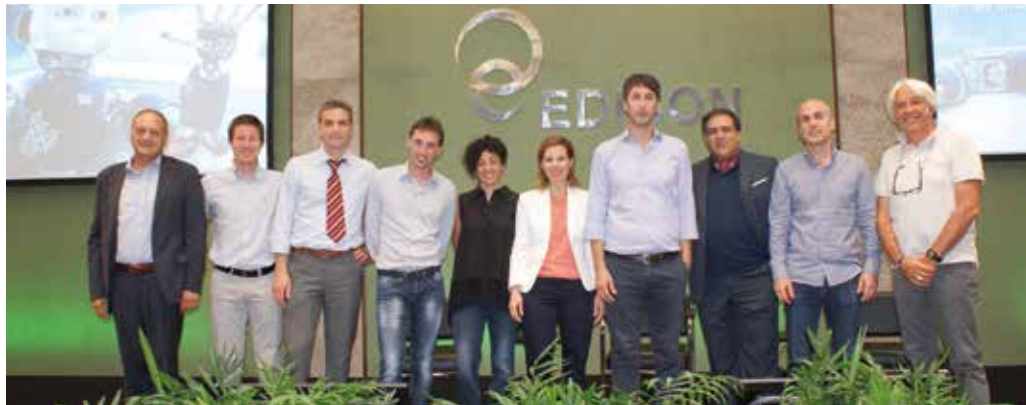
organised the **Wolfbike Tour**, which allowed participants to enjoy the stupendous scenery of Abruzzo while pedalling their bicycles.

In June Edison also “hosted” the official start of the SunTrip, the French project started in 2013 that offers European itineraries using special solar bicycles. The itinerary of the 2015 edition started off from Milan on the occasion of Expo, and the route covered 7,000 km to Ankara and back.

The programme dedicated to sustainable mobility ended with the **“Bike and the city”** conference where the international urban mobility expert Gil Peñalosa talked about the sustainable mobility revolution in Bogotá.

FOCUS ON SOCIAL INNOVATION

In recent years Edison has played the role of medium and amplifier of sustainable entrepreneurial ideas consistent with its value chain in order to reinforce it and enrich it. This took place with **Edison Pulse**, by embracing a social innovation approach aimed at directly testing innovative experiences. In parallel, during the year the company carried out **"Innovation week"**: a week fully devoted to the technological innovation and creativity of researchers, start-uppers and digital craftsmen.



THE EDISON PULSE ROAD SHOW

To promote the Pulse award across the country, Edison organised a road show stopping in several key cities such as Bologna, Palermo, Catania and Rome. The major recipients of the presentation were the institutions and local entities, the media, the start-ups, the research centres and the non-profit organisations.

The stops also gave Edison's industrial activities and the initiatives in the energy efficiency field visibility.

The Edison award for innovation

Acknowledge the most innovative ideas and support their growth. Edison Pulse 2015 is Edison's programme, with the support of the Milan Polytechnic and the Bocconi University, to select the best start-ups and accompany them along a path of development. Those with the greatest potential of impact for the community and of codesign with Edison are selected.

There were two winners of the 2015 edition, one for the energy sector and the other for the development of the territory category:

- **"MySnowMaps"** is a Web and Mobile application for hiking on the snow. By using innovative mathematical models, MySnowMaps updates users on snow developments in the mountains and offers all the information necessary to optimally plan an excursion in total safety. MySnowMaps is an innovative system for combining the recent innovations in environmental modelling and the "mobile" technologies to receive data (*crowdsourcing*) from hikers, which are integrated thanks to the development of dedicated algorithms with weather data, satellite projections and other information. It proposes a quantification and snow development system, with its distribution

and characteristics. The snow development and quantification data can prove to be precious also for preventing extreme events, such as the danger of avalanches. MySnowMaps also has an affinity with Edison's business, and is in the assessment stage.

- **"Last minute sotto casa"** aims at fighting food waste through an app that allows small shopkeepers who have surplus food and/or food about to expire to immediately and simply notify citizens near the point of sale, and at the same time encourage neighbourhood relations (neighbourhood economies).

Two special mentions were assigned to **Wind City**, a patent for a mini wind turbine able to capture the irregular winds of the cities and the aerodynamic losses of moving vehicles, and **Orange Fiber**, the start-up that develops fabrics from the scraps of citrus fruits with a low-impact production cycle.

MySnowMaps and Last Minute Sotto Casa won 200 thousand euros (100 thousand euros per category) and together with Wind City and Orange Fiber, the consultancy provided by a team of experts with the objective of making the projects take off and making them successful entrepreneurial businesses.



In December Edison announced the 2016 edition of Edison Pulse that offers 195 thousand euros of prize money to the most innovative ideas in three categories:

- Internet of Things (IoT) gathering the projects that make everyday tools and objects communicate with each other intelligently;
- Low Carbon City for the proposals aimed at improving the liveability of cities through energy efficiency, speeding up urban transport or reusing resources;
- Sharing Economy for the projects that allow new social platforms to be created (Airbnb and Uber, for example), in order to put people into contact so they can share, swap or sell goods and services to generate economic or social

benefits for the community. Edison Pulse addresses innovative start-ups and informal teams that have not yet formed companies and that are made up of at least three people.

Innovation Week

During the year Edison, together with **Wired**, opened its doors to host a week totally dedicated to technological innovation, the Web and start-ups. Edison became the setting for dialogue and testing skills from 16 to 20 June as international technology and digital experts looked on. Conferences, workshops and digital sessions displayed the best in innovation in Italy and around the world.



The Edison shareholders' meeting room accommodated researchers of international fame, Internet gurus, *start-uppers* and *Internet of Things* experts on those days. An interactive route to discover energy through installations and stations was also developed to benefit from virtual reality experiments:

- **Edison Virtual Reality:** by using Gear VR headsets, visitors were able to try out the experience of a 360-degree virtual visit to the hydroelectric power plants of Venina and Esterie and to the offshore oil platform Vega A to gain access to zones usually inaccessible to the public.

The Gear VR technology was used for the first time in Europe also to make an underwater film clip underneath an oil platform.

- **Vega in depth:** A vertical touchscreen of almost three metres led visitors to explore the sea and geological depths up to over 2,000 metres deep under the Vega oil platform in the Mediterranean Sea.
- **Energy circle:** the centre of the entrance hall of Palazzo Edison was taken up by a circular platform that accommodated four interactive installations: "2051 energia dal futuro" ("2051 energy from the future", a projection on the

cities of the future as seen by prominent international architects and designers); "Gioca al risparmio" ("Play savings", an energy savings app); "Energy Play Mobil" (video on energy savings made with Play Mobil characters); "Edison worldwide" (two interactive maps on Edison's presence in Italy and abroad).

- **3D Video mapping:** The glass wall of the main entrance of Palazzo Edison was turned into a screen for the entire Expo period. Videos, images and the programme of all the Edison Open 4Expo events were shown on it using video mapping technology, with a continuously updated programme.

THE ENGAGEMENT FOR ENERGY ACCESS

The impossibility to access modern sources of energy is a social problem around the globe. Today 1.3 billion people (19% of the world's population) do not have access to electric power. The United National Advisory Group on Energy and Climate Change requested that access to modern energy services be met by 2030. The policies adopted at various level today don't allow significant improvement in accessing modern energies to be estimated.

All parties (governments, international agencies, enterprises and volunteer organisations) working in the energy field are therefore crucial for carrying out effective action in reaching the 2030 goal.

The first of the conferences that Edison organised when preparing for COP21 concerned precisely the water resource and its commitment also in consideration of the altered conditions generated by the climate changes in progress.

Edison also decided to support the UNESCO **"The Water Rooms"** project that the World Water Assessment Programme of the United Nations (UN WWAP) implemented with the objective of raising awareness and educating the public at large on the need for a more sustainable use. The initiative uses a simple and immediate language for making five short films and five monologues that make up a show full of atmosphere. The project aims at crossing the

borders of Expo through a tour that will allow it to be performed repeatedly on other occasions (in schools, for example).

A Joint Development Agreement was signed in July with QALAA Energy for the construction of a 180 MW thermoelectric power plant that will produce energy for the Egyptian market. The agreement was signed in the presence of the Minister for Economic Development in the setting of the Italian-Egyptian Business Council, and establishes that Edison and QALAA energy will complete the development and permit stage of the plant – a combined-cycle plant powered by the gas Edison produces in the Abu Qir concession in

THE UNDERTAKING WITH WAME AND WITH "ELETTRICI SENZA FRONTIERE"

Edison entered the "World Access to Modern Energy & Expo 2015" project as a founding member. The goal of the project is to raise awareness of the problem of access to energy of a large part of the world population and to build a database of research work, analyses and good practices that can contribute toward the simplification of actions for closing the modern energy gap.

The main objectives of the initiative:

- bring the problem of the long-lasting exclusion of a large portion of the world population from modern energy to the knowledge and attention of public opinion;
- build a database of research work, analyses and good practices of public consultation through a web platform that can be helpful and left to countries and governments, NGOs and energy sector companies in the post-Expo period;
- simplify actions to close the modern energy gap by contributing toward meeting the demand and supply of projects that focus on this problem.

Edison also supports the "Elettrici Senza Frontiere" association. Established in France on EDF's urging in 1986, it concentrates the key skills of the electric companies for the benefit of those populations that have no access to electricity.

the Nile Delta – in the upcoming six months and that the power plant goes into operation by 2017. The execution timeframe will be extremely quick owing to the location of the power plant inside the industrial site of the Abu Qir gas treatment plant and to the use of several important electromechanical components Edison is making available. The value of the project is about 100 million euros and will guarantee efficient and sustainable electricity to Egyptian consumers while contributing toward cutting the structural energy deficit that marks the country. Thanks to the new facility, Edison will contribute to the modernisation of the Egyptian energy system by increasing its electric capacity and developing the most efficient generation technology. Use of the combined-cycle will lead to a reduction in the need for gas for internal thermoelectric use, making higher amounts of it available for other sectors, and potential for export. With this project, Edison plans to bring experience and expertise to the Egyptian electricity production sector as well in order to contribute to the further economic and social development of the entire country.

The activities of the Edison Foundation

In 1999 Edison started its own foundation to build a place for open and dynamic dialogue with scholars, industrial districts and small and medium-sized enterprises.

The Edison Foundation is engaged in the scientific research and study of local production systems, and analyses their socio-economic, cultural and civil aspects. Special attention is paid to the relationship between the SMEs and the large companies, and to the correlation between local communities and development of the territory. The Foundation promotes studies, research, publications and events, also in cooperation with research entities and institutes, foundations, associations, businesses and individuals, and grants its patronage to initiatives that are consistent with the purposes stated in its By-laws.

Over the years, an increasingly large number of sectoral and territorial associations of Confindustria representative of important areas and districts Made in Italy has joined the Edison Foundation. Today it has 32 members (Supporters Members and Ordinary Members).

Three important books were published in 2015:

- **“The Automatic Packaging Machinery Sector in Italy and Germany”** by M. Fortis and M. Carminati - published by Springer - where the economy of the Emilia region is analysed, with particular reference to the packaging machinery district, comparing the most recent trends with those of the German district of Baden-Württemberg, its main competitor;
- **“Italy's top Product in World Trade – The Fortis-Corradini Index”** by M. Fortis,

S. Corradini and M. Carminati – published by Springer - analyses Italian competitiveness and introduces a new index that highlights the strong points of Italian foreign commerce.

- **“Il ruolo strategico del sistema metalmeccanico italiano. Dai metalli alla meccatronica” (The role of the Italian mechanical engineering system. From metals to mechatronics)** edited by A. Quadrio Curzio and M. Fortis, in the institutional series of the Edison Foundation published by Il Mulino – brings together the documents of the convention held in Rome at the Accademia Nazionale dei Lincei in 2014 and points out how the mechanical engineering sector has contributed to the change in Italy's manufacturing specialisation, directing it to the more innovative segments with higher added value, thus making a significant contribution to the trade surplus. The book was presented in December at the year-end press conference of Anima, the Italian national federation of the mechanical and engineering industries.

The drafting of a fifth book on the economic and financial crisis was also completed. Entitled “Riforme, ripresa, rilancio. Europa e Italia”, it will be published in January 2016.

Four conferences were organised during 2015, some of which were independent and others in co-operation with organisations and associations. The meeting “Where do we stand? Global

perspectives on the industrial competitiveness of Italian manufacturing" was held at the Cattolica University of Milan in January. Some economic indicators of the leading international bodies, from which the strong points of the Italian manufacturing system can be deduced, were presented there.

In the following month the presentation of the book "L'Europa tra ripresa e squilibri. Eurozona, Germania e Italia", by M. Fortis and A. Quadrio Curzio, was held again at the Cattolica University, accompanied by the screening of the summary of the documentary film by Alexander Kockerbeck, "Euro Capro Espiatorio?".

The book "L'economia reale nel Mezzogiorno" by A. Quadrio Curzio and M. Fortis was presented in March at the University of Bari. The presentation was also attended by the MP Delrio, formerly undersecretary of the prime minister's office of the Renzi Government. In July the usual annual seminar with the partners Gea was held, but this time it concerned the dynamics and prospects

for the agricultural and food market with focus on the United States.

