

2021

Consolidated Non-Financial Disclosure



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2021 Consolidated Non-Financial Disclosure

Pursuant to article 3 and article 4 of Legislative Decree No. 254 of 2016

This document has been translated into English for the convenience of readers outside of Italy.
The original Italian document should be considered the authoritative version.

Letter to our Stakeholders

Dear Stakeholders,

The year 2021 has been largely characterised by sustainability topics; the reference context of companies, as well as that of governments and institutions, has seen a strong evolution on the environmental front where evidence from the latest Intergovernmental Panel on Climate Change report has fuelled the dynamics of the G20 and the United Nations Conference of the Parties, as well as increasingly attentive debate in public opinion. In addition to these important steps and the new challenges that Europe and our country have set out to meet on the ecological transition front, new evidence on the importance of the economic sustainability of energy systems came to light in the latter part of the year, returning to the forefront considerations on the security and competitiveness of energy supplies and solutions. In this context of increasing complexity, Edison, as a responsible energy operator, intends to do all that it can as a leader of the energy transition for its customers and suppliers and for the communities and territories in which it operates.

And it is precisely with the affirmation of a strategy centred on sustainability and a coherent governance system that Edison faced 2021, with a renewed commitment to the 2030 Agenda, the pursuit of which is at the heart of the mandate assigned to the Sustainability Department, which reports directly to me, and the newly established EOS - Edison Orizzonti Sociali Foundation. The latter, in particular, is called to pursue an important social innovation mission for the country.


The starting point for Edison's sustainable action is based on listening to and dialoguing with its stakeholders, starting with its employees and collaborators, the relationship with whom was further enriched during the COVID emergency, when the needs of individuals and the responses of the Company, but also of the community, found new and effective synergies that confirmed collective involvement. But in the course of the year, other moments of in-depth analysis were valuable for listening to households, with respect to which we - together with Censis - wanted to understand the interest in preferring sustainable energy solutions within a framework in which economic balance has become more precarious due to COVID; the evidence that emerged from the survey conducted with Ipsos on Italian and French citizens about the priorities emerging from the climate crisis was equally important. And there were also moments of discussion with our suppliers, for which we developed the company's qualification portal to better focus on the sustainability issues that we strive to address together with our supply chain.

Of course, a fundamental piece of our sustainability action is the reporting activity that Edison carries out in the form of the Non-Financial Disclosure: as you know, Edison has decided to prepare its own NFD in accordance with Legislative Decree No. 254 of December 30, 2016, in order to ensure an appropriate and effective level of communication and transparency to the market and its stakeholders. The process of collecting data and information is carried out in collaboration with the various corporate focal points of the Group's divisions included in the reporting scope, with the aim of allowing for a complete, clear and precise indication of the information considered significant for the Group and its stakeholders according to the criteria established by international standards.

I invite you to carefully read the document, which confirms Edison as a responsible operator committed to the country's energy transition. I'll limit myself to mentioning just a few highlights: in 2021, Edison produced more than 4,700 GWh of renewable energy, the equivalent of the annual consumption of one and a half million households; it supported more than 2,000 private and public facilities with energy efficiency solutions for their sites and worked to ensure that starting at the beginning of 2022 all offers to residential customers will be completely CO2 free. We have developed sustainability initiatives with more than half of the communities in which our power plants operate, where we have also completed biodiversity mapping of 100% of our sites. In Ravenna, we built the first liquid gas storage facility that will supply heavy duty and maritime traffic, significantly reducing local environmental emissions. We sourced 94% of our supplies from companies based in Italy, including for the construction of two extremely highly efficient thermoelectric generation plants, the programmability of which will also allow for supply security and the participation of renewable energies in the system. Finally, we continued on our journey of health and safety in the workplace, where I want to point out the considerable performance of our work sites where, against more than eight million hours worked, the injury index was less than 1.1. Security is matched by the response of colleagues who, in the tenth year of the corporate climate survey, confirm that they strongly believe in the company's strategic ambition and who, in almost ninety percent of cases, say that they agree with the company's decision to strengthen its strategic path towards environmental, economic and social sustainability.

But we are not stopping there: personally, together with Edison's Executive Committee, and with the constant guidance of the Board of Directors, we worked to consolidate Edison's materiality matrix and the pillars of action of its sustainability policy, which will increasingly focus on climate action, protection of natural capital, value for communities and customers and the inclusion and development of human capital. To implement these lines of action, together with the management, we defined multi-year quantitative targets, consistent with the business plan and based on the UN SDGs, which we are committed to achieving with the contribution of all areas and businesses of the company. These targets are duly illustrated in the Non-Financial Disclosure because we believe that sustainability must be built every day through concrete activities and projects fully integrated with the company's core business, as Edison's managers testify in concrete terms in the various chapters of this report.

I would like to thank all of Edison's stakeholders as well as the Stakeholder Advisory Board, a very active body of "critical friends" which, in addition to strengthening our sustainability governance, offers a valuable stimulus for dialogue with external best practices and continuous encouragement to ensure that Edison expresses all of the sustainability potential of which it is capable, to safeguard the planet and people's quality of life.

Nicola Monti
CEO Edison




Pizzighettone (CR) hydroelectric power plant



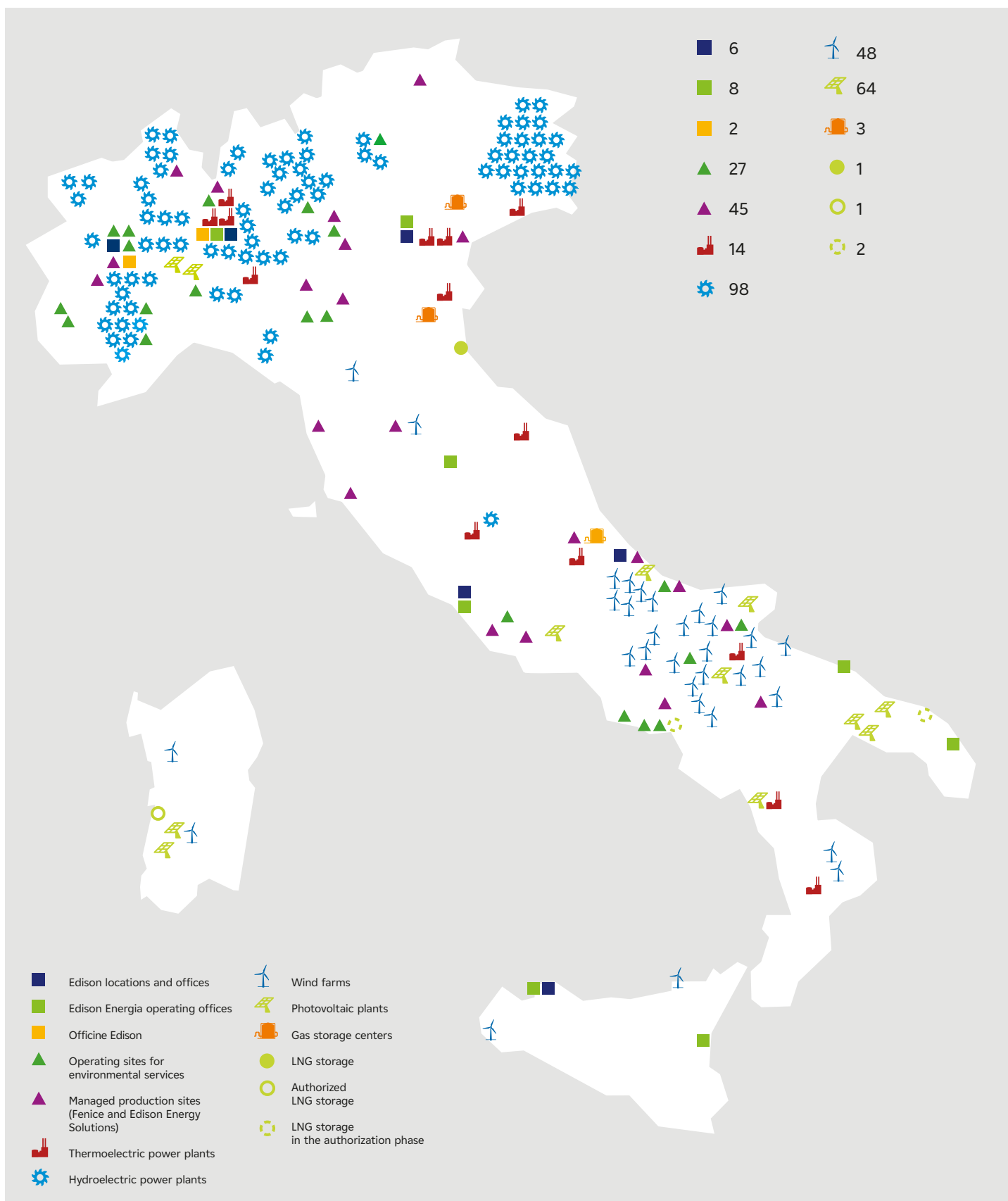
Edison profile and main activities

Edison, the oldest energy company in Europe with over 135 years of history, is one of the leading operators in the sector in Italy; it operates and defines its strategies to guide the country's energy transition, thus contributing to safeguarding the planet and improving people's quality of life.

The business model

Edison operates in support of the country's decarbonisation objectives, confirming the centrality of the energy transition, and in its industrial growth plan has identified three pillars:

- **Renewable Sources and Flexibility:** the plan calls for a large increase in its installed renewable capacity, including wind, photovoltaic and hydroelectric, from the current 2 GW to 5 GW by 2030, accompanied by 1 GW of storage and flexibility, which includes hydroelectric pumping systems and batteries, to ensure system safety and adequacy.
- **Customers and services:** the objective is to support regions and communities - residential, industrial and public administration users - on their path to sustainability. The plan includes solutions - from value-added services to decarbonisation proposals also based on digital features or the circular economy - to improve the competitiveness, efficiency and environmental impact of industrial customers and governments and improve the quality of life of households and communities.
- **Gas business:** provides support to the energy transition and guarantees that the system's adequacy requirements are met while enabling the participation of renewables in the electricity markets and reinforcing the commitment to targets for reducing the specific emissions of generation capacity by 2030. Edison also focuses on the development of biomethane and hydrogen as a medium- and long-term solution. The goal is also to continue to develop small-scale LNG infrastructure to reduce the environmental impact of heavy duty and maritime transport.



Main activities in the business areas

Electric power generation

Edison is currently the third largest Italian operator in terms of installed electrical capacity with about 6.5 GW of power distributed throughout the country, and covers more than 6% of national electricity production (in 2021 Edison produced over 17 TWh of electricity). Edison's electric power generation capacity includes more than 200 plants: renewable, including wind, photovoltaic and hydroelectric, as well as highly efficient gas-fired thermoelectric.

As for the **wind** sector, nearly 1.9 TWh of energy was produced with about 1 GW installed, and the goal for 2025 is to expand the current portfolio by an additional 800 MW.

The growth target is also similar in the **photovoltaic** sector, where the current around 90 MW will grow to over 300 MW in 2023 to reach the target of 700 MW by 2025.

With its almost 900 MW installed, Edison's **hydropower** produced nearly 2.7 TWh of energy in 2021.

With regard to **thermoelectric** generation, more than 12 TWh was generated and to date the installed capacity is nearly 4,5 GW.

Sale of electric power and gas and services for customers

Edison is active in the **sale of electricity, gas and value-added services** to all market segments, from major industry to domestic customers. Commercial and customer relationship activities take place through a number of channels, including physical points and digital platforms. In addition, Edison can count on a fast-growing network of technical partners and installers throughout Italy.

Edison puts its **customers at the centre** of its activities with the aim of meeting their needs and anticipating their requirements, proposing **personalised, competitive offers** integrated with innovative services. In this regard, Edison has developed a platform of innovative solutions aimed at reducing complexity in people's lives and enabling customers to use energy in a more conscious and sustainable way.

Electric mobility, photovoltaics, efficient heating and air conditioning systems, and assistance services in response to unexpected domestic issues allow Edison to guarantee its customers comfort, safety and an environmentally friendly lifestyle.

The number of contracts managed by Edison during 2021 exceeded 1.6 million, up by about 7% from last year.

Provision of energy services and environmental services on a large scale

Edison accompanies Customers and Communities in Italy, Spain and Poland in the ecological transition and the decarbonisation process. Thanks to the integration of assets and expertise, it covers a number of market areas: Industry, Tertiary, Public Administration, Urban Renewal, Environmental Services and Biogas/Biomethane. Personalised and integrated customer services range from site self-generation with low-carbon and renewable technologies to energy efficiency, from district heating to the provision of energy services for public buildings, also including sustainable architecture, digital solutions and environmental services. Leveraging consolidated specialist skills, it oversees all phases of the value chain in an integrated manner: energy consulting, design, implementation and management.



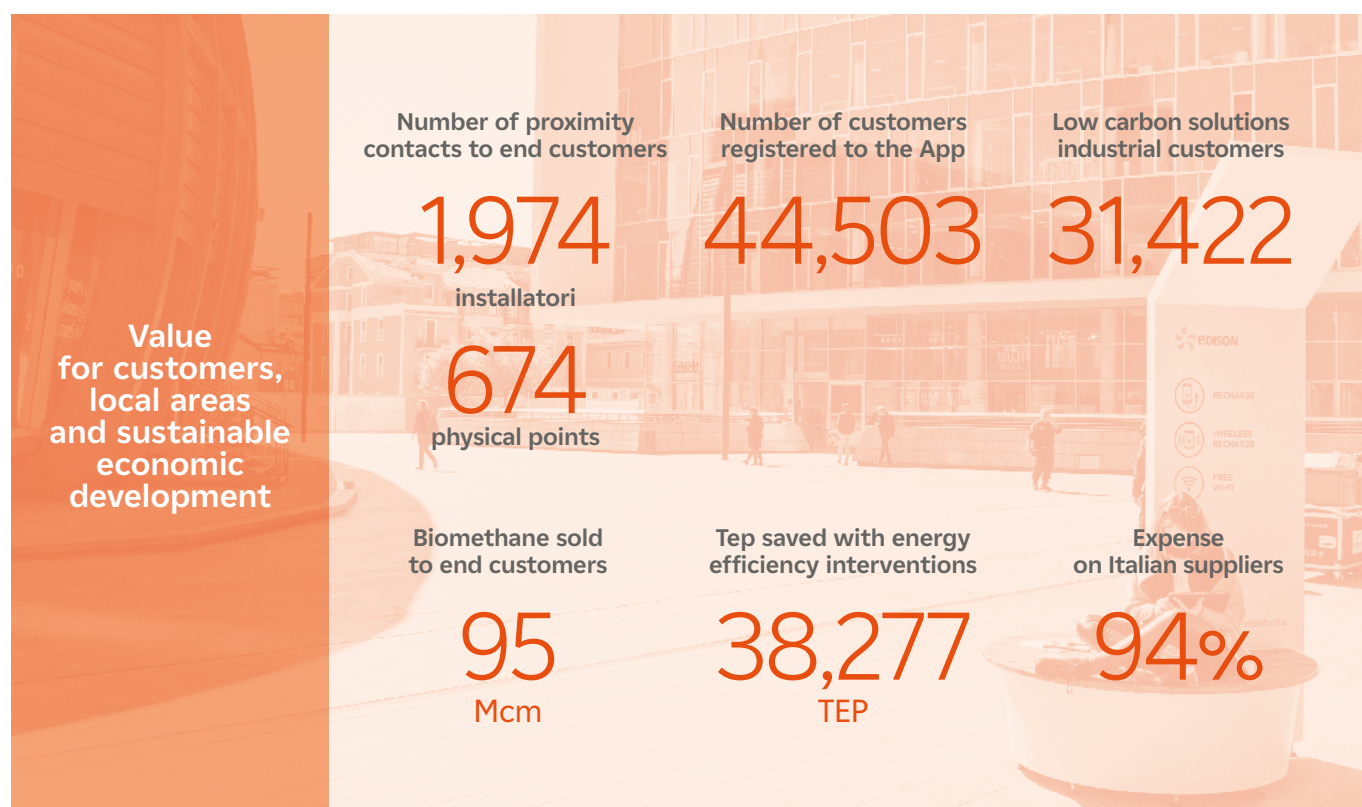
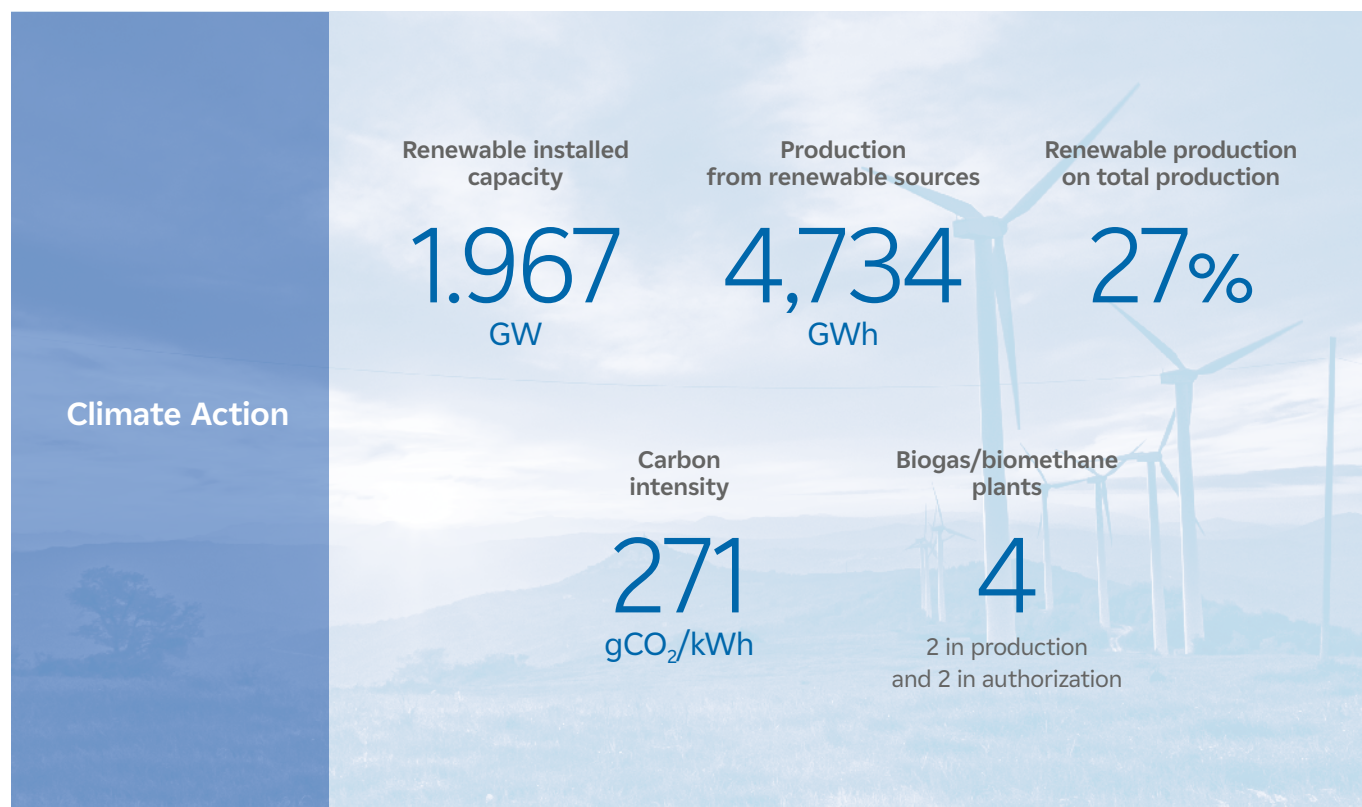
Gas Operations for energy transition

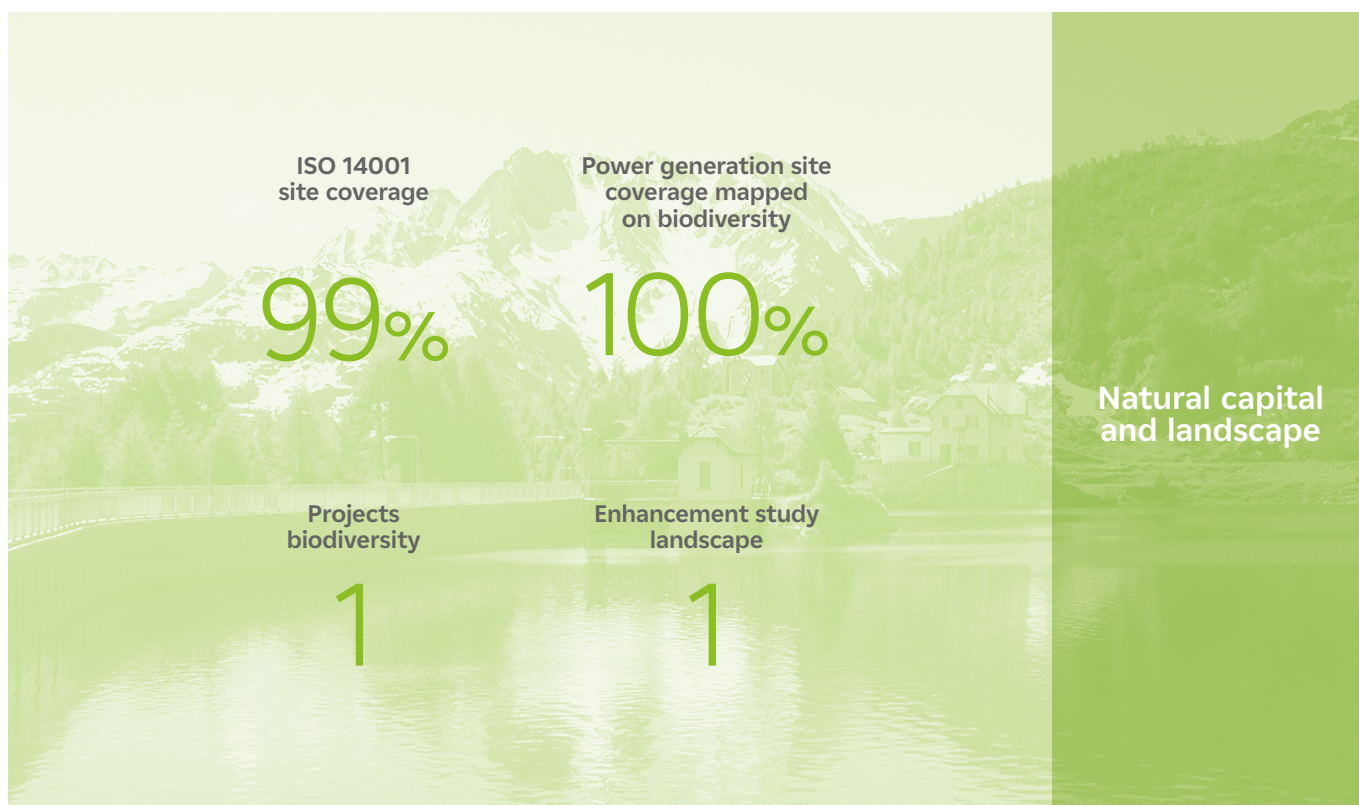
In 2021, Edison was the **second Italian operator in terms of gas imports**, with a portfolio of long-term contracts for around 12 billion cubic metres per year, of which 6 imported via pipeline from Algeria, Libya and Azerbaijan, and 6.4 billion via ship from Qatar. Edison also manages **several storage activities** functional to the evolution of seasonal gas demand, an important service for ensuring system security, mitigating the effects of supply interruptions and, at the same time, attenuating price volatility. Edison Stoccaggio is the second storage operator in Italy with three concessions, capable of guaranteeing more than 10% of the peak modulation service and 37% of additional flexibility services.

In 2021, the company also launched the **first integrated Small Scale Liquefied Natural Gas (LNG) logistics chain**, which will contribute to sustainability in the heavy-duty trucking and shipping industries. Indeed, in Ravenna it inaugurated the first small-scale liquefied natural gas storage facility in continental Italy, built with a local investment of approximately 100 million euros, which has an annual handling capacity of over 1 million cubic metres, making LNG available to supply at least 12,000 trucks and up to 48 ferries per year.

The first operator to launch biomethane sales in 2018, Edison delivered roughly 95 million SCM in 2021.

The key numbers of 2021





Corporate model for the management and organisation of activities

Edison's governance

Since May 2012 Edison S.p.A. has been controlled by EDF – Electricité de France, an integrated French electricity company active in all business areas (generation, transmission, distribution, supply and sale of energy and energy services) which owns 97.45% of the total capital. Edison's savings shares are traded on the MTA market operated by Borsa Italiana. As of December 31, 2021, Edison controls 64 companies.

Edison's corporate governance model is based on the traditional organisational model, which draws a distinction between administration bodies and the control bodies, and is broken down into the following entities: Shareholders' Meeting, Board of Directors, Board of Statutory Auditors, Independent Auditors and 231 Oversight Board.

Edison respects current sector regulations and the laws applicable to a listed issuer and observes the principles of the Corporate Governance Code, which it voluntarily follows, including - in terms of relevance to this NFD - that which requires the administration body to guide the Company in the pursuit of *sustainable success*.

The Board of Directors acts through the Chief Executive Officer (CEO), a role held since July 1, 2019, by Nicola Monti, and the directors with powers of representation. The current Committees established to support Board activities are the Control and Risk Committee, the Compensation Committee and the Related-Party Transactions Committee.

Edison's governance structure includes an Executive Committee chaired by the CEO and composed of the heads of the various Divisions (Comex), which leads the management structure, managerial committees supporting top management and the Internal Auditing Department, which reports directly to the Board of Directors and supports the company management. The Comex also guides the organisational renewal process: to facilitate the resilience of the business model with respect to changes in scenario and to enhance the collective intelligence on which the company relies.

Edison also operates through subsidiaries, almost all of which subject to management and coordination, joint ventures and associated companies¹.

Sustainability governance

The **Board of Directors** is responsible for approving the Non-Financial Disclosure as well as sustainability policy objectives and the relative strategic guidelines.