In addition to these initiatives, seven conferences were organised within the Edison Open 4Expo programme, with the participation of economists and scientists of international fame. The Nobel prizewinner for economic sciences Amartya Sen participated in the first event on 15 May, and he spoke on "Famines and food security: sustainability and crises"; on 8 June Michael Landesmann of the Vienna Institute for International Economic Studies presented a report on "Convergence, divergence and the problems of external imbalances in the European economy"; on 25 June Jackie Krafft of the Centre National de la Recherche Scientifique - CNRS - presented a study on "Anything new on governance and growth of firms in a context of innovation and eco-innovation? Issues and results"; on 14 September Joel Mokyr of Northwestern University spoke on the theme "Is technological change a thing of the past?"; on 18 September Paul Allan David of Stanford

University presented a report entitled "The economics of stabilizing the global climate and sustaining the world's food while there is still time"; on 19 October Bina Agarwal of the University of Manchester spoke on "Institutions, property, and gender inequality". The closing event, held on 7 November, was entrusted to Fabiola Gianotti, the newly elected director of CERN in Geneva, who spoke on "Fundamental research and much more: CERN's example".

The Edison Foundation's undertaking is strengthened by collaboration with other foundations and institutions (Aspen Institute Italy, Ambrosetti European House, Anima, Associazione Industriali di Novara, Unindustria Bologna and Symbola with which the Edison Foundation has prepared, in collaboration with Unioncamere, the document "10 Verità sulla Competitività Italiana" (10 Truths on Italian Competitiveness). Sectorial focus meetings were also held on the competitiveness of the following sectors: mechanical, agricultural and food, pharmaceuticals, wood and furniture, and boats.

EDISON AND THE NUOVI MECENATI FOUNDATION

Since 2013 Edison has been a member of the Nuovi Mecenati Foundation, which is supported by the French Embassy in Italy. Its aim is to encourage and reinforce Franco-Italian cultural relations in contemporary creative fields, to support the circulation of French artists and art works within Italy.

In co-operation with Italian artists and operators, the foundation's work is centred on the visual arts, theatre, music and dance, circus, cinema and audio-visual sectors. Among the most important projects: Suona Francese, Festival de la Fiction Française, Rendez-Vous – cinema, France Danse, Piano - Franco-Italian platform for artistic exchange.

THE RELATIONSHIP WITH SUPPLIERS

Edison is aware of being part of a broader system that involves a variety of parties with the aim of creating long-term value. This is why it has included respect for legality, integrity, fairness, transparency and the dignity of people in its everyday operations. Edison's suppliers are an integral part of this system and they base their relationship with the Group on transparency and the observance of these principles.

Thanks to this, it has been possible to achieve better and better purchasing efficiency, reduced costs and a growing level of attention for local interests. The suppliers are ensured fair compensation for the activities and observance of the payment terms in exchange for their commitment to quality and ever-improved efficiency.

In 2015 Edison reduced the total value of its orders by about 7% compared to the previous year. This shrinkage is mostly due to the reduced operating expenses of Corporate (efficiency) and of Thermoelectric Generation (less production), and this took place despite an increase in orders in the Hydrocarbons area (E&P investments in Norway), in the area of Hydroelectric Generation and in the Market/Customers area.

The percentage of purchases from qualified suppliers was a little over 90%, in line with last year and notwithstanding the physiological turnover of the group of suppliers.

The new **Tenders Portal of the EDF Group** became operational in January 2015, and Edison channelled all of its tenders onto the new application. This tool constitutes a common asset of processes and data for the EDF Group, and it guarantees transparent, secure and verifiable management of the tenders.

Attention paid to sustainability in the supply chain

As previously mentioned, Edison works with suppliers that guarantee application of the highest standards in terms of health and safety, respect for human rights, fight against corruption and respect for the environment.

All the suppliers have to pass the qualification process that is structured through a dedicated IT system for handling the collection and traceability of information. The suppliers and subcontractors undertake to observe principles and values that Edison refuses to renounce at the time of candidacy. They examine and accept the 231/2001 Organisational Model, the Code

of Ethics and the Human Rights Policy (whose signing is binding before an order is awarded). In 2015 the supplier qualification process was also extended to the Egyptian branch of the Group and it will also be extended to other foreign headquarters in the months to come (like Norway, for example).

The **"Sustainable Supply Chain Self-Assessment Platform"** was launched in 2014. The platform was structured within the TenP (Ten Principles) project with the objective of raising the awareness of suppliers of the member parties on human rights, work, environment and fight against corruption by way of a self-assessment questionnaire. The project got under way in 2011 at the initiative of the Global Compact Network Italia and inspired by the ten Global Compact principles. Today many Italian companies are complying with it, which increases its reach. In 2015 all suppliers were asked to fill in the self-assessment questionnaire and enter the result in the qualification application, in this way allowing Edison to assess them on these aspects as well. Moreover, Edison prefers to select local suppliers where the technical and sales standards so permit.

In parallel with raising awareness in suppliers, Edison considers investing in personnel

training important. This is why the company pays particular attention to its suppliers and the updating of their skills. The objective is to accompany them in their knowledge of market dynamics, with the awareness of being able to supplement sustainability elements in managing the supply chain.

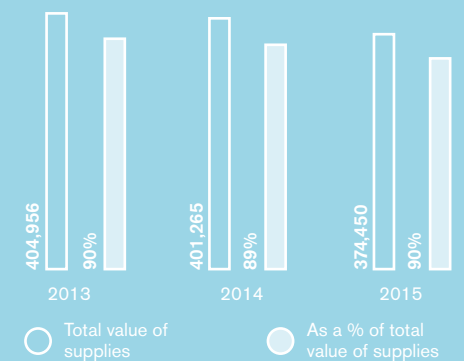
With this approach, over the years fair and clear relationships based on mutual trust have been built with all suppliers, relationships that look at the future by making investments able to create value over the long-term. The turnover of the suppliers in the last three years has slightly improved, also because of the consolidation and partnership policies.

Collaboration with EDF

A supplier's approach to certification, also based on the aspects connected with social responsibility, is fully shared with EDF. The year 2015 was marked by collaboration and by an exchange of information and operating procedures with the other Group companies.

The sharing process which was started is destined to increase awareness and knowledge of existing practices and procedures above all as regards workers' health and safety, environmental protection and more generally, the principles of sustainability and social responsibility.

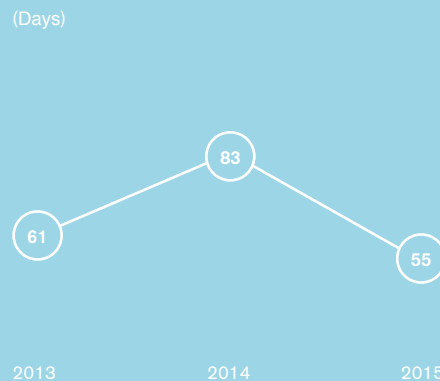
TOTAL VALUE OF SUPPLIES (EUROS) AND PURCHASES FROM QUALIFIED SUPPLIERS (%)



SUPPLIERS BY GEOGRAPHY

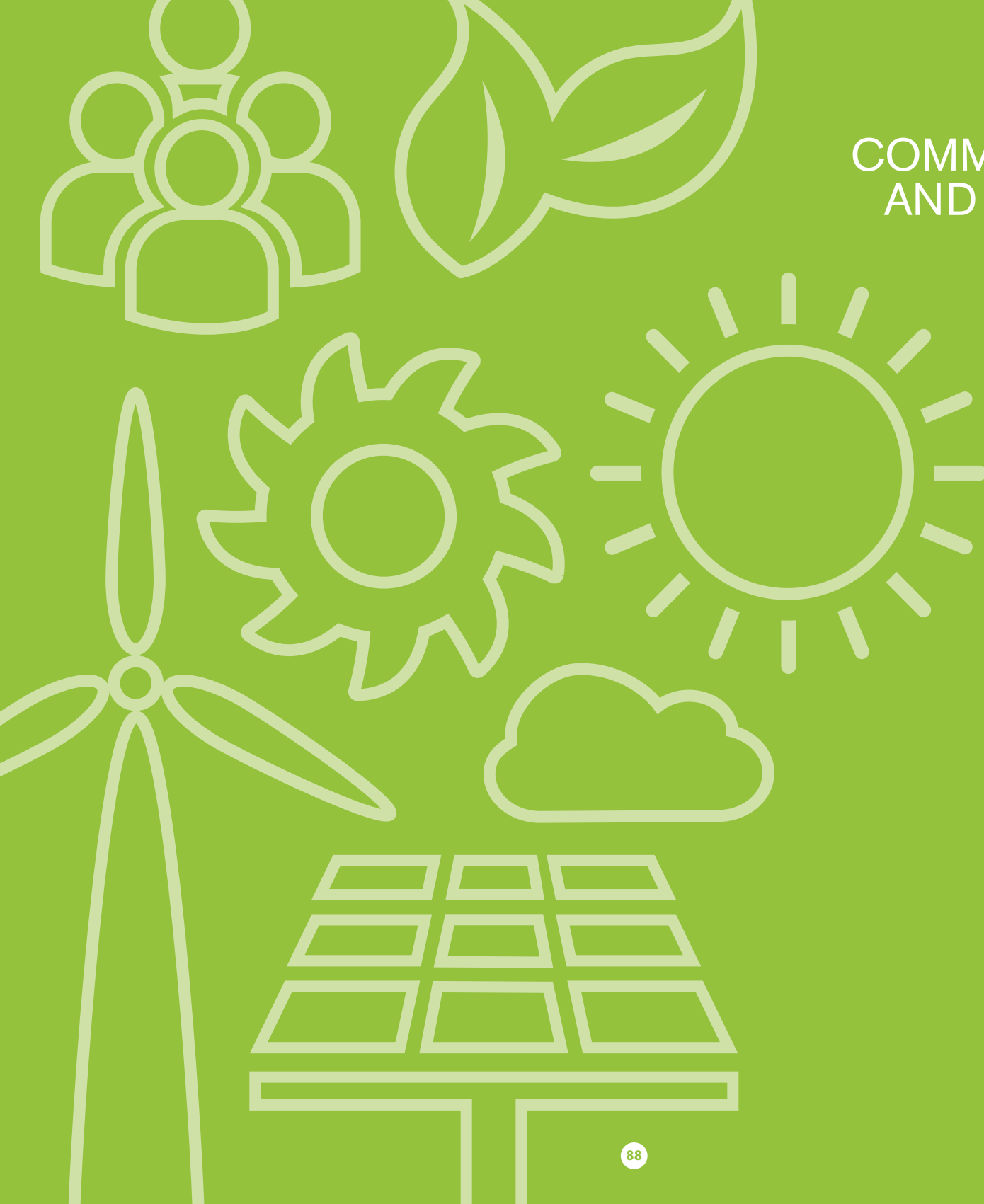


AVERAGE APPROVAL TIME FOR SUPPLIERS (Days)





The **“Local Footprint”** project promoted by EDF continued in 2015 as well, and also involved Edison. The goal is to estimate the impact on employment which the EDF Group has in the areas where it operates. In addition to the Purchasing Department, the people in charge of purchasing Gas were also involved.






COMMITMENTS AND ACTIONS






PROGRESS OF 2015 TARGETS

 completed or met in 2015
  started in 2015, to continue in 2016
  postponed to 2016



CORPORATE GOVERNANCE

	Commitments	Status	Activities
Governance	Formalisation and adoption of anti-corruption guidelines in companies abroad where the 231 organisational model does not apply.		Edison Spa adopted the Anticorruption Guidelines in May and then both the Italian and foreign subsidiaries adopted them as well.
	Continuation of Fraud Assessment project aimed at defining a Fraud Prevention and Fraud Detection model.		Phase II of the project was completed with the proposal for an action plan concerning a set of priority fraud risks.
	Continuous update of Organisational Model.		The Edison Model 231 was updated with all offences presently included in the 231 offence catalogue. Risk assessment activities are currently in progress for the so-called "Eco-offences" (Law 68/15).
Institutional dialogue	Publication of 3rd edition of the Service Quality Charter.		Target postponed to 2016.
	Continue regional Roadmap with further stages in Italy.		A local meeting was held in the Veneto area.

ENVIRONMENT

	Commitments	Status	Activities
Energy efficiency	Overall consolidation and development of site and process energy-consumption optimisation projects with a number of industrial customers and customers operating in the services/SMEs sector.		Several new energy optimisation initiatives were carried out at production sites of large industrial and SME customers.
	Start authorisation process for further high yield cogeneration plants.		Full production of the photovoltaic and tri-generation plants already in production was consolidated, and partnership with customers via the Operation activity (O&M) was strengthened. Optimisation actions for the SME sector were completed. The processes of securing permits for a tri-generation plant of about 4.4 MW and a 1.2 MW cogeneration plant were started and completed.
	Formalise contract for further high-efficiency self-generation plants at industrial customers' sites.		A number of new energy efficiency initiatives were implemented at industrial and SME customer sites.