The Control and Risk Committee, to which the Board of Directors has assigned advisory and proposal functions, is responsible for the supervision of sustainability issues related to the company's business operations and its interactions with all stakeholders.

In 2021, Edison established the **CEO's Office & Sustainability Department**, reporting directly to Edison's Chief Executive Officer, which is primarily dedicated to proposing and managing the sustainability policy and plan and related initiatives, enhancing sustainability in business lines and in processes, defining ESG objectives, coordinating stakeholder dialogue and reporting on ESG performance. The Head of Sustainability, in collaboration with the Project Leader, and the ESG Leader report directly to the **Chief Sustainability Officer (CSO)**. The company's Executive Committee (Comex), which provides instructions, shares projects and verifies the results achieved, contributes to the identification of material issues, the matrix of which is then approved by the Board of Directors.

1. See the 2021 Report and Consolidated Financial Statements for further discussion on the composition of the Board of Directors and the Committees.

Working alongside the CEO and the CSO, and picking up the legacy of the previous SDGs@ Edison panel, is the **Stakeholder Advisory Board (SAB)**, a committee made up of members representing the various categories of stakeholders, with the objective of supporting the company in identifying the most important sustainability topics amongst the material issues, focusing on challenges and opportunities for Edison and making recommendations and suggestions on strategies and developments.

Finally, the **Sustainability Network**, which also plays a fundamental role in the objective of ensuring the pervasiveness of sustainability at Edison, consists of Focal Points from the various business areas and supports the CEO's Office & Sustainability Department in the company's reflection on Sustainability, listening to stakeholder needs and disseminating sustainability-related policies of the respective applicable areas for which it ensures the coordination of action on the matter. The Network's Focal Points also provide the information and data necessary for the annual Non-Financial Disclosure (NFD) reporting process.

At the same time, Edison has launched the **EOS - Edison Orizzonte Sociale Foundation**, to direct its activities with respect to civil society, the cultural world and the third sector, promoting initiatives on Sustainability issues, in terms of Corporate Social Responsibility. The Foundation will indeed develop and promote initiatives, projects and proposals relating to responsibility and social and cultural growth in the contexts and places where the company operates, also thanks to the active engagement of colleagues in volunteer activities and project participation. With the aim of improving the quality of life of the most vulnerable segment of communities, during the first three years, it will develop programmes to meet the needs of new generations, which have been hit hard by the pandemic in building the foundations of their future.

In 2021, the Comex carefully considered the company's positioning in relation to sustainable development, believing that it can be understood as the set of choices and behaviours that allow a company to pursue its corporate purpose by ensuring its long-term profitability and competitiveness, while enhancing the interests of all stakeholders.

On 12/7/2021, the BoD then approved the updated materiality analysis, to be used as an initial reference in 2022 as well, the structure of the 2021 NFD and renewed sustainability goals, as well as the ESG risk identification process. In particular, in line with the four pillars identified of the sustainability policy, the corresponding 2030 Agenda Sustainable Development Goals (SDGs) were defined: climate action - relating to SDGs 7 and 13 -, human capital and inclusion - relating to SDG 5 -, value for customers, the community and sustainable economic development - relating to SDGs 8, 9, 11 and 12 - and natural capital and landscape - relating to SDG 15. In addition, via the EOS Foundation, SDGs 4, 10 and 17 are also included on the list of SDGs adopted. Please refer to the specific section for the details.

Lastly, also in 2021, Edison decided to launch a review of the Group's current sustainability system and to outline the trajectory of its future evolution, in order to ensure its compliance with relevant current and prospective regulations and ensure its soundness, materiality and reliability of the "corporate ESG data set" coming from internal information flows and communication processes with respect to internal and external stakeholders. In the course of 2022, a broad sustainability procedure will be defined that allows for the enhancement of the role of all corporate bodies and managerial roles involved, in terms of both the responsibility model and the underlying macro-processes, also taking into account the prospective convergence between the NFD and the Financial Statements towards which legislation is moving.

Ethics & Compliance, Business Integrity and prevention of active and passive corruption

The internal system for the prevention of active and passive corruption is part of the broader Internal Control and risk management system, described in detail in the Report on Corporate Governance. It consists of tools, organisational structures, company procedures and rules that aim to allow healthy, correct company management consistent with the strategic and operating objectives, in observance of the applicable laws and regulations (compliance) of correct and transparent internal and market disclosures (reporting), and to prevent and limit the consequences of unexpected results.

The principles and ethical values that drive both the responsible management of corporate activities and the development of the business with a view to sustainability are expressed in the Code of Ethics, which defines behavioural rules and implementation rules.

The Code of Ethics is an integral part of the 231 Organisation, Management and Control Model that Edison adopted in 2004.

The Code of Ethics and the 231 Model are periodically reviewed and updated over time, to guarantee their adequacy with respect to legislative developments as well as organisational changes. The latest version was adopted by the Company's Board of Directors (BoD) in December 2021, also in consideration of the introduction of additional offences to the catalogue of 231 offences. The 231 Model is distributed and disclosed through continuous personnel information and training activities, provided in e-learning mode as well as through in-person courses. A specific procedure for reporting potential violations (whistleblowing) guarantees respect for the Code of Ethics and the 231 Model.

The 231 Oversight Board, appointed by the BoD and to which it reports on a half-yearly basis on the activities carried out, ensures the updating and correct functioning of the 231 Model.

Edison promotes the fight against fraud and corruption, by taking a "zero tolerance" approach to them in any form. This concept is reaffirmed in both the Code of Ethics and in the Anti-Corruption Guidelines adopted. This commitment regards both employees and third parties, and it is enforced by appropriate preventive measures, a disciplinary system and the establishment of specific "ethical" contractual clauses.

The potential emergence of unlawful and fraudulent conduct, deriving from actions not compliant with regulations, is tackled through the spread and promotion of the company's system of ethics and values. The focus on disseminating these company programmes also regards new hires, as well as the personnel of newly acquired companies, as part of defined development and external growth plans.

Edison has adopted a comprehensive Ethics & Compliance programme, consisting of instruments and policies aimed at combatting and preventing active and passive corruption. The programme is testimony to the importance that Edison attributes to topics of business integrity and contributes to providing consistency to the principle of "zero tolerance" to fraud and corruption. Its main pillars are:

- **Code of Ethics**, built around three values - Respect, Integrity and Responsibility - lays out the principles, rules and basic standards of conduct for the fair and transparent running of company activities, characterising Edison's way of doing business. The Code of Ethics

is also shared with and approved by the subsidiaries, and is binding for everyone acting on the company's behalf under specific mandates or proxies. It is disclosed to all of the company's employees and contractors and it is made available to each new hire. The Ten Principles of the Global Compact are also referred to in the Code of Ethics, in relation to human rights, work standards, protection of the environment and anti-corruption;

- The **231 Organisation and Management Model**, consisting of a comprehensive set of principles, rules and instructions regarding the management and control of company processes susceptible to criminal liability. In particular, as part of the fight against active and passive corruption, specific decision-making protocols have been adopted which govern areas at direct risk vis-à-vis the public administration and private entities and a series of protocols relating to the management of cross-company operating activities. The analysis of activities potentially at risk performed starting from the adoption of the 231 Model led to the issue of a series of 231 Protocols, aiming to lay out the methods whereby the decisions relating to the various company areas and processes considered at risk of a crime are determined. The protocols define the set of objectives, roles, responsibilities, control mechanisms, rules and behavioural instructions inherent in each process identified;
- **Anti-Corruption Guidelines**, which constitute a summary of the control principles and the rules of conduct set forth in the Code of Ethics and the 231 Model with a specific focus on the main business areas at risk of active and passive corruption. Furthermore, they illustrate the principles, obligations and prohibitions with which business conduct must align in the areas of activity identified as most sensitive;
- **Integrity Checks Guidelines**, an operational instrument extended to the entire company to assess the reputational reliability of the third parties with which Edison has business dealings. The purpose of the Integrity Check Guidelines is to provide methodological support for the execution of integrity checks with respect to third parties, both preventively, prior to the signing of any contractual commitments with them, and periodically during monitoring, to verify that the integrity requirements are continuously met over the course of the business;
- **Anti-fraud Policy**, which operationally outlines the key steps of the fraud-risk management programme;
- **Whistleblowing Policy**, published on the company website, which governs the methods for sending, receiving, managing and processing reports received regarding irregularities, and the whistleblowing system, which envisages the possibility of using a secure, technologically advanced IT platform also accessible by parties outside the company organisation;
- identification of the **Ethics & Compliance Officer**, with the responsibility of promoting guidelines and policies with respect to topics of business ethics and compliance, including the fight against fraud and corruption;
- **e-learning courses** dedicated to the promotion, knowledge and dissemination of the company prevention and control system in the ethics & compliance domain;
- **commitment of the top management** to communications surrounding topics inherent in the fight against fraud and corruption.

During 2021, the e-learning course dedicated to the dissemination and promotion of the values, ethical principles and rules of conduct contained in the Code of Ethics was updated. The e-learning offer is completed with courses dedicated to the 231 Model, the Anti-Corruption Guidelines, the Anti-fraud Policy and Trafficking in illicit influences. This last module, through practical cases, shows the interrelationships between the offence of "trafficking of illicit influences" and other alleged acts of corruption, focussing on the unique characteristics of each one. In addition, since 2016, Edison has partnered with Transparency International Italia and in particular it actively participates in activities promoted by the Business Integrity Forum, for dissemination of the themes of legality,

integrity and transparency as instruments and tools for promoting a good reputation and confidence in relations with stakeholders. In June 2021, Edison virtually hosted the first day of the BIF Academy promoted by Transparency International Italia, in collaboration with the Sant'Anna School of Advanced Studies of Pisa, with a speech on the relationship between sustainability and business integrity, and in November it hosted the BIF National Event at its Milan headquarters, participating in the "Ethical and useful" roundtable focused on the issues of the ecological transition, climate change and renewable energy. In 2021, like in 2020, no episodes of corruption were confirmed.

Audit activities

Internal auditing activities may concern all company areas and also regard environmental aspects, worker health and safety and themes connected with the 231 Model. They are performed in support of the Board of Directors, the Control and Risk Committee, the Oversight Board and the management. Together with the whistleblowing system, they represent the main monitoring and control tool.

Risk management

Edison's integrated business risk management model is based on the Enterprise Risk Management (ERM) international principles and COSO (Committee of Sponsoring Organisations of the Treadway Commission) Framework specifically. The ERM model aims to adopt a complete and unitary vision and, at the same time, to safeguard the principle of organisational independence of the system of identifying, assessing, managing and monitoring the company's priority risks.

Edison has developed a risk mapping and risk scoring model which, for each risk, identifies an index of significance based on its global impact, probability of occurrence and level of control (Enterprise Risk Management Risk Map).

The 2021 assessment saw the initial application of the new COSO Framework, through which short-, medium- and long-term industrial and sustainability targets have become an integral part of the process itself, making it possible to shift the focus from the risk event to the objective to be pursued/maintained. The results of this annual internal control system self-assessment process are qualified as specific "meta-risks" which then integrate the above objectives with the usual representation by business sector and/or risk model. New activities have increased oversight and awareness in the assessment of ESG risks, including in relation to their impact on the achievement of business objectives and the pursuit of sustainable success.

In this context, the assessment of the risks and opportunities linked to climate change has been maintained, integrating the asset and business resilience aspect in terms of the impact suffered from climate change, with the more active aspect of risk events that may lead to a reduced contribution in the Group's action to combat climate change.

Risks - Energy Transition

At risk level, the most significant risk that today undermines the attainment of the national energy transition targets is connected with the lengthy authorisation processes for new large renewable power plants. In particular, the difficulty of obtaining authorisations leads to substantial limits on the possibility of building new plants, further reducing the possibility of achieving the growth objectives established at national level. Procedural simplifications are expected which should facilitate the bureaucratic procedures linked to the development of renewable sources, however growth in this sector could be affected by the current trend and lead to the tightening of competitive conditions. In addition, problems related to the scarcity of certain raw materials needed to build the plants could lead to large-scale delays or postponements of some projects. Edison is also subject to the risks described above, which are related to the general context and with respect to which it can also rely on solid and consolidated experience in developing and managing local activities.

The risks associated with the energy transition are mainly linked to the evolution of the regulatory and market framework, also with regard to topics relating to concessions for hydroelectric power, a strategic resource for our country's decarbonisation. The reforms, investments and funding included in the National Recovery and Resilience Plan (NRRP) can be enablers for the energy transition and its ensuing contribution at national level.

On the downstream side, the most significant transition risk lies in the process of converting its customers' consumption from gas to electricity. Edison supports this conversion with a broad portfolio of value-added services: photovoltaics, electric mobility, storage systems, heat pumps and energy efficiency services.

Risks - Environmental Aspects

From the point of view of risks related to climate change, with a view to business continuity, the risks associated with possible damages to infrastructure caused by extreme weather events which could compromise the natural and hydro-geological conditions of the various geographical areas and therefore may trigger potential damages to Edison's infrastructure, with resulting interruptions to production or the provision of services, are evaluated and monitored. To deal with these events, also in relation to their impact on local areas and communities, Edison has always made available its significant emergency management experience in close collaboration with local authorities and administrations.

Water crises also need to be taken into consideration, as they may involve a reduction in water availability and which, therefore, influence the production of energy from hydroelectric power, generating competition in the levels of use of water resources between industrial production, agricultural use and use for drinking water. Edison participates in round-table discussions on drought and multi-purpose plant use of water resources, and is committed to the management of risks relating to the loss of biodiversity through studies and in-depth analyses of the areas closest to the plants.

In light of the possibility of a large-scale industrial accident, Edison has drafted "Company crisis management guidelines", which define the operating methods for the coordination of company crisis information, decision-making and management. The document is periodically updated in relation to the evolution of the company.

Maintaining plant integrity is based on a process dealing with the identification, analysis and sharing of high-potential events (HPE) and possible solutions in order to prevent any incidents and accidents. Furthermore, Edison cyclically promotes emergency simulations to verify the timeliness of response and knowledge of accident prevention procedures.

Risks - Management of personnel and health and safety

The risks linked to the health and safety of employees and workers of contractors are connected with operations as an industrially significant energy operator and have historically been the focus of the company's attention and improvement plans. These risks are managed by developing projects for protection and promotion based on robust technical and behavioural training programmes, targeted controls and audits, intended to raise the awareness of the employees of the company as well as third-party companies.

Another significant risk for employee health and safety is related to extreme weather events. In fact, the majority of company plants are situated in open-air locations and may be exposed to bad weather, gusts of wind, high temperatures and other weather situations which could put worker safety at risk.

In addition, the unique and extraordinary situation stemming from the still ongoing pandemic requires significant attention to be focussed on the management and assessment of risks linked to the individual responsibility and active engagement of employees. These aspects must be evaluated together with the intangible profiles that more generally characterise identity and a sense of belonging as part of a new work organisation model that will come about after the Covid emergency.

Lastly, these risks are augmented by those directly related to the COVID-19 pandemic, which are reflected in the protection of the health and safety of Edison's employees and associates. These risks were managed through a specific crisis organisation at central level, as set forth in the specific emergency management procedure, which allowed the company to minimise the impact on personnel and ensure business continuity. The continuation of the state of emergency is constantly evaluated and managed, also based on the evolution of the health situation*.

Based on the current phase of profound change in the business profile and in the professional make-up and geographic location of employees, which augments the impact of the digital transformation, the main risks linked to the sphere of Edison personnel and employee management relate to the development of skills as well as the capacity to attract and/or retain qualified, talented personnel, primarily digital, which is fundamental for working effectively in remote mode and fully capitalising on the potential offered by new digital technologies.

Risks - Customers

Aside from the transition risks highlighted above, customer relationships are also associated with the risk that may arise from incorrect commercial practices on the part of direct or indirect sale channels, with the lack of or incorrect handling of relations with said customers from the pre-contractual phase. To prevent and minimise risk, controls are performed in the phase of selection of providers of sale services, and in the phase immediately after the contract is stipulated and, subsequently, the risk is monitored during all the phases of

* For more details on the impacts of the company's performance due to the events generated by Covid-19, please refer to the "External context" and "Management of the Covid-19 pandemic crisis" sections of the Report on Operations.

the customer relationship. Edison also pays great attention to the risks linked to customer privacy and data processing by adopting appropriate prevention activities linked to identity theft or the improper use of third-party data.

Risks - Supply chain

Edison works with suppliers that guarantee the highest health and safety standards, respect for human rights, the fight against corruption and respect for the environment. The supplier selection and qualification process protects Edison from risks relating to the health and safety of the workers of contracting companies and from the social, environmental and reputational risks connected with irresponsible supply chain management. Edison has been proactively promoting supplier training activities on these issues for years.

The construction of long-term relationships with every player in the supply chain is capable, on one hand, of guaranteeing stability in the procurement process and, on the other, also stimulating the growth of the supplier and the community. Edison works to build long-term relationships with its suppliers, also with the aim of reducing risks related to business continuity and the shortage of raw materials and special supplies.

Risks - Relations with local communities

The safety of local communities represents a significant risk, which is connected with the company's local operating activities (industrial accident risks). The potential risks that arise from the relationship with the local communities have been identified as little or insufficient local stakeholder engagement, which may have negative impacts on upstream and downstream business in the value chain, impacts in terms of the company's reputation and on the development of new infrastructure, for example, with the non-acceptance of new plants by the local communities, delays in project implementation times and the risk of regulatory changes.

As of today, Edison's plants have been fully accepted in the local community. Indeed, Edison is present in roughly 300 areas throughout the country, thanks to the company's transparent conduct and the attention to/dialogue with local stakeholders, also during the procedures for reviewing Integrated Environmental Authorisations.

A description of the main non-financial risks associated with the areas of Legislative Decree 254 is attached.

Management and certification systems

During 2021, Edison **revised** its **Health and Safety, Environment, Quality and Sustainable Energy Policy**, in which outlines the **principles** and **commitments** to achieve its objectives in these areas. In particular, Edison promotes:

- the **sustainable management of natural resources**, developing projects aimed at optimising their use, contributing to the **circular economy** model and **local environmental regeneration**;
- the application of **practices and projects aimed at improving performance, plant efficiency** and **processes** both internal and customer service oriented, including through the purchase and supply of efficient, sustainable and innovative products and services;
- the **development of power generation plants with reduced CO₂ emissions**;
- the **effective and participatory application of Management Systems**, in line with reference international standards, in the performance of daily activities.

Edison adopts **integrated management systems compliant with reference international standards** to maintain **oversight over environmental aspects**, to ensure a **systematic approach, continuous performance improvement** and **risk reduction**. Edison also constantly **monitors** and **reports** on the **main environmental and safety indicators**, which make it possible to evaluate the performance of the management systems applied and guarantee the required review pursuant to the reference international standards. These results are shared with the Company's personnel and with the other stakeholders through specific communications.

The schemes adopted comply with **UNI EN ISO 14001 for the environment** and **UNI ISO 45001 for health and safety**. During the year 2021, the planned certification visits were carried out, both renewal and supervision, on the environmental, health and safety management systems by the accredited bodies, as were those for the other certification schemes relating to **quality** (UNI EN ISO 9001), **energy** (UNI CEI EN ISO 50001), **ESCO energy services** (UNI CEI 11352) and **social responsibility** (SA8000) where applied. In addition, in 2021 the **EMAS environmental registration** was renewed, also for thermoelectric, hydroelectric, photovoltaic and wind power plants.

During the year, around 150 inspections were carried out by entities such as Provinces, Local Health Units and Regional Environmental Protection Agencies (ARPAs) to check environmental, health and safety compliance, which did not identify any critical environmental issues or result in any reports of significant sanctions or unfitness.

COVID-19 emergency management

The Covid-19 pandemic continued to affect work activities throughout 2021.

Particular attention was paid to managing and assessing risks linked to the individual responsibility and active engagement of employees. **Doctors** within the company continued to play a significant role in 2021; in particular, they were the reference point for the corporate crisis unit as well as for managers and employees in the application of preventive measures in order to limit as much as possible the transmission of the virus within Edison sites.

In addition to the **voluntary campaign of administering rapid antigen tests**, Edison prepared a **COVID-19 corporate vaccination campaign plan** to offer its people the vaccine prophylaxis service alongside the national campaign. However, the corporate vaccination plan was suspended after it was found that the national campaign was functioning well, although a re-evaluation may be useful at a later date, again to support and supplement national plans, in the event of subsequent vaccination campaigns.

As part of the **professional training** provided following the risk assessment concerning each individual job, in the periodic training of managerial roles (such as employers, safety managers and supervisors) as well as for those in charge of the prevention and protection service, workers' representatives and those responsible for first aid and emergencies, in the course of 2021 topics related to the COVID-19 emergency were again dealt with, in particular with an informative focus on the possibility of vaccination. In addition, an e-learning refresher course on health and safety management systems was prepared and made available to all employees on the **company's MYLA platform**.

During the emergency, Edison also ensured that **all of its services were provided** without interruption, consistent with Pre-COVID-19 performance. In particular, both Customer Care and the extensive network of installers continued their activities without any interruption. In the period that will begin **after the Covid emergency**, aspects linked to the responsibility and active engagement of employees will have to be the focus of managerial attention along with intangible aspects more generally relating to identity and a sense of belonging within a **new work organisation model**.

Sustainability policy, material topics and objectives

Pillars of the sustainability policy and contribution to SDGs

Edison promotes development and sustainable economic growth, also through its involvement in and commitment to the **United Nations Global Compact**, sharing and applying its 10 fundamental principles regarding human rights, work standards, environmental protection and anti-corruption.

The **Sustainability Policy** therefore states the company's desire to act responsibly with respect to the ecosystem (economic, human and environmental) of reference, committing to adopting a challenging **Sustainability plan** and an integrated and structured approach, which views sustainability as a business and value creation tool.

There are four pillars of sustainability that reflect the strategic business lines and corporate culture:



Edison's strategic guidelines and daily actions are inspired by the **United Nations 2030 Agenda Sustainable Development Goals (SDGs)**. Edison strongly believes in the crucial role of companies in achieving these ambitious goals and has decided to adopt some of them, chosen on the basis of its relevant activities and the Group's sustainability objectives.

Specifically, Edison has decided to adopt **eight** reference SDGs, aligned with its **Sustainability Policy**, in addition to those specifically adopted by the EOS Foundation, for a grand total of eleven.



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Climate Action

Edison is active in promoting a **sustainable energy transition** and orients its strategy towards consolidating its position as a **responsible energy operator**. Edison supports its climate action - inspired by **SDG 13 “Climate action”** - by promoting the country’s decarbonisation in the power generation and in the industry and transport sectors. A truly sustainable energy transition must ensure that everyone has **access to affordable, reliable and sustainable energy systems**, thereby contributing to the achievement of **SDG 7 “Affordable and clean energy”**. Edison is committed to meeting energy demand while **limiting greenhouse gas emissions**, through **continuous investments in increasingly efficient production technologies** with a reduced environmental impact.

Human capital and inclusion

Edison has always believed in the **centrality of people** and is constantly committed to promoting a fair and inclusive work environment, thus contributing to **SDG 5 “Gender Equality”** and **SDG 8 “Decent Work and Economic Growth”**. Edison recognises human capital as a fundamental lever toward which it can direct policies for local employment that respect the principles of health and safety, diversity and inclusion, as well as personal development and growth.

Value for customers, local areas and sustainable economic development

SDG 8 also inspires Edison in its activities related to **local economic development** in the areas where it operates and the **creation of added value** for stakeholders. In addition, the Group is committed to the development of **quality, reliable and sustainable plants** and to guaranteeing affordable and value-added products and services that maximise customer satisfaction, including with innovative solutions, and that encourage **sustainable consumption choices** with a **reduced environmental impact**. In this sense, Edison contributes to **SDGs 9, 11 and 12**, respectively **“Industry, Innovation and Infrastructure”**, **“Sustainable Cities and Communities”** and **“Responsible Consumption and Production”**.

Natural capital and landscape

Edison, recognising the value of **ecosystems**, which are essential to the balance of the entire planet, operates in full compliance with current **regulations** and promotes initiatives aimed at **safeguarding protected areas** and the **species** that live there, contributing to **SDG 15 “Life on land”**. Furthermore, when designing and building new plants and infrastructure, it considers all impacts and the entire life cycle to protect biodiversity and landscape.

The **EOS Foundation** is also inspired by and contributes to the goals of the United Nations 2030 Agenda, focusing on those dedicated to quality education (SDG 4), social inclusion and reducing inequality (SDG 10), promoting sustainable communities (SDG 11) and enhancing the exchange of knowledge and skills amongst all sustainable development players (SDG 17).