ENVIRONMENT

	Commitments	Status	Activities
Energy efficiency	Implementation of consultancy support activities for customers in particular aimed at taking advantage of the demand for energy audits on the basis of the new regulatory provisions (Leg. Decree 102/214).		Information and training sessions were held for customers on the new regulatory provisions regarding energy audits (Leg. Decree 102/2014) and energy audit orders for over 200 sites were obtained (of which 18 for Edison sites).
	Creation and commercialisation of a portfolio of standard offers and services for energy efficiency for the SME sector with a particular focus on services.		The product price list for service SMEs was finalised, scouting for outsourced partners for marketing and execution was started, and the first tenders for the framework agreements on the core products were launched.
	Development of the Energy Control service with new functions.		Development of new functions for the customers who have purchased the Energy Control product and sending of personalised reports to customers to raise their awareness on monthly spending.
	Development and promotion of new energy efficiency services to help families reduce their energy spending.		Launch of a new energy efficiency service addressed to residential gas customers: the Edison Netatmo smart thermostat.
Integrated management systems	Update of the current Environmental Policy, supplemented with the Health and Safety aspects to make it consistent with Group policies.		The new Edison Spa integrated Environment, Health and Safety Policy as at March 2015 was issued, in agreement with the policies that the EDF Group had already issued: it sets out the principles, commitments and targets, and involves the employees.
	Analysis and assessment of the impacts which the revision of ISO 14001 will have on Edison's environmental management systems, in order to update them.		The process of drawing up the update of the ISO 9001 and 14001 standards regularly issued by the end of the year was started. A preliminary training session for the entire professional family of those who are tasked with environment and safety was held to assess the updates for the management systems already implemented with the HSE employees.
	Revision of operating method and implementation of an instrument to enable optimisation of the registration and reporting of loading/unloading of waste.		Waste is managed using the GROL software implemented in the HSE integrated management system.






ENVIRONMENT

	Commitments	Status	Activities
Integrated management systems	Implementation of the SAP schedule in the management system in order to guarantee the deadline for the plant maintenance process and implementation of the integrated environment and safety management system at the new hydrocarbons laboratory.		Implementation and putting into operation of the schedule on the SAP platform. The activities of the new hydrocarbons laboratory were included in the HSE management system. The environmental impacts of the activities were assessed, and the risks and prevention and protection measures were assessed.
Protection of biodiversity	Project to monitor the state of biodiversity of the underwater species present in the offshore field "Rospo Mare", in collaboration with the Animal Health Institute of Termoli, through the assistance of a biologist. The project envisages data collection through video recordings and surveying the underwater species in correspondence to the various installations at Campo Rospo.		The project was started in 2015 and is presently in progress.
	Continuation of the on-going projects: "Mosselmonitor" continue at the Rospo Mare platform and "Bio Vega" at the Vega platform with the installation of reef balls on the platform jacket.		The project was started in 2015 and the acquisition portion was completed, while a technical assessment is in progress in order to implement reduction systems.
Reducing environmental impacts	Energy diagnosis audits at the sites of Edison and its subsidiaries to which the new legislative framework applies, in order to assess the consumption of the existing plants and to identify any energy efficiency initiatives.		The "energy diagnosis" process of the company was completed. A clusterisation of the sites of Edison and of the other legal entities was drawn up, with a list of representative sites selected using representation criteria compliant with the ENEA procedures identified. The diagnoses of the selected sites were completed by 5 December 2015 and sent by 22 December 2015.
	Implementation of a smart odour-reduction system at the hydrocarbon plant at Maria a Mare.		The project began in 2015 and the data acquisition via an "electronic nose" portion was completed. A technical assessment for implementing the reduction systems is in progress.
	Implementation of a system for continuous monitoring of the floating beams at the hydrocarbon plant at Maria a Mare to increase the safety level of the tanks.		Target postponed to 2016.

ENVIRONMENT

	Commitments	Status	Activities
Reducing environmental impacts	Environmental recovery at the plant at Maria a Mare.		Target postponed to 2016.
	By the end of 2015 carry out an environmental emergency simulation as part of the Company's Crisis Management process.		A drill to simulate a company crisis connected with a possible environmental accident at the Rospo Mare offshore field was carried out in November 2015. The communication systems between the various company headquarters that may potentially be involved were tested, and the results were very positive.
	Installation of phytoremediation plants for the residential effluents at the Simeri power plant.		The plant was completed. We are awaiting for the plant to be put into full operation and the monitoring of the benefits achieved.







MARKETS

	Commitments	Status	Activities
Quality in the offer and in relations with customers	Increase in use of electronic invoicing.		The percentage of customers with electronic invoicing rose to 44%, with a monthly average on new business higher than 80%.
	Development and consolidation of the "Noi Edison" loyalty programme.		The customers registered in the loyalty programme have reached a total number of 120,000, 65% higher than the previous year.
	Sharing and dissemination of results and best practice of the group's companies.		All information on the best practices has been exchanged with the other group companies, and several cross-cutting actions have been started up.
	Design new training programmes linked to job skills (blended).		Three new e-learning courses and seven new classroom courses were provided.
	Extend our courses outside the Marketing Sales & Energy Services division.		Extension of the EMA courses also to contact center operators, our suppliers providing customer services.

MARKETS

	Commitments	Status	Activities
Quality in the offer and in relations with customers	Keep a sharp focus on the centrality of the customer.		Primary objective of market academy training, also implemented for the contact centers working for Edison.
	Analysis and evaluation of process improvement measures.		Total mapping of the reminder activity for the Retail, Business and Public Administration areas. Definition of strategies dedicated to the various customer segments.
	Launch of "Management of credit" project for the choice and implementation of software to manage overdue accounts.		The new system has been fully operational since July 2015 for the Retail area.
	Refinement and optimisation of the process for the suspensions/reduction in gas supply.		Complete redesign of the process using the new credit management software to achieve a more efficient management of the problems and the suspensive capacity.
	Management of contractual renewals (termination of contracts for customers who are in arrears).		New procedure for awarding contract renewal in the retail areas in light of the history of the customers' payments.
Supplier management	Introduce "TenP - Sustainable Supply Chain Self-Assessment Platform" in the structured qualification process.		All suppliers are asked to fill in the self-assessment questionnaire and to enter the result in the qualification application. At this time the TenP questionnaire is neither mandatory nor an absolutely essential requisite for the supplier to be qualified.
	Allow the main company BUs to provide indications relating to the accounting for works online.		The Commercial BU uses the accounting for works online. The system/process can be extended to other suppliers and to other BUs, which would generate benefits in terms of efficiency.
Renewable energy	Start-up of the activities to implement the new business model.		Following this first year, which is considered the start-up and reorganisation stage, the company E2i is keeping its commitment in developing the green field and repowering projects in progress. It is also taking part in the public debate on upgrading the Italian wind farm and integrating renewable sources in the Italian and European energy system.







PEOPLE

	Commitments	Status	Activities
Industrial relations	Agreement for a new worker representation system and its operational implementation.		The agreement on the representation system was signed in July 2015, and the elections for renewing the unit employee organisations (RSU) in the entire Edison Group were held in December.
	Introduction of a single performance bonus for the whole Group.		The performance bonus of the three main Group sectors was renewed with a single agreement. The bridge solution adopted for 2015 must be considered a first and important step toward defining a single bonus connected with profitability and productivity factors for all Edison companies.
	Monitoring and management of plants in crisis.		Management of the workers tasked to the mothballed plants successfully continued with reference to both the stage of identifying and applying the most appropriate welfare support provisions and the redeployment stage.
	Opening of negotiations for renewal of the main collective bargaining agreements (CCNL) applied in the Group (Electricity-Oil, Gas-Water) in a situation of general economic crisis and deflation.		Negotiations to renew the three major collective bargaining agreements (CCNL) applied in the Edison Group got under way in November-December 2015.
Employee involvement	MyEDF - Management of communication processes and sharing the results of the 2014 survey result with all employees through internal media and a system of specific meetings involving management and employees in all business areas.		Of all Edison employees, 86% said they had received feedback of the 2014 results (versus a 76% average on EDF Group level) and approximately 75% said they were satisfied with the way they were presented.
	MyEDF - Follow up at cross-cutting level throughout the Company and/or in each of the various areas for the specific improvement plans that have been activated.		The envisaged action plans were successfully pursued and promptly carried out in several company areas. Some of the identified multi-year cross-cutting improvement initiatives are still in the execution stage.
	Consolidate and further expand the cover of the annual interview between the manager and employee.		The goal reached 80% coverage of employees in 2015.

PEOPLE

	Commitments	Status	Activities
Employee involvement	"Edison per te" - Maintain and/or improve the levels of geographic uniformity in the delivery of services for employees realised in 2014.		There was an overall increase in use of "Edison per te" Welfare Services during 2015 and a partial rebalance between membership and the services absorbed by the Milan offices compared to the other Italian offices (+10.5%).
	Activation of a network of internal focal points who can act as a reference point for all the internal communication activities.		Design of the activity started, and it will be completed in 2016 with the development of Nuova Intranet project.
Health and safety	Introduce the project on risk perception at Edison Stoccaggio.		Three sessions at the three Edison Stoccaggio operational sites were carried out.
	Maintain the level of sharing good practice with regard to business.		The Comportamenti Sicuri (Safe Behaviour) project was carried out at the Engineering Department; Power Asset post-shutdown meetings were held, and inductions in Italian and English were carried out at E&P sites.
	Consolidate the entry of colleagues from the foreign divisions into the Company's HSE Community with the aim of sharing policy and best practices.		Participation in the Edison 2015 review with sharing of best practices of the Norway Branch; Reassessment of the NG 08/93 procedures with application extended to foreign activities as well; Participation in the 2015 OSHA Week Workshop; Involvement and participation of the new HSE Manager Egypt Branch in training at the Edison headquarters.
	A network of seismic and micro seismic monitoring was also experimentally implemented for the sites of S. Potito and Cellino.		In connection with the authorisation already obtained for the year for the plants, the seismic monitoring should be implemented by the end of December 2016.
	Informing/training populations living in areas around the plants in relation to external emergency plans issued by the prefectures, also in virtue of new risk scenarios.		On-going training on attendance of Edison Stoccaggio at the meetings organised by the local prefectures.
	Presence of defibrillators at all the electric energy production sites where personnel is always present, as already happens at the hydrocarbon sites.		Training of all operational was guaranteed.

PEOPLE

	Commitments	Status	Activities
Health and safety	Guarantee at least 50% of employees trained on the topic of the European Health and Safety Week 2015 "Muscular and skeletal problems".		Creation of a specific e-learning; Creation of a dedicated HSE Workshop; Participation of the EDF inter-company work group with the creation of a guide that will be handed out to all Edison employees in 2016.
	Complete the update of the assessment of work-related stress for all the Divisions/Departments in Edison.		The document was drafted and the risk assessment for all Edison Divisions/Departments was updated.
	Creation of an IT training tool for employees at the key hydrocarbon sites in several languages.		Audio-visual safety systems were built at the key sites.
Relations with the local areas	Activation of a path to create a stakeholder panel and related pilot application.		During the second half of 2015, a preliminary feasibility study for a local panel implementation has been done.
	Launch and development of "Edison Pulse", a contest dedicated to the promotion of innovative ideas on issues such as energy and development of the local area.		Action successfully completed and relaunched for 2016.
	Internships for students in their year for navy officers in relation to the specialisation on "machines and commands".		Internships on Edison E&P plants are carried out for the Nautical Technical Institute of Termoli, the Nautical Technical Institute of Ortona and the Industrial Technical Institute of Fermo.

NEW OBJECTIVES FOR 2016

CORPORATE GOVERNANCE

Scope	Objectives	Activities
Governance	Further strengthening of corporate governance processes with particular attention to risk of corruption and eco-offences.	<p>Continuation of the Fraud Assessment project aimed at defining a Fraud Prevention and Fraud Detection model.</p> <p>Launch of the whistleblowing platform for reporting infringement of Model 231 and other unlawful acts.</p> <p>Inclusion, in the Model 231, of the results coming from the risk assessment of the new "eco-offences" activities.</p>

ENVIRONMENT

Scope	Objectives	Activities
Energy efficiency	Strengthening of energy efficiency programmes for SMEs/services sector.	Start-up of the business segment addressed to the SMEs and services sector, and implementation of the structure for several regions. Stipulation of agreements with technical-commercial partners locally, and of framework agreements with the major suppliers of technologies and with financial partners.
	Strengthening of energy efficiency programmes for the industrial sector.	<p>In light of the energy audit performed at the Edison sites, assessment of the measurements that emerged from the various investigations to apply energy improvement measures.</p> <p>Consolidation and development of self-generating plants at the sites of large industrial customers in Esco mode.</p>
	Consolidation and development of new energy efficiency offers in the residential sector.	<p>Development of the Energy Control service with new functions.</p> <p>Development and promotion of new energy efficiency services to help families reduce their energy spending.</p>
Integrated management systems	Adaptation to the new ISO 9001 and 14001 standards.	Processing of the update programs of the management systems already applied in order to adapt the systems to the new standards of reference according to schedule.
	Update of the environmental risk assessment.	Update of the environmental risk assessment according to the risk-based thinking introduced by ISO 14001:2015 and the new environmental offences introduced by Law 68/2015.

ENVIRONMENT

Scope	Objectives	Activities
Integrated management systems	ISO 45001: application of the new standard to all Edison sites and offices.	Following its issue expected in 2016, proper application of the new standard in all company organisations to replace the current BS OHSAS 18001-compliant certifications will be ensured.
Protection of biodiversity	Monitoring of biodiversity at the Edison sites.	Consolidation and finalisation of the project to monitor the state of biodiversity for the underwater species present in the offshore field "Rospo Mare", in collaboration with the Animal Health Institute of Termoli, through the assistance of a biologist.
Reducing environmental impact	Environmental remediation activities.	Environmental remediation activities at the sites where reclamation activities are in progress. In particular, start-up of the bio-remediation project at the Dogaletto (VE) site. Environmental recoveries at the Maria a Mare plant.
	Monitoring and reduction of odours.	Consolidation and finalisation of the odour-reduction system at the hydrocarbon plant at Maria a Mare.
	Monitoring sites to reduce impacts.	Implementation of a system for continuous monitoring of the floating beams at the hydrocarbon plant at Maria a Mare. Revamping and reinstatement of production and improvement of the safety and environment aspects, with adjustment of the metering system at the gas power plant at Garaguso. Monitoring of the phytopurification plant installed at the Simeri Crichi power plant to assess the environmental benefits obtained from installing this system at other plants. Implementation of an IT system via Epic platform for collecting operating data in order to optimise the Italian production E&P multi-site environment and safety management system.
	Energy efficiency measures.	In light of the energy audit performed at the Edison sites in 2015, an analysis of the measurements that emerged will be made to assess the steps to take.

MARKETS

Scope	Objectives	Activities
Quality in the offer and in relations with customers	Increase electronic invoicing and using the "Noi Edison" Loyalty programme.	The incentives provided to use electronic invoicing and to register with the loyalty programme will lead customers to use the digital channels more and more.
	Increase of business with the Edison Best offer.	The offer will be completely digital, obliging subscribers to use digital invoicing.
	Increase in sale of electricity and gas monitoring and control tools.	Increase of sales in tools like Energy Control and Netatmo in order to foster the optimisation of electricity and gas consumption.
	Development of job skills.	Considering the trends that the future market will demand, we will propose very topical contents on the market. A benchmarking task will lead us to understand what the training gaps are in the various functions. Attention will be focussed on social collaboration themes using digital tools and approaches.
	Strengthening of the Credit Management strategy in the Retail Market (Residential and SME).	Increase the customer base while maintaining the current level of overdue accounts on active customers and reducing overdue accounts on inactive customers.
		Further increase the percentage of customers with direct debit on current account or on credit card.
	Strengthening of the Credit Management strategy in the Business Market.	Consolidate the current level of overdue accounts in proportion to the turnover.
	Strengthening of the Credit Management strategy in the Public Administration Market.	Keep the level of overdue accounts under control through 'rolling' non-recourse factoring.
	Further undertakings to improve the Credit Management system.	Development of Management strategies for the Business and Public Administration segments. Integration of the request for CMOR indemnification with the out of court and in court recovery process.

MARKETS

Scope	Objectives	Activities
Supplier management	Extend use of the accounting for works in web mode to other suppliers and business units.	Extend the solution for delegating the data entry activities to the key suppliers/contracts and BUs in order to make the process more efficient and to have the suppliers carry out the low value activities (data entry).
	Extend the qualification process to the key foreign headquarters.	Consolidate the qualification process in Egypt and extend it to Norway and any other important areas.
Renewable energy	Consolidation of a business model tied to renewable sources and sustainable management.	Awarding of auctioned projects: in 2016 the decree that regulates the next period of incentives for renewable sources will be published, on the basis of which the next auctions for awarding incentives will then be started.
		Keeping and extension of the integrated EMAS ISO OHSAS management model to the new initiatives.

PEOPLE

SCOPE	Objectives	Activities
Industrial relations	Develop industrial relations to strengthen social dialogue.	Monitoring of the actual execution of the entire Agreement on the new Edison Group "Industrial Relations System" through the coming into effect of the National Unitary Coordination (CUN) and the activity of the new Italian members of the EDF European Works Council (CAE).
		Management of the employment topics (redeployment and retraining) related to the thermoelectric power plants that have been mothballed.
		Attainment of a long-term agreement on a unified Performance Bonus for the three main sectors of the Edison Group (Electric, Energy-Oil, Gas-Water).
		Renewal of the major collective bargaining agreements (CCNL) applied in the Group (Electricity, Oil, Gas-Water) in a situation of continuing crisis of the energy markets of reference and of moderate inflationary dynamics.

PEOPLE

Scope	Objectives	Activities
Employee involvement	Strengthening of the human rights policy.	Design of a training course on "Human Rights" in collaboration with Global Compact after having assessed its applicability and target on a population sample.
	Consolidation of the MyEDF system.	<p>Management of communication processes and sharing the results of the 2015 survey with all employees, through internal media and a system of specific meetings involving management and employees in all business areas.</p> <p>Assessment of the impacts of the major improvement measures started in 2014-15 and launch of new and consequent interventions on the critical problems that surfaced in 2015 tied to the CAP2030 strategic reorientation.</p>
	Redefine the offer of welfare services to extend their opportunities and flexibility of use.	<p>Confirm the overall investment depth and that in the current areas of intervention: Health, Family, Tempo per te, and purchases of the Edison per te programme, but redefining the offer.</p> <p>Flexibly expand the opportunities of choice and use of welfare services and reimbursements.</p> <p>Effectively communicate the new changes for 2017 and make the procedure for using all types of company services and reimbursements easy and accessible.</p>
Health and safety	Health and safety measures to apply the CAP2030 strategy.	Creation of a specific company academy to develop skills in the area, considered as a driving force behind the change and innovation linked to the CAP2030 strategic orientation (leadership, digitalisation, event analyses, external enterprises).
	Training initiatives on the subject.	<p>A specific training and awareness raising programme on the subjects relating to health and safety will be prepared and shared with the trade union representatives for subsequent funding.</p> <p>Creation of multiple language audio-visual safety systems also on the offshore platforms Rospo Mare A-B-C- and Sarago Mare.</p> <p>Development of an HRSI management application to manage training plans, for the most part for the management offices and professional families.</p>

PEOPLE

Health and safety

Participation in the "OSHA Week" activities on the topic of active ageing and distribution of a guide on muscular and skeletal problems published in collaboration with EDF to all employees.

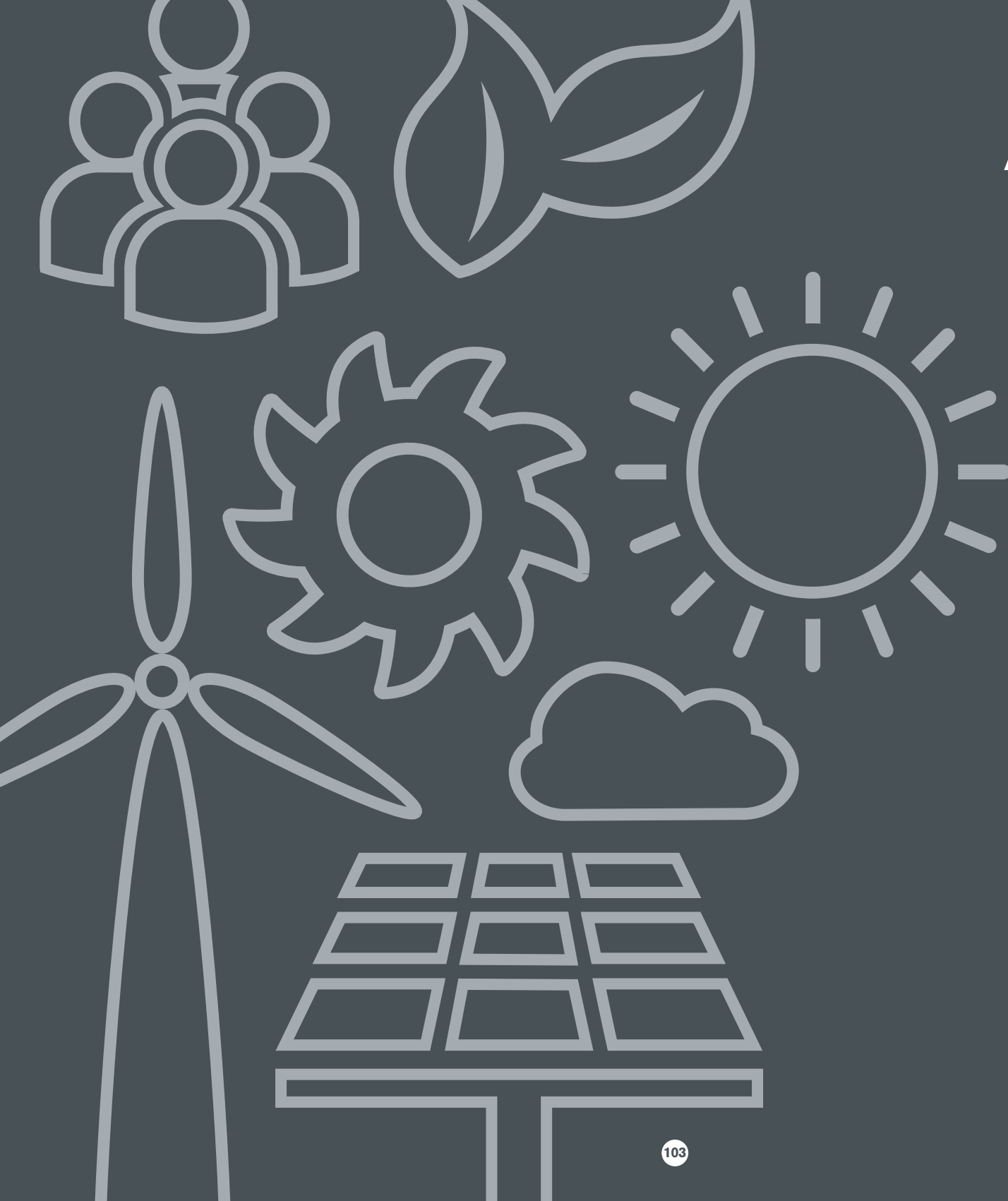
Activation of a new community for the safety and environment workers (RLSA).

Critical analysis of the process for managing third parties who work with the Trofarello Research Centre.

Assessment of the risks of the activities carried out at the centre to determine the best ways to manage the training, communication, healthcare monitoring, relations with the respective organisations, etc., in order to ensure the best level of possible protection.



APPENDIX



DATA AND INDICATORS

PRODUCTION	Unit of measurement	2013	2014	2015	GRI
Production and reserves of hydrocarbons					OG1
Natural gas produced	millions of m ³	2,209	2,151	1,994	
Crude oil extracted	thousands of barili	3,580	4,161	4,354	
Hydrocarbon reserves	miliardi di m ³	50.4	46.2	42.0	
Net production of electric power*					EU2
Edison production	Gwh	20,055	17,616	18,481	
Thermoelectric energy	Gwh	14,841	11,716	14,073	
- of which combined-cycle	Gwh	14,841	11,716	14,073	
Renewable energy source	Gwh	5,214	5,899	4,408	OG3
- of which hydroelectric energy	Gwh	4,338	4,954	3,378	
- of which wind power	Gwh	823	894	975	
- of which electric power from other renewable energy sources (photovoltaic and biomass)	Gwh	53	51	54	
Share of electric power produced from renewable energy sources	%	26	33	24	
Other purchases	Gwh	37,625	78,564	70,952	
* Please note that the data regarding the production of electric power were recalculated following application of IFRS 11 as regards the year 2014.					
Production of thermal energy from steam sold					
Edison production	TJ	11,396	8,723	9,260	
Efficiency of the thermoelectric power plants					
Average yield of the thermoelectric power plants	%	57	59	58	EU11
Availability factor for the thermoelectric power plants	%	90	92	85	
Availability factor for the hydroelectric power plants	%	93	95	92	
Availability factor for the wind farms*	%	96	96	95	
Average availability factor	%	93	94	91	EU30

* For wind farms subject to dispatching orders by Terna, for availability purposes, any mandated turbine shutdowns were not considered.