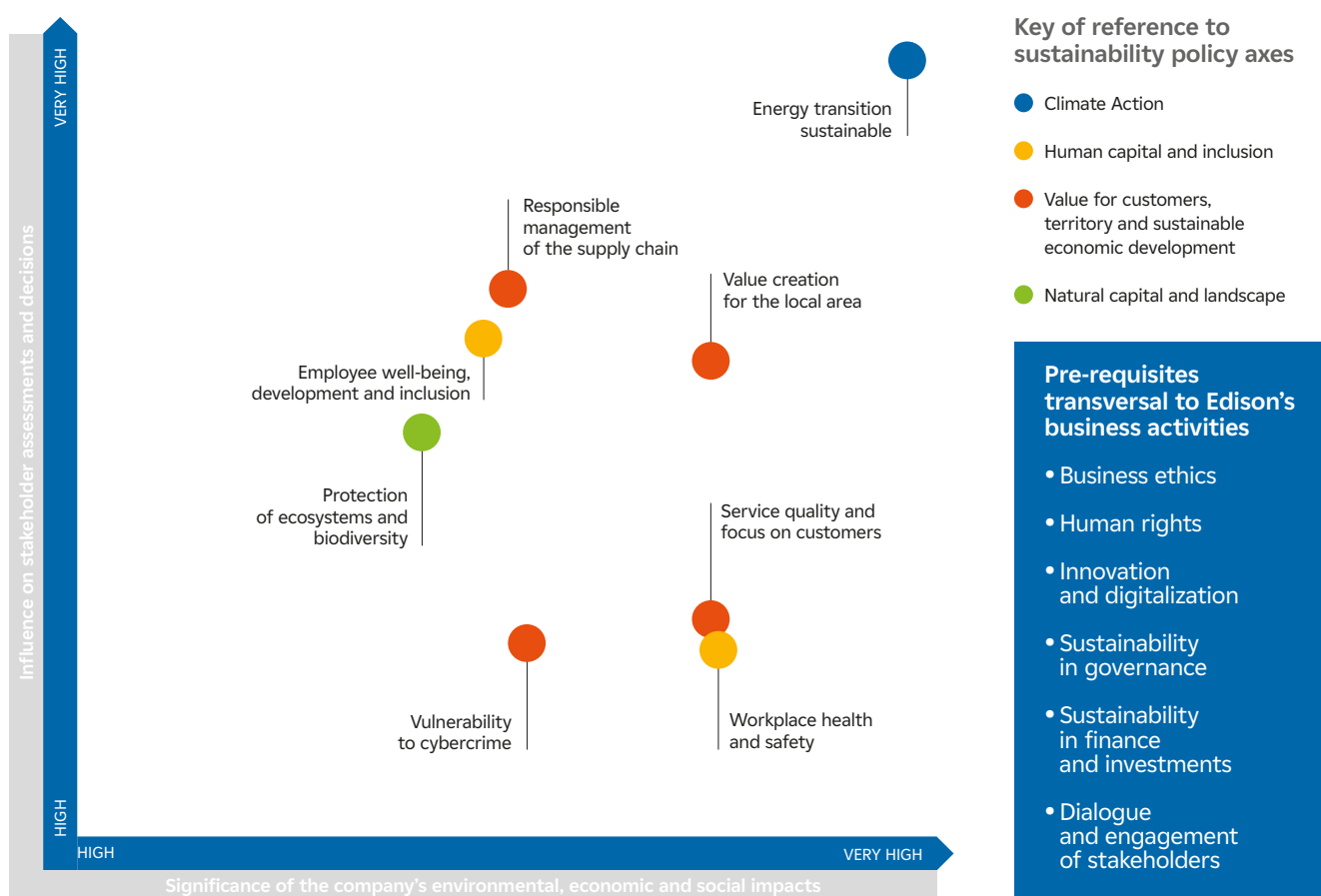
Materiality analysis

In the course of 2021, in relation to the confirmation of certain contextual trends and the increased relevance of certain emerging issues in relation to the nature of its business activities, Edison carried out a **review of its materiality matrix**, also submitting it to the Sustainability Network and the SAB (Stakeholder Advisory Board). The analysis, which confirmed coverage of all major aspects by the **topics** identified as **material** in 2020, was developed through the following activities:

- **benchmark** analyses relating to the material topics and stakeholders identified by Edison's key peers, and analysis of **key trends** for the energy sector;
- **unification** of some excessively granular topics and **division** of others, where necessary, into sub-topics (e.g. energy transition);
- **correlation** of each **material topic** with the **four pillars of the Sustainability Policy**;
- identification of **transversal topics** constituting the **pre-requisites and enablers** of business activity and the management of each material topic.

The Stakeholder Advisory Board examined the last point in particular, focusing on business ethics and human rights.

The validation of the analysis resulted in the identification of the **material topics, pre-requisites and enabling factors** reported below within Edison's 2021 materiality matrix, approved by the Board of Directors on December 7, 2021.



It is important to stress that the **most important issue** that emerged from the analysis is that relating to the **sustainable energy transition**, a primary strategic objective which Edison is pursuing as a priority.

Compared to the 2020 matrix, the topics of *Value creation for the local area*, *Smart communities and looking to the future* and *Plant acceptability* have been merged under the **Value creation for the local area** topic. In addition, the *Cybersecurity* topic was better qualified as **Vulnerability to cybercrime**, and, finally, the social topics *Wellbeing and work-life balance*, *Plurality and inclusion* and *Employability* have been merged within a single topic **Employee well-being, development and inclusion**.

Moreover, with a view to updating the materiality matrix, *Commercial ethics and transparency* and *Human rights* have been identified as **pre-requisites transversal** to Edison's business activities, along with *Sustainability in governance* and *Sustainability in financing and investments*, but also together with **enabling factors** such as *Innovation and digitalisation* and *Stakeholder dialogue and engagement*.

For a more in-depth discussion of the material topics, including the definition of the sub-topics identified for each topic, see the Annexes section of the document.








New sustainability goals




The representation of Edison's sustainability through the policy pillars, the reference SDGs and the material topics reflects the company's commitment in business as well as in its everyday actions.

In the following chapters of this NFD, Edison's activities will be presented precisely according to these pillars and with explicit reference to the associated material topics.

Consistent with these four pillars, in 2021 Edison also renewed its **sustainability objectives** (see summary of previous objectives in the annex) and further strengthened its programme of commitments by identifying objectives that will guide the company's ambitions to 2030. The objectives concretely define Edison's medium-long term commitment and the way in which it intends to play its role as a responsible operator and a leader of the energy transition.

Below are the multi-year goals approved at the 12/07/2021 Board of Directors meeting with the 2021 actual figures.

Policy Axes	Goals		SDGs		Material topics		
Climate Action	Emission factor				<ul style="list-style-type: none">● Sustainable energy transition		
	RES installed capacity						
	% RES out of total production						
	Biomethane/biogas plants						
Human capital and inclusion	Balanced Human Capital Development Pipeline				<ul style="list-style-type: none">● Workplace health and safety● Employee well-being, development and inclusion		
	3-year average IF index (injury frequency employees + companies)						
	Sustainable corporate culture (initiatives)						
Value for customers, local areas and sustainable economic development	CEO meetings with Stakeholder Advisory Board (SAB)				<ul style="list-style-type: none">● Service quality and focus on customers● Vulnerability to cybercrime risk● Responsible management of the supply chain● Value creation for the local area		
	Value to customers	New residential offers 100% green					
		New installers (as a vehicle for proximity, green solutions and local economic development)					
		Residential customers with low carbon solutions					
		Proximity to PA					
	Value to the territory	Low carbon self-production industrial customers					
		Value to the territory				New sustainable businesses (H2, urban regeneration, ...)	
						Heavy duty transport and maritime mobility	
						Local community involvement (projects for local areas)	
Natural capital and landscape	Biodiversity projects			<ul style="list-style-type: none">● Protection of ecosystems and biodiversity			
	Landscape enhancement projects						

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Purpose		U.M.	Current	Milestone	Final target
Emission factor		gCO ₂ /kWh	271	-	230 by 2030
RES installed capacity		GW	1.967	-	5 by 2030
% RES out of total production		% RES/Total production	27%	-	40% by 2030
Biomethane/biogas plants		Number	2 in production 2 in authorisation	-	10 by 2030
Balanced Human Capital Development Pipeline		Balanced UN ratio	1.03		
3-year average IF index (injury frequency employees + companies)		Group and external workers	2019-2021 three-year average: 2 year 2021: 1.7	<2	<2
Sustainable corporate culture (initiatives)		% Employees involved	N/A (action plan starting from 2022)	70% by 2025	100% by 2030
CEO meetings with Stakeholder Advisory Board (SAB)		No. of annual meetings	3	3	3 until 2023
Value to customers	New residential offers 100% green	Offers in acquisition	Power and Gas residential offers 100% renewable from January 2022	-	100% by 2022
	New installers (as a vehicle for proximity, green solutions and local economic development)	% vs 2021*	1.974	+15% by 2023	+30% by 2025
	Residential customers with 10w carbon solutions	% vs acquired customers 2021**	31.422	+30% by 2023	X2 by 2025
	Proximity to PA	Number of PPPs (signed partnerships)	0	-	15 by 2030
	Low carbon self-production industrial customers	Additional MW vs 2021	Baseline: 87 MW	-	+ 250
Value to the territory	New sustainable businesses (H2, urban regeneration, ...)	CAPEX value of initiatives (CM)	0	-	€100M
	Heavy duty transport and maritime mobility	NOx SOx reduction vs. traditional engines	Depot active for an insignificant amount of time	-	< 60% NOx < 90% SOx
	Local community involvement (projects for local areas)	% Pori Od scale	53%	70% by 2025	100% by 2030
Biodiversity projects		Number of projects	1	-	3 by 2023
Landscape enhancement projects		Number of projects	0	-	3 by 2025

* Calculated on October 2021 figure of 1,776 (baseline).

** Calculated on the preliminary L3 estimate of 27,854 (baseline).

Protection of human rights

Edison considers the theme of human rights to be transversal to the management of the business and people, or intrinsically linked to many aspects already addressed in this Document. Indeed, the Company recognises the human rights of the personal sphere, labour and protection of the environment as the main ones connected to its business, in all contexts in which it is present. This is why the theme is linked to other material aspects already discussed in the NFD.

In particular, reference is made to the following aspects:

- safeguarding the dignity, freedom and equality of human beings;
- inclusion and promotion of equal opportunities;
- equitable and fair welfare systems;
- protection of labour, working conditions, freedom of association and dialogue with the trade unions;
- confidentiality of personal information;
- protection of the health and safety of employees and third-party contractors;
- guarantee of professional and wage growth based exclusively on merit and skills;
- protection of the system of values and principles on transparency and sustainable development.
- Edison is committed to respecting and ensuring that the rights set forth in the “Universal Declaration of Human Rights” are protected in the different countries in which it operates. It recognises as tied to its own activities the human rights connected to the personal sphere, work-related rights and the right to live in a healthy environment, and it intends to safeguard them in all the Countries and contexts where it is present.

The Group considers respect for human rights a prerequisite for all its activities and prohibits any violation of these rights. Edison supports the international commitments of the United Nations for the protection and defence of human rights and undertakes to apply the principles sanctioned by the fundamental conventions of the International Labour Organisation.

In the event of conflict between the regulations and laws applicable in the different Countries in which it operates, the Group will apply the provisions that best protect human rights.

Edison expressed its commitment to safeguard human rights in several documents:

- in its Code of Ethics;
- by referencing them in its Sustainability Policy principles;
- in the Whistleblowing Policy with which the Company provides an on-line system for the reporting of violations of the Code of Ethics (in the last three years, there have been no reports of violations of human rights);

Moreover, by signing the UN Global Compact, Edison reaffirms its commitment to upholding and promoting, within its sphere of influence, universal principles in the areas of human rights, labour standards, respect for the environment and anti-corruption.

Edison undertakes to cultivate these conventions and principles in its contractual relations with suppliers, based in particular on integrity and mutual respect, and to support them, as much as possible, in their procedures, giving them support based on experience and competence in labour, social and environmental matters.

At the phase of renewal of the trade union agreement relating to the “System of Representation” with particular reference to the energy sector, which took place in 2019, Edison and the workers’ representatives (national, regional and corporate trade union

organisations) reached an agreement which expressly reconfirms that the founding values of Edison's relational system are:

- reciprocal listening and preventive dialogue capable of preventing individual and collective conflicts;
- continuous improvement in company productivity and competitiveness;
- safeguarding people's employability over time;
- protecting the health and safety of all employees or third parties involved in activities;
- sustainable development and community enhancement;
- promotion of welfare systems;
- the enhancement of organisational participation;
- respect for diversity through multi-generation inclusion and integration policies;
- reinforcement of the school-work relationship.

Through the agreement, Edison reiterates its commitment to respect for human rights, integrity, development of women and men and support for the population and areas close to its plants.

Vulnerability to cybercrime

Cybersecurity

In order to develop digital skills on issues dedicated to cybersecurity, a working group was set up consisting of the HR, PASQ (Protection, Environment, Safety and Quality), Communication and Cybersecurity functions. A **two-year plan** has been under way since 2020, which has seen the launch of a **training path** consisting of dedicated events, fraud simulations, training snippets and news.

Edison has therefore set itself the following **medium-term objectives**:

- the **strengthening of basic cybersecurity processes**, the efficiency of practices in terms of **preventing potential security problems** and **extension in more technological areas** (IoT - Internet of Things), also including the adoption of new technologies to improve the analysis capabilities of the Soc and Cert services, which deal with the analysis of suspicious security events and manage them to prevent the emergence of more extensive issues;
- ongoing performance of **security checks** and **ethical hacking exercises** and improvement of the use of new EDR (Endpoint Detection and Response) technologies for more effective protection of PCs and systems against new Malware, and NGFW (Next Generation FireWall) to increase the protection of ICT services;
- the harmonisation of **cyber risk measurement methods**, with the revision of the Group's policy, and the support of a single tool through which to standardise data relating to different sources;
- **expansion of the use of the CASB platform** to increase the number of integrated native cloud solutions and boost security in the management and control of digital entities and business information;
- **adoption of practices and measures to develop new network architectures**, with composite entity management, policy observance and compliance services to quickly incorporate external services and providers in a structured manner;
- ongoing development of **cybersecurity awareness**, through a **new three-year plan** which, exploiting digital channels, is based on different types of training and information events.