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
Energy used to produce electric power					EN3
Natural gas	millions of Sm ³	2,919.60	2,513.14	2,997.25	
Coke-oven gas	millions of Nm ³	74.4	39.03	0.00	
Blast-furnace gas	millions of Nm ³	722.5	268.03	0.00	
Steel-mill gas	millions of Nm ³	-	-	-	
Blast-furnace and steel-mill gas mixture	millions of Nm ³	-	-	-	
Fuel oil	thousands of t	0.6	-	0.00	
Diesel	thousands of t	-	-	-	
Coal	thousands of t	-	-	-	
Bark	thousands of t	62.5	59.40	59.64	
Mud	thousands of t	19.5	19.50	19.43	
Wood chips	thousands of t	55.5	76.48	72.18	
Total energy used	thousands of GJ	106,001	89,847	102,957	
Energy used for ancillary services					EN3
Natural gas	thousands of Sm ³	3,379.30	5,240.91	3,900.50	
Diesel	t	6,885.50	3,563.36	6,217.84	
Fuel oil	t	1,395.00	2,239.00	4,103.00	
Purchased electric power	MWh	142,821.50	143,422.25	121,338.46	
Materials used					EN1
Total process chemicals	t	47,510	47,604	50,894	
Dielectric oil used as lubricant and coolant	t	64.01	71.01	53.42	
Technical gases		7,627.31	6,302.61	3,119.77	
Water resources used					EN8
Sea water	thousands of m ³	204,114	150,366	129,343	
Brackish water	thousands of m ³	390,376	379,345	392,832	
Water from rivers or canals	thousands of m ³	58,237	34,147	29,202	
Water drawn from subsoil	thousands of m ³	4,478	2,278	2,817	

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
Purchased demineralised water	thousands of m ³	90	131	88	
Other water resources used	thousands of m ³	231,8114	190	214	
Recycled water from thermoelectric operations	thousands of m ³	4,507	3,546	3,389	EN10
- of which recycled industrial water	thousands of m ³	3,183	2,852	2,820	
- of which water from condensation and purchased steam	thousands of m ³	1,324	693	569	
Total water resources used	thousands of m³	662,034	570,004	557,886	
Recycled water - thermoelectric operations	%	0.67	0.62	0.61	
Flow-through water and biodiversity - hydroelectric operations					EN12
Turbine powering water	thousands of m ³	14,093,032	17,183,368	13,207,943	
Minimum vital water flow (MVW)	thousands of m ³	1,258,759	1,370,112	1,377,587	
MVW releases	%	9.14	7.97	10.43	
Effluents					EN22
Industrial effluents generated	thousands of m ³	24,290	21,802	21,806	
Reinjected water (hydrocarbon sector)	thousands of m ³	-	0	0.9	
Cooling water	thousands of m ³	621,873	537,884	534,501	
Residential waste water	thousands of m ³	136.0	127.3	499.5	
Total effluents discharged	thousands of m³	646,299	559,814	556,807	
Into the sewers	thousands of m ³	4,165	3,910	4,057	
Into surface water bodies (rivers, canals and the sea)	thousands of m ³	642,055	555,846	552,674	
Into ground water bodies (aquifer etc.)	thousands of m ³	79.0	58.4	75.6	
Greenhouse gas emissions					
Electric power sector					
Gross thermoelectric energy produced	GWh	13,922	11,934	14,330	
Total gross electric power produced	GWh	18,891	17,954	18,993	
Gross thermoelectric and thermal energy produced	GWh	17,088	14,525	16,902	
Gross electric power and thermal energy produced	GWh	22,057	20,377	21,566	

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
CO ₂ from the production of electric power and thermal energy	t	6,689,356	5,277,056	5,955,017	EN 15
CO ₂ emitted by company cars	t of CO ₂ eq	1,657	825	682	
Specific CO ₂ emissions - thermoelectric and thermal energy	g/Kwh gross	391.5	363.3	352.3	
Specific CO ₂ emissions - electric power and thermal energy (includes renewables)	g/Kwh gross	303.3	259.0	276.1	
Specific CO ₂ emissions - electric power (includes renewables)	g/Kwh net	359	295	319	
Emissions avoided with renewables*	t	1,687,391	1,909,076	1,426,435	
SF6	t of CO ₂ eq.	410	479	503	
Emission Trading Scheme (ETS)					EU 5
Rights allocated under the Emission Trading Scheme*	t	211,028	177,831	148,945	
CO ₂ produced from below allocation plants	t	6,585,275	5,205,674	5,896,163	
Kyoto Protocol compliance level (rights allocated/emissions generated below allocation)	%	n.a.	n.a.	n.a.	
Hydrocarbon sector					
Hydrocarbon sector CO ₂	t	153,453	134,974	128,377	
- of which flaring/venting	t	18,576	8,536	299	OG6
Gas distribution operations					
CO ₂ emissions from pipeline leaks	t of CO ₂ eq.	1,734.3	1,636.0	1,634.6	EN 16 EN 19
Direct emissions due to other activities (Scope I)					EN 15
Natural gas	t of CO ₂ eq.	6,650	6,609	7,478	
Diesel	t of CO ₂ eq.	21,848	17,159	19,489	
Fuel oil	t of CO ₂ eq.	4,380	7,030	270	
Indirect emissions					
CO ₂ from business travel	t of CO ₂ eq.	2,514	2,542	2,316	EN 17
Emissions attributable to consumption of purchased electric power**	t	55,139	48,395	39,268	EN 16 EN 19

* Data for 2013 and 2014 recalculated compared to the previous report on the basis of the updating of the conversion factors published by ISPRA.

** Conversion factors published by ISPRA.

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
Scope I					EN 15
CO ₂ from the production of electric power and thermal energy	t	6,689,356	5,277,056	5,955,017	
Hydrocarbon sector CO ₂	t	153,453	134,974	128,377	
CO ₂ emissions from pipeline leaks	t of CO ₂ eq.	1,734	1,636	1,634.6	
Direct emissions due to other activities - Natural Gas	t of CO ₂ eq.	6,650	6,609	7,478	
Direct emissions due to other activities - Diesel	t of CO ₂ eq.	21,848	17,159	19,489	
Direct emissions due to other activities - Fuel Oil	t of CO ₂ eq.	4,380	7,030	270	
CO ₂ emitted by company cars	t of CO ₂ eq.	1,657	825	682	
Scope II					EN 16
Emissions attributable to consumption of purchased electric power*	t	55,139	48,395	53,789	
Scope III					EN 17
CO ₂ from business travel	t of CO ₂ eq.	2,514	2,542	2,316	
CO ₂ from waste disposal	t of CO ₂ eq.	6,524	9,663	7,585	

* Conversion factors published by ISPRA.

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
Emissions of gases harmful to the ozone layer					EN 20
CFC-11 equivalents	t	0.18	0.12	0	
Emission into the atmosphere					EN 21
Electric power sector					
NOx	t	2,757	2,228	2,312	
SOx	t	737	283	7	
Particulate	t	30	11	2	
CO	t	1,516	2,043	1,160	
Hydrocarbon sector					
NOx	t	220	80	325	
SOx	t	71	42	171	
Particulate	t	2	1	6	
CO	t	117	123	69	
Total emissions					
NOx	t	2,977	2,308	2,637	
SOx	t	808	325	177	
Particulate	t	32	12	7	
CO	t	1,633	2,166	1,229	
Waste generated*					EN 23
Non-hazardous waste	t	45,873	202,122	61,047	
Hazardous waste	t	5,156	2,278	4,492	
Total waste generated	t	51,030	204,400	65,539	
- of which recycled	%	57.39	84.24	61	
- of which sent to landfill	%	42.61	15.76	39	

* In 2014, extraordinary maintenance was carried out on the Vega platform, producing approximately 158,000 tonnes of waste, 91% of which was sent for recycling. The waste, largely iron-based, was produced by substituting parts of structures which had deteriorated due to corrosion caused by the marine environment.

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
Inspections to locate natural gas leaks					
Pipelines inspected	Km	2,200	2,445	2,426	
Pipelines existing at the beginning of the year	Km	2,624	2,640	2,659	
Network inspected	%	84	93	91	
Total number of leaks located	No	991	1,079	1,048	
Total volume of leaks	thousands of Sm³	105	98.77	98.71	
HSE management systems					
Sites covered by ISO 14001 management systems					
Electric power sector	%	100	100	100	
Hydrocarbon sector	%	100	100	100	
Sites covered by EMAS management systems*					
Electric power sector	%	67	100	100	
Hydrocarbon sector	%	25	13	13	
Sites covered by OHSAS 18001 management systems					
Electric power sector	%	100	100	100	
Hydrocarbon sector	%	100	100	100	
* In 2013, the Comiso 2 site achieved EMAS registration.					
Audit process					
Internal audits	No	86	88	81	
External audits (by a third party)	No	11	11	14	
Total audits	No	97	99	95	
Inspections - Italy					
Performed by ASL, ARPA, communes, provinces, regions	No	39	13	6	
Other inspections	No	10	6	2	
Total inspections	No	49	19	8	

ENVIRONMENT	Unit of measurement	2013	2014	2015	GRI
Environmental accounting					EN 31
Protection of air and climate	€/000	4,179	571	586	
Water management*	€/000	29,874	30,646	31,777	
Waste management	€/000	2,399	2,383	3,142	
Protection of soil, subsoil and aquifers	€/000	2,703	3,589	3,493	
Protection of habitats and landscape and remediation projects	€/000	2,407	657	1,167	
Exploration and development	€/000	21	1.5	95	
Other environmental protection activities	€/000	4,918	4,373	4,017	
Noise, vibrations, CEM reduction	€/000	99,745	109	169	
Total outlays	€/000	46,600	42,329	44,446	
- of which investments	€/000	9,577	3,593	1,930	
- of which operating expenses	€/000	37,023	38,736	42,515	
Material environmental events					
Spills	No	-	-	-	EN 24
Environmental penalties					EN 29
Fines paid in the year	€	540	-	-	
Other non-cash penalties	No	-	-	-	
Energy efficiency initiatives					EN7
Energy saved owing to the energy efficiency measures (energy efficiency credits purchased)	TEP/year	n.a.	n.a.	2,257.14	
* The values include the water use fees for the hydroelectric concessions.					

CUSTOMERS	Unit of measurement	2013	2014	2015	GRI
Total Customers	No	1,411,190	1,224,709	1,113,392	
Electric power customers					EU 3
Totals	No	814,938	671,466	591,993	
	Gwh	19,149	20,409	17,109	
Residential	No	654,399	549,492	489,967	
	Gwh	1,991	1,703	1,513	
Business	No	4,895	4,939	7,516	
	Gwh	14,591	16,833	14,502	
Small business (SOHO)	No	155,644	117,035	94,510	
	Gwh	2,567	1,873	1,094	
Gas customers					EU 3
Totals	No	596,252	553,243	521,399	
	mil Sm³	5,444	5,727	6,033	
Edison Energia residential gas customers	No	459,510	413,089	384,564	
	mil Sm ³	562	415	419	
Other Edison Energia gas customers (industrial customers and non-industrial wholesalers)	No	1,100	3,804	671	
	mil Sm ³	4,807	5,243	5,539	
Total Edison Energia gas customers	No	460,610	416,893	385,235	
	mil Sm³	5,369	5,658	5,959	
AMG Gas Palermo residential customers	No	131,903	132,495	132,990	
	mil Sm ³	52	50	54	
AMG Gas Palermo industrial customers	No	3,739	3,855	3,174	
	mil Sm ³	23	19	21	
Total AMG Palermo gas customers	No	135,642	136,350	136,164	
	mil Sm³	75	68	75	
Green energy sold					
RECS certified energy	Gwh	531	596	525	

CUSTOMERS	Unit of measurement	2013	2014	2015	GRI
Interruptions of electric power service					EU 27
"Interrupted" customers	No	83,858	65,403	41,499	
Broken down by length of time between disconnection and payment					
< 48h	No	9,435	7,589	8,037	
48h -1 week	No	27,974	23,160	19,130	
1 week - 1 month	No	23,331	20,036	12,282	
1 month - 1 year	No	23,119	14,618	2,050	
> 1 year	No	-	-	0	
Broken down by length of time between payment and reconnection					
< 48h	No	77,736	61,595	40,797	
48h -1 week	No	2,660	2,492	1,483	
> 1 week	No	3,462	1,316	236	
Failure to comply with codes and regulations on advertising and product marketing					PR7
Electric power sector	No	-	-	-	
Natural gas sector	No	-	-	-	
Monetary value of penalties for non-compliance with laws or regulations regarding the supply or use of services					
Monetary value of penalties in the electric power sector	€	-	-	82,000	
Monetary value of penalties in the gas sector	€	-	-	-	
Total	€	-	-	82,000	
Contact centre service					
Total number of inbound calls	No	2,927,380	2,762,544	1,665,251	
% of inbound calls answered within 30 seconds*	%	42.70	65.02	69.3	
* The 2013 figures refer to the call data from residential customers.					
Claim Index					PR8
Electric power services	%	2.01	2.90	1.07	
Gas services	%	2.52	2.90	1.07	
Average monthly figure	%	2.18	2.16	1.10	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
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Note: the consolidation of the 2013 figures on Group companies that are not wholly owned has necessitated rounding to make decimals add up to one and avoid differences when reconciling the data (e.g. differences between the sum of partial amounts and totals).

Consistency of personnel

Employees at 1/1	No	3,248	3,183	3,101	
Joiners	No	84	77	87	
- of which market	No	84	77	87	
Leavers*	No	92	159	122	
Employees at 31/12	No	3,240	3,101	3,066	

* The high number of leavers referring to 2014 is due to the divestment of assets/transfer of company divisions.