During 2021, the **new delivery model was adopted for security incident monitoring and management services** linked to the strategic evolution plans undertaken in 2018 to

increase system resilience in the face of increasingly frequent and extensive Cyber attacks. The monitoring services rely on a **new model of integration between the Security Operation Center** in place since 2016 and the **two interconnected CERT services**. The services also optimally managed changes in monitoring systems related to the large-scale use of remote work as required by the pandemic crisis. Approximately 70 billion security events were collected in 2021. In tune with the company's digital development, existing policies were updated and new policies developed to address security issues linked to the growing integration between IOT (Information and Operation Technology), OT (Operational technology) and ICT (Information and Communication Technologies) systems and networks.

Through the controls in place to guarantee system reliability, also with a view to cybersecurity, for Edison's commercial companies one data breach episode was reported to the Data Protection Authority in 2021.

In addition, the significant reduction in security alerts, from 8,627 in 2020 to 1,000 in 2021, is related to the introduction of new data monitoring rules. These have made it possible to automatically reduce false positives that were previously analysed and identified by the CERT service.

Infrastructure reliability and business continuity

In order to ensure the reliability of its infrastructure and business continuity for its customers, including institutional customers, in 2019 Edison launched the **"Go To Cloud" project**, which is scheduled to end in 2023. The project enables the use of new services, architectures and technologies and **improves both system reliability and energy efficiency**. **Cloud-based services** make it possible to minimise the carbon footprint of IT systems while guaranteeing the necessary flexibility. They also anticipate access to **"Hyperscale Green Datacenter"** technologies, i.e. datacenters 100% powered by renewable sources, which can reduce up to 90% of the CO₂ emissions associated with information system management.

The business continuity oversight initiatives implemented during **2021** touched on multiple business areas:

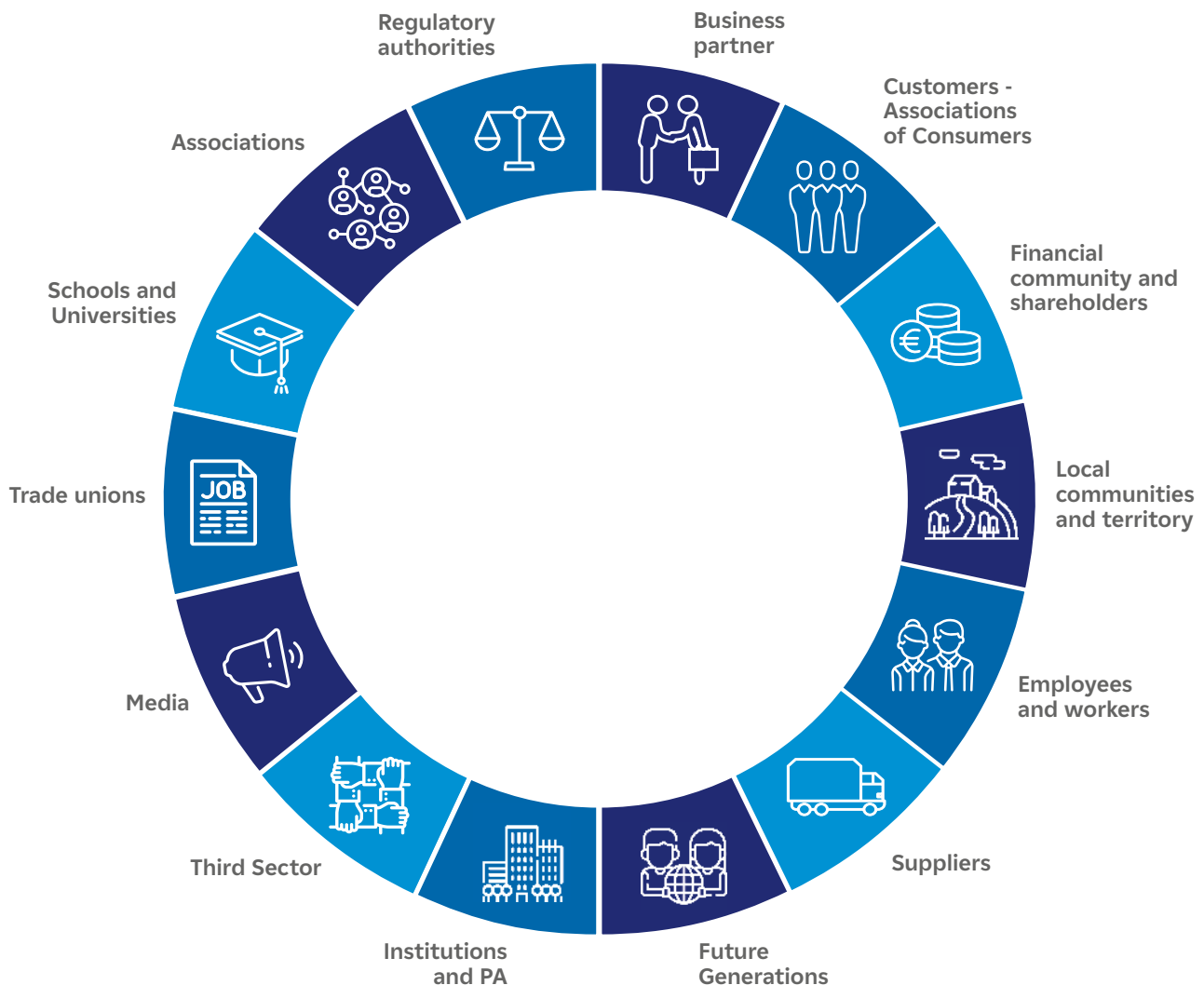
- **Wind and photovoltaic** plants, where an **internal reorganisation** makes it possible to optimise the management of renewable plant performance overall.
- All of the **thermoelectric** power plants with a **contract for the optimisation of TLC infrastructure and digitalisation, simplification and unification** in a single system of the various management, environmental and safety software.
- **The storage sites** (Cellino, Collalto and San Potito and Cotignola Storage Plants) through the **"Hub Optimisation Project"** with the aim of identifying, proposing, developing and coordinating the implementation of interventions in preparation for the optimisation of the operating costs of the assets and improving the Hub's industrial flexibility, as well as the creation of **specific software to manage preventive maintenance activities** to support site maintenance scheduling activities.

In addition, in the short term a **review of the ICT operating plan** and the **Business Impact Analysis** is planned, which will make it possible to understand whether existing solutions need to be updated with respect to business risks. In addition, **stress tests** will be conducted each year, involving the partial or total reconstruction of an internal datacenter or series of systems and applications.

During the 2021 health emergency, Edison ensured that all of its services were provided without interruption, consistent with Pre-COVID-19 performance. In particular, both Customer Care and the extensive network of installers continued their activities without any interruption.

Stakeholder dialogue and engagement

Edison has always adopted an approach aimed at **consolidating continuous dialogue and interaction with all stakeholders**, at European, national and local level, as an enabling factor for business processes. With this in mind, it stimulates and participates in opportunities for discussion on sustainable development issues, at various levels, with the various stakeholders.



The above-mentioned **Stakeholder Advisory Board (SAB)**, a committee set up in 2020 with the aim of bringing the external point of view of Edison's relevant stakeholders into the company, precisely reflects the representation of the various categories of stakeholders. During the three meetings in 2021, which produced a series of useful recommendations for the company in its sustainability journey, the issues addressed and discussed were related to value for local areas and the energy transition: highlighting its role in local areas and dialoguing in a distinctive way, strengthening the focus on sustainable energy demand and setting ambitious targets for reducing greenhouse gas emissions.

Alongside this, Edison's commitment to its stakeholders during 2021 took concrete form through the implementation of listening initiatives inside and outside the organisation.

The annual **"My EdF"** survey, addressed to colleagues again in 2021, investigated the company climate, revealing the correspondence between the needs of individuals and the company's responses. The 81% participation rate remained largely consistent with 2020, when reached 80%, but 3,813 colleagues participated in the survey, about 250 more than in 2020, mostly new hires. Employee engagement (the collective engagement measured by Edison's Engagement Index in the IPSOS - My EDF 2021 survey) was 80%. The survey also showed that employees strongly agree with the strategic orientation towards sustainability that the company has strengthened in recent years (88% of respondents).

With regard to listening to external stakeholders, such as customers, Edison, in collaboration with research entities, studied the following issues in greater depth:

- "Sustainable Sustainability", in collaboration with **CENSIS**, a report that analyses the perception of sustainability in post-pandemic Italian society through a survey of about 1,000 Italian households;
- "The fight against climate change: the point of view of Italians and the French", survey in collaboration with **IPSOS** of about 1,000 people.
- "2021 Welfare Report" by **CENSIS** and **Eudaimon** with the contribution of Edison, which analyses, like every year, the state of Italian Welfare and in particular company welfare outlooks.

Moreover, as a strategic player in the energy sector, Edison engages in significant **dialogue with national and European institutions**. Thanks to a multi-level approach and the construction of structured debate with representatives from the **institutions, the world of politics, think tanks, industry and consumer associations**, Edison can today rely on an extensive perimeter of relations, which guarantees the company the opportunity to make its voice heard in the increasingly broader arena of **discussion on policy matters and energy transition**, hence being able to adequately promote its strategic guidelines and offer the system its vision of the future of the energy system.

Specifically, in 2021, as part of the **Engagements Group** organised to involve social players around the **G20** under the Italian presidency, Edison was part of both the **B20**, a forum for dialogue with the business community, participating - with its CEO - in the Energy and Resources Efficiency Task Force, and the **T20**, which brought together the main think tanks and research centres worldwide, led by the Italian think tank **ISPI** (Italian Institute for International Political Studies). As the sole sponsor for the energy sector for the T20, Edison was actively involved in the work of the Task Forces, particularly the Climate Change, Sustainable Energy & Environment TF led by Minister Enrico Giovannini. As part of the T20, over 350 analysts worked in 11 Task Forces, finalising policy briefs for recommendation at the G20 summits. The selected contributions include the paper "Policy direction for sustainable communities and combating energy poverty" by Wec Italia, Federico II University of Naples and Polytechnic University of Milan, based on a proposal by Edison. The contribution, by

virtue of its effective insights, has been included in the “Fighting climate change while relaunching the global economy” area.

Edison also participated as a partner in the **All4Climate Italy 2021** programme of events dedicated to the fight against climate change, which promoted active and constructive dialogue on the challenges of the climate crisis and supported the definition of a plan to achieve the goals of the Paris Agreement in preparation for PRECOP and COP26. Launched by the Ministry of Ecological Transition in collaboration with the World Bank Group's Connect4Climate programme and with the participation of the Lombardy Region and the City of Milan, All4Climate was an opportunity for 400 young people aged 15 to 29 from 186 countries to meet in Milan from September 28 to 30, 2021 to address the main climate action urgencies and priorities.

At **local level**, Edison, in collaboration with Confindustria Venezia and Assindustria Venetocentro, also organised a webinar attended by 60 local businesses with the presentation of a new study on energy and competitiveness in the Veneto region by the Polytechnic University of Milan and the University of Padua. A webinar for local companies was similarly organised with Confindustria Puglia and the local Bari and BAT, Brindisi and Foggia offices, with the presentation of the Energy and Competitiveness in Puglia study by the Polytechnic University of Milan and the spinoff of the Polytechnic University of Bari, Ingenium.

In order to create a space for reputation building, brand awareness, debate and activation of the community and stakeholders that gravitate within the company, Edison actively collaborates with **Energitalia**, a window on the world of energy on the homepage of Repubblica.it: analysis, economic and statistical data and stories of innovation to understand the future of a sector in transformation. Also to qualify the company's positioning on topics related to the ecological transition, company managers participated in the most significant Speaking Platforms (physical, digital or hybrid events, live panels with live streaming) of the year on topics concerning the energy transition.

Finally, the topic of Stakeholder Engagement and its application to a business case was also the subject of project work developed by students of the **Safe Master** (Master in Energy Resources Management): this resulted in the emergence of an interesting idea, with the identification of two areas - sport and agriculture - within which to design specific local stakeholder engagement processes, with a potentially scalable and distinctive model. A list of the main Associations and Organisations with which Edison collaborates is provided in an annex.

Innovation, digitalisation and research and development at Edison

In the context of a rapidly evolving energy market, Edison adopts an integrated approach to technological, digital and business model innovation factors.

With the aim of optimising infrastructure management and making the range of customer services increasingly comprehensive and sustainable, and of being increasingly involved in the world of research and innovation, Edison has created **Officine Edison** in collaboration with local polytechnic universities and institutions.

Officine Edison Torino is part of the Energy Center, an initiative promoted by the Polytechnic University of Turin that, by bringing together various players in the sector, aims to support energy research, develop scenarios for the energy transition and promote the creation of new business activities and supply chains, through networking and information sharing. Innovative technologies enabling the energy transition are tested in the lab at Officine Edison Torino.

Officine Edison Milano, created in collaboration with Polihub, the Polytechnic University of Milan's start-up accelerator, hosts activities related to the digital transformation and two technology research labs, one dedicated to Internet of Things (IoT) solutions for the home and the other to bidirectional electric vehicle charging (vehicle-to-home) systems.

Edison's **Research, Development & Technical Innovation (RD&TI)** department pays particular attention to sustainability by exploring and testing the most advanced technologies both for e-mobility and the generation of photovoltaic energy, energy storage and the production of hydrogen to support the energy transition and decarbonisation. This includes activities relating to the Smart Home and the IoT, focusing on the use of locally self-generated renewable energy and improving quality of life at home. Particular attention is devoted to research on innovative interfaces that make the most advanced technologies accessible to customers, even including the exploration of frontier topics such as service robotics.

In order to best serve its customers, Edison works to define, develop and launch innovative products and services. The methodology adopted for the **development of new businesses** is borrowed from the start-up world and aims for the agile development of products and services in constant contact with customers, in order to come up with an attractive offer for the market as quickly as possible.

With this approach, Edison has incubated initiatives ranging from home to personal services, even including Industry 4.0 solutions; in 2021, for example, **Medicoora** was born, a service that allows you to always have a doctor at hand thanks to telemedicine.

In the course of 2021, the following activities were also developed:

- A clear roadmap in the field of automation was outlined and new **intelligent automation** projects based on low-code platforms were launched. The number of Robotic Process Automation (RPA) solutions increased, which made it possible not only to reduce external costs and human errors, but also to free up resources which could be dedicated to higher value added activities.
- Took part in the **OSMOSE** project (Optimal System-mix of Flexibility Solutions for European Electricity), part of the **Horizon 2020 programme**, aiming to test new flexibility resources for the electrical system, including industrial electricity demand and generation from renewables (wind);
- Various projects relating to the theme of hydrogen, applied for the decarbonisation of transport (train, buses and heavy vehicles) in industry and electricity generation;

- Successfully tested an **augmented reality** solution to support **operators in the field** and ensure the maintenance of know-how surrounding operational procedures. The 2022 solution will be made available in a variety of operational settings.
- Various **data-driven projects** were identified and developed, making it possible to offer solutions that enhance the customer's experience, but also manage energy consumption, production and supply in an increasingly more efficient manner, contributing to system stability and an overall reduction in CO2 emissions.
- Edison has entered into a **partnership agreement with Amazon Web Services**, which has been identified as a partner to accelerate the digital transformation journey. In fact, the services studied and machine learning will play an important role in increasingly optimising the flexibility of the energy mix and renewable production and improving plant efficiency and management, while always guaranteeing personnel safety during maintenance activities.
- Study launched for the **rapid implementation of quotes** for photovoltaic plants intended for industrial users. The solution is scheduled to be implemented in 2022.
- Through the Polytechnic University of Milan's Startup Intelligence Observatories, Edison proposed project work to the students of the "Leadership and Innovation" course on the theme of environmental sustainability, regarding the development of services to guide companies and SMEs towards reduced emissions.

Sustainability in financing and investments

Since 2020, Edison has benefited from the support of the European Investment Bank (EIB) Green Framework Loan for Investments, in support of its projects in the energy transition in Italy. The Green Framework Loan is the first transaction of its type in Italy financed by the EIB. This is a total line of credit of 300 million, which Edison will use to implement projects throughout Italy in the areas of energy efficiency and renewable energy plants.

In November 2021, Edison and Crédit Agricole CIB Italy announced the first ESG-linked securitisation transaction in Italy, i.e. linked to a sustainability indicator consistent with the goals the energy company has set for itself to combat climate change and climate-changing emissions. Specifically, Edison and Crédit Agricole CIB Italy amended the framework agreement whereby the bank takes over a portion of Edison Energia's trade receivables to peg the terms of the transaction to the achievement of specific sustainability indicators (KPIs) identified by Edison as part of its ESG commitments.

With this innovative transaction, Edison, together with Crédit Agricole CIB, is creating a working capital optimisation tool consistent with its energy transition process and applying the criteria of sustainable finance to a broader swath of its financial and banking activities.

EU Environmental Taxonomy Regulation

Through EU Regulation 2020/852, the European Commission established a classification system to define and identify a list of activities considered environmentally sustainable. The purpose of the Regulation is to ensure greater transparency and comparability of investments in order to promote green finance and enable the achievement of objectives linked to the European Green Deal.

Activities are evaluated based on their potential to contribute to six environmental objectives:

1. mitigation of climate change;
2. adaptation to climate change;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy, also with reference to waste reduction and recycling;
5. prevention and control of pollution;
6. protection of biodiversity and the health of eco-systems.

To be considered environmentally sustainable, an activity must meet four criteria:

1. contribute positively to at least one of the six environmental goals;
2. not generate negative impacts on any other objective (DNSH - Do Not Significant Harm);
3. be carried out in compliance with minimum social guarantees;
4. comply with the technical criteria identified by delegated acts adopted by the European Commission.

Edison evaluated activities for the year 2021 and classified 20% of capital expenditures ("Capex"), 18% of operating expenditures ("Opex") and 6% of revenues as eligible under the EU Taxonomy Regulation.

The activities that contribute most to the results are related to the production of electricity from renewable sources (wind, hydroelectric and photovoltaic) and energy efficiency and environmental services at customer sites.

KPI: Calculation methodology

$$\text{KPI Turnover (\%)} = \frac{\text{EU Taxonomy-eligible Turnover}}{\text{Total Turnover}}$$

The denominator of revenues (approximately 11.7 billion euros) coincides with the consolidated amount "Sales revenues" in Edison's financial report.

The numerator was determined as the sum of sales revenues from the various eligible activities (for a final amount of approximately 650 million euros).

In order to identify the portions of revenue eligible for the various activities, components were excluded relating to:

- revenues deriving from dispatching and transport charges (for the customer);
- revenues from the resale of electricity purchased from third parties.

Where details by technology are not available, in particular for the breakdown between hydroelectric, wind and photovoltaic, the allocation of revenues relating to electricity production was carried out on the basis of production.

$$\text{KPI Capex (\%)} = \frac{\text{EU Taxonomy-eligible taxonomic Capex}}{\text{Total taxonomic Capex}}$$

The Capex KPI refers to the percentage of capital expenditures that meet regulatory requirements.

The total denominator (approximately 725 million euros) considered for Capex corresponds to the value of the increase in Edison's property, plant and equipment, intangible assets and rights of use (IFRS 16). It should be noted that the value of the increase in fixed assets includes acquisitions (IFRS 3 revised), whilst investments in financial fixed assets have been excluded.

The numerator (approximately 147 million euros) is calculated as the sum of the taxonomic Capex of the individual eligible assets, calculated by applying the same criteria.

$$\text{KPI Opex (\%)} = \frac{\text{EU Taxonomy-eligible taxonomic Opex}}{\text{Total taxonomic Opex}}$$

The Opex KPI refers to the percentage of operating expenses that meet regulatory requirements. Therefore, expenses relating to research and development, maintenance and repairs, personnel costs and any other expenses relating to the day-to-day operation of the assets, necessary to ensure their effective and continuous operation, are taken into account. Consequently, the denominator (approximately 476 million euros) does not include expenses relating to the commercial area, the midstream area and the corporate area, with the exception of engineering costs.

The numerator (approximately 84 million euros) is calculated as the sum of the taxonomic Opex of the individual eligible assets, calculated by applying the same criteria.

If accurate data by technology are unavailable, the expenses related to electricity production were allocated on the basis of installed capacity.

Details of the indicators broken down by activity are provided in an annex.

Approach to taxation and tax risk governance, control and management

The Tax Control Framework adopted by Edison in 2018 is a tool that enables a structured approach to the detection, assessment, management and active control of tax risk, by introducing a Group Tax Policy, and represents a reinforcement and further formalisation, also in the tax area, of the Internal Control and Risk Management System.

Edison's Tax Control Framework is the set of principles, rules and corporate procedures implemented by the Organisational Units to identify and manage tax risks and taxation in general and consists of the following:

- A **Tax Policy** which sets out the fundamental principles and guidelines of the tax strategy adopted by Edison, aimed at achieving the two main objectives that the Group has set itself: efficient management of taxation and tax compliance;
- A **General Standard** that defines the guidelines to be applied within the Edison Group by all those who work in the Group and for the Group, identifying roles and responsibilities with reference to the TCF and the management of taxation in general;
- A system of **Risk & Control Matrices** which, for each process identified as tax-relevant and integrated as much as possible with the Accounting Control System pursuant to Law 262/2005, describes the potential tax risks relating to the process and the control measures defined to mitigate such risks;
- A system of **Information Flows** between the Group's Organisational Units and the Accounting & Tax Department of Edison S.p.A., with a periodic quarterly control process, aligned with the Model pursuant to Law 262/2005, for the purpose of verifying the adequacy and effective application of the TCF. The audit results are submitted quarterly to Edison's Control and Risk Committee and during the year the Internal Auditing Department carries out testing activities to verify the effective implementation of the processes and controls defined.

In particular, the Tax Policy adopted is aligned with the provisions of Edison's Code of Ethics and aims to promote the dissemination within the company of a culture working towards the correct management of the tax variable and proper compliance with legally established obligations to contribute to public expenditure in order to contribute to the creation of

value for all stakeholders, in particular for employees and collaborators, shareholders and institutional stakeholders.

The Tax Policy is based on four fundamental principles:

- **Corporate culture:** Edison is committed to fostering the spread and development over time of a corporate culture based on management and prevention of the tax risk and full cooperation between the Tax Affairs Function and the Business Departments/functions.
- **Tax compliance:** when implementing its commercial and financial strategies, the Group is committed to formal and substantive compliance with laws, regulations and provisions applicable in the geographical areas in which it operates, also in light of relevant practices and case law.
- **Tax risk management:** the Group adopts instruments and procedures to favour timely identification and active management of tax risks, which could also arise in the processes managed on a day-to-day basis by the line functions, and not only in the management of tax obligations.
- **Management of relations with the tax authorities:** when managing relations with the Italian and foreign tax authorities, Edison is committed to maintaining a cooperative and transparent approach, to ensure that relations are constructive and to reduce disputes to a minimum.

Lastly, it should be noted that, after refocusing its business on the production, distribution and marketing of electricity and making a renewed commitment to working towards the country's energy transition, the Edison Group now operates almost entirely in Italy. However, as was the case in previous years and in compliance with provisions in force concerning the preparation of the Country by Country Report - CBCR, it provides its French parent company EDF S.A. with all information relating to taxation linked to other tax jurisdictions outside Italy, where it operates, for the necessary communication and publication at European level.

Climate Action

Marco Stangalino
Executive Vice President
Power Asset

A key and distinctive word in the power generation business is “power” which, in addition to its technical meaning, evokes aspects representative of the actions of Edison’s people, in the past as well as today, in terms of their ability to determine and influence something.

The company’s industrial history tells us that, since its founding, Edison’s people have acted with great power. Indeed, through their actions they have been able to direct behaviours and determine historic changes, starting from the creation of power through the first power plants more than 130 years ago.

The challenge of combining environmental, social and economic sustainability and the commitment, typical of an energy company, to contribute to the fight against climate change, today leads Edison, once again thanks to the power of its people, to act every day as a responsible operator oriented towards long-term profitability, in the interests of all of its stakeholders. Its strong operational experience and ability to finalise new projects, where respect for the environment and local communities are always priorities, will allow Edison to meet the objective of increasing its installed renewable capacity - hydroelectric, wind, photovoltaic - from the current 2 GW to 5 GW by 2030 and to continue to powerfully lead the energy transition.

At Edison, climate action means a concrete path of progressive decarbonisation through the reduction of more than two-thirds of direct CO₂ emissions in the last 15 years and a challenging target for 2030: the company aims to more than double its current installed renewable capacity and to reduce the specific CO₂ emissions of all of its production plants to 230 g/kWh.

However, the challenge would not be truly sustainable if the people and future generations living in the communities that are home to the power generation assets were not involved. The ADA270 project, scientific research on climate change in which Edison became a partner in 2021, is one example of the approach pursued. In addition to providing financial support for the drilling of the Adamello glacier at its deepest point (240 m) and the removal of an ice core to obtain more details about the effect of anthropic activities on the environment, Edison accompanied more than 1,000 students from Val Camonica in daily connections with the base camp at 3,200 metres above sea level, showing them the work in progress and sharing respect for nature as well as the value of challenges and scientific research.

Particularly for the energy sector, the climate action referred to in SDG 13 has a twofold interpretation: that of mitigating the environmental impacts of Edison's activities on the climate - through all actions aimed at supporting the energy transition and the development of production systems with reduced climate-changing emissions, including through research and innovation - and that of making its infrastructure increasingly resilient and capable of remaining active even in times of climate emergency, guaranteeing the continuity of the provision of essential services and contributing to mitigating the effects of climate change in the areas where its assets are located.

The commitment to clean and affordable energy established in SDG 7 drives Edison towards cost-effective, reliable and sustainable systems with continuous investments in increasingly efficient production technologies with a reduced environmental impact.