Personnel breakdown

G4-10

By gender

Men	No	2,586	2,467	2,420	
Women	No	654	634	646	

By geography

Italy	No	2,324	2,243	2,221	
Other countries	No	916	858	845	
- of which Egypt	No	828	814	798	
- of which Norway	No	18	24	25	
- of which other countries/areas	No	70	20	22	

By grade

Executives	No	195	198	196	
- of which women	No	20	19	21	
Middle managers	No	695	704	761	
- of which women	No	167	173	178	
Office staff	No	1,702	1,616	1,575	
- of which women	No	464	414	426	
Production staff	No	648	583	534	
- of which women	No	3	28	21	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Temporary staff					G4-10
Temporary staff	No	39	44	46	
- of which women	No	23	29	29	
Female employee percentages					LA 12
Executives	%	10	10	11	
Middle managers	%	24	25	23	
Office staff	%	27	26	27	
Production staff	%	1	5	4	
Total	%	20	20	21	
Temporary staff	%	59	66	63	
Employees breakdown by type of contract					G4-10
Permanent	No	3,167	3,071	3,038	
- of which women	No	644	628	639	
Fixed-term contract	No	73	30	28	
- of which women	No	10	6	7	
Job training					G4-10
Apprentices	No	34	31	37	
Internships/Short-term entry assignments	No	14	18	18	
Total	No	48	49	55	
Interns and apprentices as a percentage of total staff	%	1	2	2	
Part-time staff					G4-10
Employees with part-time contracts	No	82	82	86	
- of which women	No	77	76	78	G4-10
Percentage of employees with part-time contracts	%	3	3	3	
- of which women	%	12	12	12	G4-10

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Hires					LA 1
Breakdown by age					
Younger than 35	No	68	57	60	
Between 36 and 45	No	11	14	17	
Older than 45	No	5	6	10	
By gender					
Women	No	16	24	37	
Men	No	68	53	50	
By geography					
Italy	No	45	58	57	
Other countries	No	39	19	30	
By classification					
Executives	No	3	3	4	
Middle managers	No	8	10	15	
Office staff	No	43	56	49	
Production staff	No	30	8	19	
Leavers					LA 1
Breakdown by reason					
Resignation	No	33	36	41	
Retirement	No	31	37	49	
Death	No	2	5	3	
Redundancy	No	2	0	1	
Other *	No	24	81	28	

* in 2014, 67 personnel left due to the divestment of an asset/transfer of a company division.

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Breakdown by age					
Younger than 35	No	26	39	24	
Between 35 and 45	No	18	54	21	
Older than 45	No	48	66	77	
By gender					
Women	No	19	31	25	
Men	No	73	128	97	
By geography					
Italy	No	53	133	78	
Other countries	No	39	26	44	
Changes to a higher classification					
Promotion from middle manager to executive	No	7	12	8	
Promotion from office staff to middle manager	No	78	80	46	
Promotion from production staff to office staff	No	51	41	45	
Total	No	136	133	99	
Employees who received training					
Employees who attended at least one training course	No	2,591	2,623	2,485	
Employees who received training	%	80	85	81	
Training					LA 9
Total hours	No	121,940	101,734	97,106	
- of which women	No	25,179	24,064	22,092	
- of which men	No	96,761	77,670	75,014	
Average hours per trained employee	No	42	39	39	
Average hours per employee	No	38	33	32	
- of which women	No	38	38	34	
- of which men	No	37	31	31	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
By grade					
Executives	No	6,674	7,198	6,105	
Middle managers	No	24,922	26,194	24,310	
Office staff	No	74,180	58,906	53,040	
Production staff	No	16,164	9,436	13,651	
Average hours per level					
- executives	No	34	36	31	
- middle managers	No	36	37	32	
- office staff	No	44	36	34	
- production staff	No	25	16	26	
By type					
Quality, environment and safety	No	35,697	25,570	24,783	
Technical training	No	22,924	8,328	7,766	
Institutional training - internal	No	19,207	18,541	21,749	
Specialised training - external	No	14,081	21,734	15,923	
Foreign language courses	No	24,407	23,012	22,786	
Computer courses	No	3,824	1,528	1,156	
Conventions	No	1,800	3,021	2,943	
Training costs					
Internal and external training costs (including taxes and mandatory social security contributions)	k€€	3,031	3,039	2,800	
- of which financed	k€	479	261	213	
Labour cost of employees receiving training	k€	3,405	3,153	2,899	
Costs of internal office staff employed	k€	388	378	349	
Total costs	k€	6,824	6,570	6,048	
Employees subject to an annual feedback interview					LA 11
Executives	%	98	99	101*	
Middle managers	%	89	88	86	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Office staff	%	26	56	57	
Production staff	%	-	39	48	
Total	%	39	63	65	
Total number of women employees	%	45	68	72	

* The 2015 figure is equal to 101% since the number of executives at the end of the year was lower than the number of executives during the year, and who were redeployed.

Employees in protected categories

LA 12

Disabled employees	No	104	99	98	
Other (e.g. orphans)	No	24	23	21	
Total	No	128	122	119	
Effect of disabled employees on the total	%	3	4	4	

Employees returning to work and workforce re-entry rates after parental leave, by gender*

Employees entitled to parental leave	No	2,324	2,243	2,221	
- of which women	No	546	537	545	
- of which men	No	1,778	1,706	1,676	
Employees who took parental leave	No	62	67	75	
- of which women	No	54	59	67	
- of which men	No	8	8	8	
Employees whose parental leave ended during the year	No	19	20	27	
- of which women	No	18	20	27	
- of which men	No	1	0	0	
Employees whose parental leave ended during the year and who returned to work	No	19	20	27	
- of which women	No	18	20	27	
- of which men	No	1	0	0	
Total rate of returns to work	%	31	30	36	
Total rate of women returning to work	%	33	34	40	
Total rate of men returning to work	%	17	0	0	

* The figure does not include local employees from foreign headquarters and refers to mandatory maternity leave.

EMPLOYEES	Unit of measurement	2012	2013	2014	GRI
Missed hours of work					LA 6
Illness	No	118,481	120,548	110,317	
- of which foreign	No	n.a.	19,632	19,446	
Accident*	No	3,341	4,890	6,696	
- of which foreign	No	n.a.	3,416	3,368	
Maternity	No	37,187	45,984	53,003	
- of which foreign	No	n.a.	8,303	8,968	
Strike	No	418	220	0	
- of which foreign	No	n.a.	n.a.	0	
Employee assembly	No	-	17	0	
- of which foreign	No	n.a.	n.a.	0	
Paid leave	No	41,070	40,916	51,599	
- of which foreign	No	n.a.	1,369	8,878	
Unpaid leave	No	9,636	9,943	14,123	
- of which foreign	No	n.a.	414	0	
Other	No	47,584	53,962	98,530	
- of which foreign	No	n.a.	n.a.	360	
Total	No	257,717	276,480	334,268	
- of which foreign	No	n.a.	33,134	41,019	

* The hours shown include in-transit accidents.

Average productivity bonuses per capita*

Middle managers	€	2,065	2,661	2,853	
Office staff	€	1,701	2,236	2,365	
Production staff	€	1,448	1,815	1,966	
Average paid per capita	€	1,751	2,283	2,435	

* The figure does not include the local employees of foreign headquarters or those of Italian companies not on the centralised payroll.

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Incentivising bonuses*					
Employees who received an incentivising bonus other than the productivity bonus (MBO)	No	447	496	514	
Employees who received a non-cash incentivising bonus (Award)	No	-	-	0	
* The figure does not include the local employees of foreign headquarters.					
Collective bargaining and union membership					G4 11
Employees covered by a national collective bargaining agreement	No	3,240	3,101	3,066	
Employees who are members of a trade union	No	1,518	1,428	1,396	
Employees covered by a national collective bargaining agreement	%	100	100	100	
Rate of union membership	%	47	46	46	
Disputes with employees					
Outstanding at 31 December	No	4	6	6	
Started during the year	No	-	2	3	
Closed during the year	No	1	-	3	
Women/Men base compensation ratio					LA13
Top Management					
Women/Men % compensation ratio	%	n.a.	n.a.	n.a.	
Women/Men age ratio (average year differential)	No	n.a.	n.a.	n.a.	
Management					
Women/Men % compensation ratio	%	106.70	107.00	105.00	
Women/Men age ratio (average year differential)	No	<1.1	<0.6	<0.9	
Professionals					
Women/Men % compensation ratio	%	94.73	93.00	93.00	
Women/Men age ratio (average year differential)	No	<3.2	<3.6	<3.4	
Office staff					
Women/Men % compensation ratio	%	92.76	93.00	91.00	
Women/Men age ratio (average year differential)	No	<0.8	<1.1	<1.3	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Production staff *					
Women/Men % compensation ratio	%	n.a.	n.a.	n.a.	
Women/Men age ratio (average year differential)	No	n.a.	n.a.	n.a.	
* The "production staff" category is not significant due to the small number of women in this category. The figure does not include the local employees of the foreign headquarters or those of Italian companies not on the centralised payroll.					
Employees breakdown by age groups					LA 12
Younger than 25	%	1	1	0	
Between 25 and 35	%	26	25	24	
Between 36 and 45	%	31	29	30	
Between 46 and 55	%	28	30	30	
Older than 55	%	13	15	16	
Employees breakdown by education level					
Elementary school	%	1	1	1	
Middle school	%	16	16	15	
High school diploma	%	42	41	41	
College degree	%	40	41	42	
Other (Masters, PhD etc.)	%	1	1	1	
Average length of service at the Company*					
Executives	No of years	16.1	17.0	17.7	
Middle managers	No of years	13.1	14.0	14.2	
Office staff	No of years	13.3	14.3	14.8	
Production staff	No of years	15.3	18.3	17.9	
Total	No of years	13.7	14.9	15.3	
* The data for foreign companies are not available.					
Employee turnover (resignations)					LA 1
by age group					
Younger than 35	%	58	56	37	
Between 35 and 45	%	28	25	32	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Older than 45	%	14	19	32	
by gender					
Women	%	26	22	27	
Men	%	74	78	73	
by geography					
Italy	%	77	75	78	
Other countries	%	23	25	22	
by classification					
Executives	%	3	3	5	
Middle managers	%	32	17	24	
Office staff	%	49	69	49	
Production staff	%	16	11	22	
by years of service					
Less than 3 years of service	%	15	33	22	
Between 3 and 10 years of service	%	72	53	61	
More than 10 years of service	%	13	14	17	
Industrial injuries					LA 6
Accidents to Group employees (>1 workday lost, excluding in-transit accidents)	No	7	9	10	
- of which women	No	2	0	1	
- of which foreign	No	0	4	0	
days lost per accident (excluding in-transit accidents)	No	165	398	305	
- of which women	No	52	0	10	
- of which foreign	No	0	314	56	
Fatal accidents	No	-	-	0	
Instances of occupational illnesses	No	-	-	0	
Hours worked	No	5,891,953	5,407,165	5,243,587	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
- of which women	No	n.a.	n.a.	1,004,165	
- of which foreign	No	2,054,754	1,648,386	1,523,614	
Group injury incidence rate (for one million working hours)	No	1.19	1.66	1.91	
Women injury incidence rate	No	1.74	0.00	1.00	
Injury incidence rate of employees abroad	No	0.00	2.43	0.00	
Total injury incidence rate (Group + contractors)	No	2.3	1.8	2.10	
Group serious accident incidence rate (per thousand working hours)	No	0.03	0.07	0.06	
Women serious accident incidence rate	No	0.05	0	0.01	
Serious accident incidence rate of employees abroad	No	0.00	0.19	0.04	
Total serious accident incidence rate (Group + contractors)	No	0.18	0.13	0.11	
Occupational illness rate	No	0.00	0.00	0.00	
Women occupational illness rate	No	0.00	0.00	0.00	
Occupational illness rate of employees abroad	No	0.00	0.00	0.00	
Average of workdays lost (for each accident)	No	23.6	44.2	30.5	
Health care benefits*					
Medical examinations provided	No	1,707	1,308	1,431	
* The data for foreign companies are not available.					
Contractor employees					G4 - 10 EU
Average Full-Time Equivalents (FTE)	No	1,501	1,248	1,295	
Days worked by contractor employees					EU 17
Construction activities	No	49,869	26,321	21,771	
Maintenance activities	No	250,279	223,268	237,271	
Total	No	300,147	249,590	259,042	
Industrial accidents for contractors					LA 6 EU
Contractor employee who attended health and safety courses (on average number of FTE)*	%	42	56	67	EU 18
Accidents to contractor employees (>1 workday lost)	No	13	4	5	

EMPLOYEES	Unit of measurement	2013	2014	2015	GRI
Hours worked	No	2,401,180	1,996,717	2,072,334	
Workdays lost due to accidents	No	871	569	483	
Fatal accidents to contractor employees	No	1	0	1	
Injury incidence rate for contractors	No	5.00	2.00	2.40	
Lost workday incidence rate for contractors	No	0.36	0.29	0.23	

* The figure does not include employees of foreign contractors.

SUPPLIERS	Unit of measurement	2013	2014	2015	GRI
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Value and localisation of supplies

Total value of supplies	€/000	404,956	401,265	374,450	
- of which suppliers in Italy	%	94.10	91.5	80.8	
- of which foreign suppliers	%	5.90	8.5	19.2	
% orders from local sources	%	5.90	5.8	4.4	

Selection and qualification of suppliers

Suppliers managed on the portal	No	4,383	5,087	4,756	
- of which qualified suppliers	No	3,022	3,237	3,950	
- of which suppliers qualified in the year	No	891	367	571	
Average approval time (Register of Suppliers and Vendor List)	Days	61	83	55	
Total value of purchases from qualified suppliers	€/000	365,837	357,757	335,293	
as a % of total purchases	%	90	89	90	
Strategic suppliers*	No	55	43	37	
Supplies from strategic suppliers as a % of total supplies	%	22	11	24	
Suppliers with at least one HSEQ-certified management system	No	2,254	2,645	2,354	
- of which those with ISO 9001 certification	%	99	99	99	
- of which those with ISO 14001 certification	%	24	26	28	
- of which those with OHSAS 18001 certification	%	13	15	20	

* Suppliers mapped in the enterprise risk management system.

SUPPLIERS	Unit of measurement	2013	2014	2015	GRI
Supply					
Total active suppliers*	No	2,845	2,791	2,662	
- of which qualified suppliers	%	43	47	46	
Average length of contractual payment terms	Days	75	70	67	
Supplies from HSEQ-certified suppliers as a % of total value of supplies out of the total of supplies from qualified suppliers**	%	74	67	71	
* Suppliers having received at least one order during the year.					
** The 2013 figure was recalculated in order to set off the orders regarding qualified suppliers.					
Monitoring and rating					
Suppliers evaluated during the year	No	593	477	357	
Precautions taken against negative evaluations	No	35	24	24	
Disputed					
Outstanding at 31 December	No	3	3	1	
Started during the year	No	1	2	-	
Closed during the year	No	1	1	2	

INTERNAL CONTROL SYSTEM	Unit of measurement	2013	2014	2015	GRI
Reports received by the supervisory body					
For alleged infringements of the code of ethics	No	0	0	0	
For possible infringements of the provisions in the organisational model pursuant to Leg. Decree 231	No	0	0	0	
Total	No	0	0	0	
Actions put into effect in response to episodes of corruption					SO 5
Episodes of corruption reported	No	n.a.	n.a.	0	
Reports filed due to absence or untruthfulness of elements	No	n.a.	n.a.	0	
Reports that led to submitting employees to disciplinary measures	No	n.a.	n.a.	0	
Reports that involved legal actions	No	n.a.	n.a.	0	
Total number of legal actions due to anti-competition conduct, antitrust and monopolistic practices and their results					
Legal actions due to anti-competition conduct	No	0	0	0	
Infringements of antitrust rules	No	0	0	0	
Violations concerning monopolistic practices	No	0	0	0	

A NOTE ON METHODOLOGY

The Edison Sustainability Report was prepared in accordance with the reporting guidelines defined by the Global Reporting Initiative - GRI. In continuity with the previous edition, the information included in this 2015 report is aligned with standard G4 (published in May 2013) and includes the indicators from the Oil & Gas sector supplement as well as those envisaged in the Electric Utilities sector supplement. In particular, this edition of the document contains some preliminary ideas proposed by the International Integrated Reporting Framework finalised by the International Integrated Reporting

Council (IIRC), a global organisation made up of regulatory bodies, investors, companies, standards bodies, professionals working in the accounting sector and NGOs.

The perimeter and degree of detail of reporting of the topics reflect the results of the materiality analysis carried out in accordance with the methodological approach described on pages 21 and those that follow. In order to apply the GRI G4 standard, Edison's material topics were associated with the "Specific Standard Disclosure" list of aspects set out in G4, and those that best represent the results emerging

from the analysis were selected. Afterwards an analysis aimed at identifying the perimeter of the various significant aspects, i.e. the period in which the impacts may occur both inside and outside Edison, was made.

The next step involved assigning priorities while considering both the importance of the economic, environmental and social impacts on the various business activities within the organisation and their substantial influence on the assessments and decisions of the external stakeholders. The result of this activity is summarised in the following table.

	Aspect boundary		Boundary limitations	
	Significance inside the organisation	Significance outside the organisation	Significance inside the organisation	Significance outside the organisation
Material Aspects				
System efficiency	Edison Spa	-	-	-
Employment	Edison Spa	-	-	-
Occupational Health and Safety	Edison Spa	-	-	-
Indirect economics impact	Edison Spa	-	-	-
Economic performance	Edison Spa	EDF, Regulatory Authority, Customers	-	-
Emissions	E.A.	-	-	-
Environmental Protection (overall)	E.A., H.A.	Suppliers	-	Reporting partially extended to cover suppliers
Energy	E.A.	Customers	-	Reporting partially extended to cover customers
Anti-corruption	Edison S.p.A.	Suppliers	-	Reporting not extended to subcontractors
Marketing Communication	M.E.S.	Agencies and commercial intermediaries	-	Reporting not extended to agencies and commercial intermediaries

	Aspect boundary		Boundary limitations	
Material Aspects	Significance inside the organisation	Significance outside the organisation	Significance inside the organisation	Significance outside the organisation
Compliance	Edison Spa	-	-	-
Access	E.A., H.A.	-	-	-
Indirect economics impact	Edison Spa	-	-	-
Local community	Edison Spa	-	-	-

Legend

Edison Spa

Energy Asset (E.A.)

Power Asset

Power International

Energy Management

Hydrocarbon Asset (H.A.)

Exploration e Production

Gas International e Management

Gas regulated asset

Marketing Sales & Energy Services (M.E.S.)

With regard to the material aspects for which reporting has not yet been extended to the boundary outside the organisation (G4-omissions), Edison undertakes to implement specific actions over the coming years which will enable reporting to be extended gradually. Based on the current coverage of the Specific Standard Disclosure indicators associated with the material aspects, Edison declares its adherence to the GRI-G4 standard to be at “In accordance” – “Core” level.

Reporting process and boundary

The data and the information contained in the document refer to the performance of the Group in the financial year ended 31 December 2015 (with the exception of certain information considered significant and relating to the first months of 2016) and were collected and consolidated by the responsible Edison managers, by extracting information from the company IT systems, the billing system and internal and external reports. The reporting standards and boundary are those

used in the consolidated financial statements, except where indicated otherwise. Please note that Edison has applied the consolidation rules introduced by IAS IFRS 11 since January 1st 2014. Since this reporting standard is retroactive, the 2013 figures have been reclassified according to this approach wherever possible. Any exceptions have been mentioned in the Report, as appropriate. To allow comparison of the Group's performance over time, data and indicators are reported for a three-year period.

Assurance

As was the case in previous years, the Sustainability Report 2015 was audited by independent auditors to provide our stakeholders with the assurance that the information it contains is accurate and reliable.

The audit was conducted in accordance with procedures set out in the “Letter of Independent Review on the Sustainability Report”, reported at the end of this document.

Finally it should be noted that this Report was made available during the Shareholders’ meeting held on 22 March 2016.



GRI CORRELATION TABLE

General Standard Disclosure

DMA and indicators		Page references
Strategy and Analysis		
G4-1	Sustainability strategy	2-3; 18-19; 22
Organizational profile		
G4-3	Name of the organisation	Cover
G4-4	Brands, products and services	5
G4-5	Location of headquarters	Back cover
G4-6	Countries in which operations are carried out, including the significant impacts tied to the products, activities, services and relationships	8-9
G4-7	Ownership structure	10
G4-8	Customer markets	8,9
G4-9	Size of the organisation	6-7
G4-10	Employees by type of contract, gender, geography, position	114; 115;124
G4-11	Employees covered by collective bargaining agreements	121
G4-12	Description of the supply chain (No. suppliers, volumes and supply markets)	86-87
G4-13	Changes in the perimeter of the activities, including location of the suppliers	128-130
G4-14	Application of the precautionary approach	17
G4-15	List of charters or principles adheres to or other initiatives supported	18; 23; 29; 48
G4-16	List of trade associations the organisation supports	53
EU1	Installed capacity	6-7
EU2	Net power produced	6-7; 104
EU3	Number of residential, industrial, institutional and commercial customers	46; 112
EU4	Length of transmission and distribution networks	6-7;
EU5	Allocation of CO ₂ emissions	107
Materiality and perimeter of the report		
G4-17	List of consolidated entities in the consolidated financial statements and those not included in the sustainability statement	128-130
G4-18	Explanation of the process for defining contents of the financial statements and how the organisation has implemented the relevant reporting principles	19-21

DMA and indicators		Page references
G4-19	List of the identified material aspects	19-21
G4-20	State the relevant perimeter outside the organisation for each material aspect	128-130
G4-21	State the relevant perimeter within the organisation for each material aspect	128-130
G4-22	Explanations of the effects of any change in information included in the previous reports and the relevant justifications	128-130
G4-23	Significant changes in target or perimeter	128-130
Stakeholder engagement		
G4-24	List of stakeholders engaged by the organisation	19-21
G4-25	Identification process	19-21
G4-26	Approach to the engagement, including attendances and types of activities	19-21
G4-27	Topics emerging from the engagement, management methods, also through reporting	19-21
Report profile		
G4-28	Period to which the report refers	128-130
G4-29	Last report published	The last report was published in 2015
G4-30	Reporting frequency	The report is published every year
G4-31	Contacts	Back cover
G4-32	Choice of the "in accordance" option and GRI table - see details	128-130
G4-33	Assurance policies and practices	142-144
Governance		
G4-34	Governance structure, including the committees that answer to the highest governance body	14-16
G4-42	Role of the highest governance body in defining the sustainability outlook / mission, policies and targets	14-17
G4-43	Initiatives for promoting the knowledge of the sustainability themes of the highest governance body	14
G4-48	Indication of the highest governance body that approves the sustainability statement and checks that all material topics are covered	130
Ethics and integrity		
G4-56	Principles, values and rules of conduct	15-16
G4-58	Processes for encouraging the reporting of unlawful or unethical conduct and for promoting ethical behaviour (hotlines, etc.)	16

Specific Standard Disclosure

Material aspects		Page references	Omissions
Category: Economic			
Economic performance			
DMA		12-13	
EC1	Economic value generated and distributed directly	13	
EC2	Economic-financial implications tied to climate changes	17	
EC3	Coverage of obligations assumed at the time of definition of the pension plan (benefit plan obligations)	63-64	
Indirect economic impacts			
DMA		72; 96	
EC7	Impacts of investments in infrastructures to the benefit of the local communities through commercial commitments, donations of products/services or pro bono activities	72-84	
Supply procedures			
DMA		86-87; 93; 100	
EC9	Policies, practices and percentage of expenditure relating to local suppliers	86-87	
Exploration and development			
DMA		34-35	
Efficiency of the system			
DMA		30	
EU11	Average yield of the thermoelectric power plants	104	
Reserves			
DMA		6-7	
OG1	Ascertained reserves and production	7; 104	

Material aspects		Page references	Omissions
Category: Environmental			
Materials			
DMA		37-42	
EN1	Material used by weight and volume	105	
Energy			
DMA		6; 28-30; 37-42; 89-90; 93; 97; 100	
EN3	Energy consumption within the organisation, broken down by primary energy source	105	
EN7	Reduction of the energy requirement of products and services	30-33; 111	
OG3	Power generated from renewable energy sources	104	
Water			
DMA		37-42	
EN8	Total extraction of water broken down by source	105-106	
EN10	Percentage and total volume of water recycled and reused	106	
Biodiversity			
DMA		43-44; 91; 98	
EN12	Description of the major impacts of business, products and services on the biodiversity of protected areas or areas at a high biodiversity risk outside the protected areas	43-44; 106	
Emissions			
DMA		37-42	
EN15	Total direct greenhouse gas emissions by weight (Scope I)	107-108	
EN16	Total indirect greenhouse gas emissions by weight (Scope II)	108	
EN17	Other indirect greenhouse gas emissions (Scope III)	108	
EN19	Initiatives to reduce greenhouse gas emissions and results achieved	40-42; 107	
EN20	Emissions of substances harmful to the ozone layer by weight	109	
EN21	NOx, SOx and other significant emissions in the air broken down by type and weight	109	

Material aspects		Page references	Omissions
Category: Environmental			
Effluents and waste			
DMA		37-42	
EN22	Total effluents discharged by type and use	106	
EN23	Total weight of the waste by type and disposal methods	109	
EN24	Total number and volumes of significant spills	111	
OG6	Volume of hydrocarbons flared off or released into the atmosphere	107	
Compliance			
DMA		14-16	
EN29	Monetary value of the significant fines and number of non-monetary sanctions due to non-observance of environmental regulations and laws	111	
Overhead costs			
DMA		37-42	
EN31	Expenditure and investments related to environmental protection, broken down by type	111	
Category: Employment and dignified work			
Employment			
DMA		55-64	
LA1	Total number of new recruitments and turnover by age bracket, gender and geography	116; 122-123	
LA3	Re-entry after parental leave rate, broken down by gender	119	
EU17	Days worked by contractors	124	
EU18	Employees of contractors involved in health and safety training	124	
Occupational health and safety			
DMA		65-68; 95-96; 101	
LA6	Rate of accidents at work, illness, lost working days, absenteeism and total number of deaths, broken down by geography	120; 123-124	

Material aspects		Page references	Omissions
Category: Employment and dignified work			
Training and education			
DMA		59-60	
LA9	Average hours of annual training by employee, broken down by gender and worker categories	117	
LA11	Percentage of employees that regularly receive performance and career development assessments	118-119	
Diversity and equal opportunities			
DMA		56-57	
LA12	Composition of the governance bodies of the company and breakdown of the employees by category based on gender, age, protected categories and other indicators of diversity	115; 119; 122	
Fair compensation between men and women			
DMA		55-56	
LA13	Comparison between basic salary of men and that of women in the context of equal categories for each significant country	121-122	
Mechanisms for handling complaints on work practices			
DMA		55-58	
LA16	Number of disputes on work practices recorded, dealt with and handled using formal resolution mechanisms	121	
Category: Society			
Local communities			
DMA		72-84	
EU22	Members of the community that have been physically displaced or who have received financial compensation due to construction/expansion of plants	No case	

Material aspects		Page references	Omissions
Category: Society			
Anti-Corruption			
DMA		14-16; 89	
S03	Percentage of business units analysed for risk of corruption and identified risks	14-16	
S04	Communication of policies and employee training on anti-corruption	14-16	
S05	Actions put into effect in response to episodes of corruption	127	
Anti-competitive behaviour			
DMA		14-15	
S07	Total legal actions referring to unfair competition, antitrust and monopolistic practices and their relevant judgments	127	
Compliance			
DMA		14-16	
S08	Monetary value of the significant sanctions and total number of non-monetary sanctions for non-compliance with laws or regulations	113	
Category: Product liability			
Marketing communications			
DMA		46-49	
PR7	Total cases of non-compliance with regulations or voluntary codes related to marketing activities	113	
Access			
DMA		46-49; 83-84	
EU27	Disconnection from grid due to failure to pay	113	
EU30	Average power plant availability factor	104	

GLOBAL COMPACT RECONCILIATION TABLE

Global Compact Advanced Criteria		Description	Ref. G4	Page
19	Commitment of the CEO and Leadership	The Edison Code of Ethics explicitly refers to the principles of the UN Global Compact. Edison is committed to implementing them in its business together with the promotion of the Sustainable Development Goals and the commitments tied to attainment of the targets set by COP21. Edison has reinforced its commitment to energy efficiency, renewable energies and the development of local communities.	G4-1	2-3; 18-19; 22
20	Monitoring and supervision of the board	Comex is the Edison Executive Committee led by the CEO and made up of the directors of the divisions most representative of the corporate areas. It monitors the sustainability topics and proposes suggestions for reaching goals. The Corporate Social Responsibility function performs liaison activities and implements the suggestions in question.	G4-34	14-16
1	Diffusion in the corporate functions and in the business units			
21	Stakeholder engagement	Edison carries out a systematic stakeholder listening and engagement activity on both business topics and those pertaining to sustainability. Thanks to implementation of the requests of the internal and external stakeholders, Edison aims at constantly improving its performance and relationship with the employees and local areas while at the same time monitoring the external context, reputational risks and evolution of the business goals.	G4-24 G4-27	19-21; 19-21
15-18	Goals of the United Nations	Edison undertakes to contribute toward meeting the Sustainable Development Goals (SDGs) that the UN adopted in 2015. Its activities were in fact re-read under this lens during the year.	DMA	10; 18; 25; 37; 46; 55; 70
3-5	Human Rights: - Commitments, strategies and policies - Management system - Control and assessment mechanisms	Edison's basic ethical principles are decreed by the Group's Code of Ethics that incorporates the Global Compact principles. They are applied not only to all the Edison people working in Italy and abroad, but to all those who have any type of contractual relationship with the Group. Suppliers and subcontractors undergo a qualification process in which they undertake to observe these principles, the 231 Organisation Model, the Code of Ethics and the Human Rights Policy. Owing to the TenP project, the activity to raise the awareness of suppliers on the topic of observing Human Rights continues and is being strengthened.	DMA	14-17; 55-64; 86-87
6-8	Labour - Commitments, strategies and policies - Management system - Control and assessment mechanisms	Edison monitors the needs of its employees and fields programmes that develop their skills while safeguarding the balance between life and work. Through MyEdf, it monitors their satisfaction and implements the suggestions that come in to improve the relationship. The Edison per te programme and Wellness@work are dedicated to the welfare of employees. Wellness@work focuses on the nutrition, health and comfort of its employees. Edison is a permanent member of the EDF Diversity Community and organises a Diversity Day each year. Edison's employees in Italy are covered by a national collective bargaining agreement. With regard to workers operating at non-Italian sites, Edison complies with local regulations and the management and professional culture of the country. In 2015 Edison provided itself with a new Health, Safety and Environment Policy, and updated General Rule 08/93 "Guidelines for protecting the environment and for safeguarding the health and safety of people". Training policies involve both Edison and its foreign.	DMA	55-64

Global Compact Advanced Criteria		Description	Ref. G4	Page
9-11	Environment - Commitments, strategies and policies - Management system - Control and assessment Mechanisms	Edison manages and reduces the environmental impacts of its business and of its plant infrastructures, and it contributes to reducing the impacts of its activities on the climate and on the natural resources. It develops and strengthens programmes for the rational use of energy and for the efficiency of the services offered to customers (Netatmo, E-Manager, etc.). The production and service systems are certified and subjected to periodic audits. The commitment to renewable sources is on-going and considerable. Edison has played a fundamental role in the establishment of the third operator in the sector of renewable energies from the wind source in Italy, and has implemented its hydroelectric power plants. Edison has completed, and has scheduled, projects to reduce, restore and protect biodiversity regarding its production plants.	DMA	25-28; 37-44
12-14	Anti-corruption: - Commitments, strategies and policies - Management system - Control and assessment mechanisms	The Edison Code of Ethics reinforces the principle of "zero tolerance" towards fraud and corruption. In May 2015 the Edison Board of Directors adopted specific "Anti-corruption Guidelines" that reinforce Edison's commitment (and that of the foreign headquarters) to a transparent business model in line with the most advanced international standards. Observance of the Code of Ethics and Model 231 is monitored following a specific reporting and internal audit procedure. Internal whistleblowing procedures were reinforced in 2015.	G4-56/DMA	14-16
2	Value chain	Supplier relations play an essential role in creating long-term value at Edison. It is a relationship of trust in which Edison promotes the sustainability aspects with its suppliers, also by implementing a correct and transparent management of its supply chain.	G4-12 G4-13 EC9 EN17 LA6 DMA	86-87; 128-130; 86-87; 107; 108; 120; 123-124
	Transparency and disclosure in reporting	Edison behaves toward all its stakeholders with openness and transparency, and aims at maintaining and developing constructive dialogue both outside and inside the company, which is essential in order to form long-term relationships founded on trust.	G4-3 G4-13	128-130
	Assurance by an external party	The Edison Sustainability Report undergoes external assurance by a third party.	G4-33	142-144

SUSTAINABLE DEVELOPMENT GOALS RECONCILIATION TABLE (SDGs)

SDG	Business Topics	GRI Indicators	Page
3. Ensure a healthy life and promote well-being for everybody at all ages	Quality of the air	EN15 , EN16, EN17 , EN20, EN21, OG-6	107-108; 109
	Occupational health and safety	LA6	120; 123-124
	Spills	EN24	111
	Waste	EN23	109
	Quality of the water	EN22	106
4. Ensure inclusive and quality instruction for everybody and promote continuous training	Education for sustainable development	G4-43	14
	Employee education and training	LA9	117
5. Reach gender equality and promote the emancipation of women and girls	Economic inclusion	DMA – Supply procedures	86-87; 93; 100
	Equal compensation for men and women	LA13	121-122
	Gender equality	LA1, LA9, LA11, LA12	115; 116; 117; 118-119; 122-123
	Investments in infrastructures	EC1, EC7	13; 72-84
	Parental leave	LA3	119
	Important positions held by women	LA12	115; 119; 122
7. Ensure everybody sustainable, reliable access to energy at accessible prices	Access to energy	EU27, EU30	104; 113
	Energy efficiency	EN3, EN7, EU11, OG6	30-33; 104; 105; 107; 111
	Environmental investments	EN31	111
	Investments in infrastructures	EC1, EC7	12-13; 72-84
	Renewable energy	EN3, EU1, EU2, OG3	6-7; 105
8. Promote inclusive and sustainable economic growth, dignified employment and work for everybody	Diversity and equal opportunities	LA12	115; 119; 122
	Economic inclusion	DMA – Supply procedures	86-87; 93; 100
	Economic performance	EC1	13
	Employee training	LA9, LA11	117; 118-119
	Employment	G4-10, LA1	114; 115; 116; 122-124
	Energy efficiency	EN3, EN7, EU11, OG6	30-33; 104; 105; 107; 111
	Fair compensation between men and women	LA13	121-122
	Freedom of association and of collective bargaining	G4-11	121
	Efficiency of materials	EN1	105
	Occupational health and safety	LA6, EU17, EU18	120; 123-124
	Parental leave	LA3	119
	Efficiency in using water	EN10	106
	Youth employment	LA1	116; 122-123
9. Build resistant infrastructures, promote sustainable industrialisation, and encourage innovation	Environmental investments	EN31	111
	Investments in infrastructures	EC1, EC7	13; 72-84
	Research and Development	EC1, EN31	13; 72-84; 111

SDG	Business Topics	GRI Indicators	Page
10. Reduce inequalities within a country and between countries	Access to events	EU3	46; 112
	Equal compensation for men and women	LA13	121-122
11. Make cities inclusive, safe, long-lasting and sustainable	Investments in infrastructures	EC7	72-84
12. Guarantee sustainable consumption and production models	Quality of the air	EN15, EN16, EN17, EN20, EN21, OG6	107-109
	Energy efficiency	EN3, EN7, EU11, OG6	30-33; 104; 105; 107; 111
	Environmental investments	EN31	111
	Efficient/recycled materials	EN1	105
	Supply	EC9	86-87
	Spills	EN24	111
	Waste	EN23, OG6	107; 109
	Efficiency in using water	EN10	106
	Quality of the water	EN22	106
13. Urgently take steps to fight against climate change and its effects	Energy efficiency	EN3, EN7, EU11, OG6	30-33; 104; 105; 107; 111
	Environmental investments	EN31	111
	Emissions	EN15, EN16, EN17, EN19, EU5	40-42; 107-108
	Risks and opportunities due to climate change	EC2	17
14. Sustainably conserve and use the oceans, seas and marine resources	Environmental investments	EN31	111
	Marine biodiversity	EN12	43-44; 106
	Acidification of the oceans	EN15, EN16, EN17, EN19, EN21, EU2, EU5, OG6	6-7; 40-42; 104; 107-108; 109
	Spills	EN24	111
	Discharging water into the oceans	EN22	106
15. Sustainably manage the forests, fight desertification, control soil deterioration and reverse the trend in progress	Environmental investments	EN31	111
	Degradation of the forests	EN15, EN16, EN17, EN19, EN21, EU5	40-42; 107-108; 109
	Mountain ecosystem	EN12	43-44; 106
	Degradation of the natural habitats	EN12	43-44; 106
	Spills	EN24	111
	Ground and underground water ecosystem	EN12	43-44; 106
17. Revitalise global partnership for sustainable development	Environmental investments	EN31	111

LETTER OF ASSURANCE



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INDEPENDENT AUDITORS' REPORT ON THE SUSTAINABILITY REPORT

**To the Shareholders of
EDISON S.p.A.**

We have carried out a limited assurance engagement on the Sustainability Report of the Edison Group (the "Group") as of 31st December 2015.

Directors' responsibility on the Sustainability Report

The Directors are responsible for the preparation of the Report in accordance with "G4 Sustainability Reporting Guidelines" and the Sector Disclosures "Electric Utilities" and "Oil and Gas", issued in 2013 by GRI – *Global Reporting Initiative*, as stated in the paragraph "A note on methodology" of the Sustainability Report, and for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to frauds or unintentional behaviours or events. The Directors are also responsible for defining the Edison Group's objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

The Directors are responsible for the part of the internal control that they consider necessary for the preparation of a Report free from material misstatement, also due to frauds or unintentional behaviours or events. The Directors are responsible for the definition of the Group objectives regarding the sustainability performance and the reporting of the achieved results. The Directors of Edison S.p.A. are also responsible for the identification of stakeholders and of significant aspects to report.

Auditors' responsibility

Our responsibility is to issue this report based on the procedures carried out. We conducted our work in accordance with the criteria established by the standard "*International Standards on Assurance Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. That standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. These procedures included inquiries, primary with company personnel responsible for the preparation of the Sustainability Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

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Member of Deloitte Touche Tohmatsu Limited

The procedures performed on the Sustainability Report consisted in verifying its compliance with the principles for defining report content and quality set out in the “G4 Sustainability Reporting Guidelines”, and are summarized as follows:

- comparing the economic and financial information and data included in the paragraph “Financial results and distribution of added value” of the Sustainability Report with those included in the Group Consolidated Financial Statements as of 31st December 2015, on which we issued our auditors’ report (pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27th January 2010), dated 16th February 2016;
- analysing, through interviews, the governance system and the management process of the issues related to sustainable development regarding the strategy and operations of the Group;
- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
 - interviews and discussions with management of Edison S.p.A., to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
 - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the guidelines identified in the paragraph “Directors’ responsibility on the Sustainability Report” of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the legal representative of Edison S.p.A. on the compliance of the Sustainability Report with the guidelines referred to in the paragraph “Directors’ responsibility on the Sustainability Report”, as well as the reliability and completeness of the data and information disclosed.

Data and information submitted to limited assurance are reported, as required by the “G4 Sustainability Reporting Guidelines”, in the “GRI correlation table” of the Sustainability Report.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Edison Group as of 31st December 2015 is not prepared, in all material respects, in accordance with “*G4 Sustainability Reporting Guidelines*” and the Sector Disclosures “*Electric Utilities*” and “*Oil and Gas*”, issued in 2013 by GRI – *Global Reporting Initiative*, as stated in the paragraph “A note on methodology” of the Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Piergiulio Bizioli
Partner

Milan, Italy
March 14, 2016

*This report has been translated into the English language solely
for the convenience of international readers.*

Edison Spa

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 **EDISON**