Energy transition

According to a preliminary estimate by Ricerca sul Sistema Energetico (RSE), in order to reach the 2030 greenhouse gas emission reduction target set by the European Commission (-55% compared to 1990), in Italy it will be necessary to: **install an additional 45 GW of photovoltaic and 15 GW of wind power**, reduce final energy consumption by 15 Mtoe (13% of 2018 demand), eliminate the use of solid fuels and reduce the use of oil products by 40% and natural gas by 30%. In order to achieve this, it will be necessary to increase the use of electricity (reaching almost 30% penetration in the civil and transport sector) and green fuels, such as biomethane/biogas or bioLNG and green hydrogen (5 GW of electrolyzers planned).

These changes will also bring with them additional needs, also with respect to electricity system adequacy as concerns the entry of non-programmable renewable sources, the development of new transmission and interconnection capacity, the digitalisation of generation and consumption also through a distributed approach, to maximise the ability to respond to system requirements, the behavioural change required from customers and large-scale investments in new technologies that are not yet fully mature.

The sustainable energy transition, as represented above, was found to be the most significant topic in Edison's materiality matrix reviewed during 2021. An analysis performed to define the specific impacts that this issue has in its business activities, thus constituting the areas to which it has committed to meet the challenge, led to the identification of the following sub-topics:

- low-carbon energy and green gas development;
- promoting the production and use of renewable energy and flexibility solutions;
- adaptation and mitigation of risks linked to climate change;
- accompanying industrial customers and public administration in decarbonisation;
- Sustainable mobility.

Lastly, in January 2022, the UN Global Compact Network Italy published the Position Paper "*Italian Business and Decarbonization: a just and inclusive transition*", drafted in 2021 with the active contribution of participating companies, including Edison. The Paper aims to enhance the commitment of companies on the issue of decarbonisation, deepening the efforts made and the results achieved thus far in support of the objectives of the Paris Agreement and the European ambition to achieve climate neutrality by 2050. The document compiles approximately 30 business cases for the advancement of SDG 13, including that of Edison.

Low-carbon energy and green gas development

Edison believes that natural **gas** can make a contribution to the **energy transition**, always with a view to **achieving the 2050 carbon neutrality target**, since it is the fossil fuel with the lowest environmental and emission impact. With this in mind, in recent years Edison has decided to **invest in a selected number of high-efficiency combined cycle plants** (class H CCGTs) to guarantee electricity system flexibility, also in view of the growing use of non-programmable renewable energies. In fact, two combined-cycle plants are being finalised in Marghera (Venice) and Presenzano (CE) characterised by an energy yield of 63% - currently the highest performance of this technology - and a reduction in specific CO₂ emissions by 35% compared to the average of the current Italian thermoelectric capacity and of nitrogen oxides (NOX) by over 70%. The construction of these plants does not preclude the achievement of the objectives that Edison has set itself for 2030 in terms of reducing climate-altering emissions, so much so that the company has decided to intensify its efforts to reduce the specific emissions by 2030 of its power generation assets to 230 gCO₂/kWh from the 260 gCO₂/kWh contained in the 2020 Non-Financial Disclosure.

Studies are also under way on the **possibility of fuelling the new combined cycle plants** under construction with **green hydrogen**, as well as on possible methodologies for the **capture and storage** (CCS) of CO₂ downstream of the combustion of fossil natural gas.

In parallel, the **biomethane** production chain is being developed. In 2020, Sersys Ambiente acquired the companies CEA Biogas Srl and Ambyenta Srl, owners of plants located in Caivano (NA) and Zinasco (PV), respectively, for the production of biogas - starting from the treatment of the Organic Fraction of Municipal Solid Waste ("OFMSW") - intended for the generation of electricity to be fed into the national grid. For both, the preparation of authorisation applications is under way for conversion to biomethane production.

In addition, the authorisation procedures were launched for two new plants for the production of biomethane from OFMSW in Gricignano (CE) and Civitavecchia (RM), respectively. This is a portion of a broader company portfolio of projects for plants generating biomethane from municipal and agricultural organic waste, which are necessary to achieve the green gas objectives of the PNIEC and NRRP.

On the other hand, as far as sales are concerned, Edison Energia was the first operator to start selling Biomethane in 2018.

In addition, Edison recognises **hydrogen** as a key energy vector, synergistic with its core business for the decarbonisation strategy. The company is developing a number of integrated projects across the value chain for the production and use of green hydrogen in the industrial and mobility sectors. It is also pursuing the development of new initiatives to identify possible industrial customers interested in the installation of hydrogen production systems in order to guide the energy transition and the decarbonisation of industrial production processes; three of these have already signed an agreement for the subsequent development of joint feasibility analyses.

As far as production is concerned, Edison entered into a partnership with SNAM, Saipem and Alboran Hydrogen, in the **Puglia Green Hydrogen Valley** project, with the aim of contributing to the more widespread use of green hydrogen in the national energy mix. The project represents one of the first initiatives for the production and transport of green hydrogen on a large scale in Italy and involves its generation through electrolyzers for a total of 220 MW across three plants (Brindisi, Cerignola and Taranto) with associated photovoltaic production of 380 MW.

Promoting the production and use of renewable energy and flexibility solutions

Edison's installed renewable capacity is approximately 2,000 MW of wind, photovoltaic and hydroelectric power. Edison is a historical operator in the renewable energy sector: it built the first hydroelectric plants in the country at the end of the 19th century and was one of the first operators to bring wind power technology to Italy at the end of the 1990s. Moreover, it boasts of deep know-how in the sector thanks to an integrated presence along the entire supply chain: from the production of electricity to the management and maintenance of generation farms, and even including the sale of energy.

In 2021, Edison produced more than 4,700 GWh of renewable energy, enabling it to avoid the emission into the atmosphere of 2.2 million tonnes of CO₂.

Edison is the **second largest wind power operator** in Italy with nearly 1 GW of installed capacity.

Wind generation is one of the two main levers of the renewable development of Edison, which entered this segment 25 years ago. From those first plants it has grown progressively and in 2021 it added about 45 MW to its installed capacity of capacity, made available by 3 complete reconstructions. In Abruzzo in Castiglione Messer Marino and Roccaspinale (CH) where the number of wind turbines was reduced from 47 to 13, increasing the installed capacity to a total of about 43 MW;

In Puglia in Castelnuovo della Daunia (FG), 10 single-blade wind turbines were replaced by a single 2.2MW wind turbine, capable of significantly increasing the green energy generated. Castelnuovo della Daunia was the first wind farm to be built in Italy in 1996 and its complete reconstruction represents a clear example of how the energy transition must necessarily involve the modernisation of existing farms.

In 2021, Edison also broke ground on a new wind farm, Mazara Messer Andrea, in Mazara del Vallo (TP), which will come on line in 2022. It is a farm with a capacity of about 30 MW (8 wind turbines of 3.6 MW each) with an expected production of about 75 GWh/year.

Photovoltaics is Edison's other major area of renewable development, which the company recently decided to focus on in line with national objectives. The company currently has an installed capacity of about 90 MW, but aims to reach 1 GW of PV capacity by 2030, including 200 MW by 2024. During the last year, Edison developed 45 MW of photovoltaic power in Sicily, in the province of Enna: Aidone: 41 MW photovoltaic power station, called "Solecaldo", which will become operational in 2022. The plant's expected production is approximately 82 GWh/year. Agira: small 5 MW power station.

This organic development is flanked by external development together with Renenergetica, the company specialised in the development and construction of photovoltaic power plants with which Edison has partnered for the construction of at least 150 MWp of photovoltaic power plants in Italy. In July 2021, as part of this agreement, Edison acquired from Renenergetica the first two companies holding authorisations for the construction of two photovoltaic plants in the province of Alessandria (total capacity of more than 16 MWp).

Hydroelectricity is the historical sector for Edison, which at the end of the 19th century built the first hydroelectric power plants in Italy, which are still in operation. A sector in which the company intends to continue to be a protagonist with an installed capacity of 900 MW and both large-scale and mini-hydro plants.

As for mini-hydroelectric plants, i.e., those under 5 MW, a segment that offers room for development in the country, Edison has been active since 2017 with the 15 Frendy Energy power plants, plants on the irrigation canals between Piedmont and Lombardy, which in recent years have been joined by Pizzighettone (CR) on the Adda River and fully integrated into the Parco Adda Sud area thanks to its underground structure and the presence of a special passage that allows fish to ascend, and Palestro (PV) on the Sesia River, built in 2019 with the full involvement of the local community, which helped finance its construction through a crowdfunding project.

Since 2021 Edison has also been present in Valle d'Aosta through the company Hydro Dynamics, which is responsible for 7 mini-hydro plants distributed between Val d'Ayas and Saint Vincent along the tributaries of the Dora Baltea, for a total installed capacity of 4.1 MW and annual production of about 12.2 GWh. The plants, set on the slopes of the Monte Rosa massif, are all of recent construction (built between 2013 and 2020) and are fully integrated into the landscape in harmony with the surrounding natural and environmental context.

In addition, Edison is working on the development of storage systems (electrochemical and hydroelectric) that will ensure electricity grid stability in view of the increasing penetration of renewable energies in the electricity system.

Wind power Envision protocol

In February 2021, the Full Reconstruction of the Castiglione Messer Marino and Roccaspinalveti (CH) wind farms projects were certified according to the **Envision protocol** reaching the highest level, "Platinum".

The Envision protocol, created by Harvard University and the non-profit organisation "Institute for Sustainable Infrastructure" (ISI), aims to objectively quantify infrastructure sustainability by evaluating it throughout its lifecycle according to 64 credits broken down into 5 categories:

- *Quality of Life*: an assessment of how positively the project affects local communities;
- *Leadership*: project collaboration and engagement, leveraging opportunities for performance improvement;
- *Resource Allocation*: reducing and increasing efficiency in the use of resources, energy and water
- *Natural World*: reducing the ecological footprint and impact on the natural world;
- *Climate and Resilience*: mitigation of global warming and reduction of air pollution; reduced vulnerability, increased durability and flexibility and adaptation to different usage conditions.

The achievement of the highest level attests to Edison's ongoing commitment to improving its sustainability performance. This is the second certification obtained with this protocol. Another farm in Basilicata was already certified in 2020.

After this initial experience, the company defined **specific Guidelines (GL) for the application of the Protocol to wind farms**, as a useful tool for future plant construction. The purpose of these GLs is to identify, for the different phases of the wind plant life cycle, the strategic design and operational choices that allow for the construction of infrastructure with a high degree of attention to environmental, health, safety and sustainability issues, seeking to further improve the procedures already in place for the different areas.

Adaptation and mitigation of risks linked to climate change

GHG emissions monitoring and avoided emissions

In order to improve climate change risk management, Edison is committed to implementing decarbonisation strategies through the monitoring of GHG emissions and the identification of the impacts generated and suffered by the Group's business activities.

During 2021, Edison's carbon footprint was 5,949,526 tCO₂ (-7% with respect to 2020) broken down as follows:

- **Scope 1:** 5,864,197 tCO₂ (-7% with respect to 2020) representing 98.6% of GHG emissions.
- **Scope 2:** 65,397 tCO₂, calculated with the Location Based method (-8% with respect to 2020) representing 1.1% of total GHG emissions.
- **Scope 3:** 19,932 tCO₂, (-3% with respect to 2020) consisting mainly of business travel and waste disposal, representing 0.3% of total GHG emissions.

The assessment shows that the emission intensity is 271 gCO₂/kWh.

In addition, an **avoided emissions assessment** project was initiated during the year. The company's businesses that make it possible to avoid CO₂ emissions into the atmosphere have been identified. Those that contribute most are the production of electricity from renewable sources and the sale of biomethane for road transport; energy efficiency interventions and residential photovoltaics also contribute to the indicator, which stands at around 2.5 MtCO₂ avoided. The calculation was performed considering the marginal emission factor of the technology, as suggested in the ISPRA document "*Indicators of efficiency and decarbonisation of the national energy system and the electricity sector no. 343/2021*"; par 2.3.4 CO₂ emissions avoided. If the emission factor of the national energy mix had been used, the value would have been about 1.6 MtCO₂.

Study on asset resilience to climate change

As part of the process of analysing topics relating to climate change risks, Edison carried out a series of workshops with the involvement of the relevant Divisions to discuss the resilience of its infrastructure and actions to mitigate and adapt to climate change.

The analysis was conducted by assessing the medium-/long-term impacts (up to 2050) associated with average temperature increases. In particular, various IPCC (Intergovernmental Panel on Climate Change) climate scenarios were used to assess the potential effects of global warming on the Group's main assets, differentiating the various types of risk, both chronic and acute, according to the different technological clusters.

This analysis, at the moment only qualitative in nature, has made it possible to acquire greater awareness as to how climate change affects the production and functioning of electricity generation assets and to look into the most suitable mitigation measures to counteract it.

Edison's contribution to climate change studies: the ADA270 project

As a main partner of ADA270 together with partner technical-scientific institutions, in 2021 Edison supported a project aimed at detecting the effects of climate change and its consequences on territory, environment and water availability. With its depth of 270 metres, the Mandrone Glacier, on the Adamello massif, represents an important archive of the environmental and human history of the Italian Alps; a special “book of Nature” that can be read thanks to the extraction of a 270 m ice “core”. In April 2021, at a base camp at an altitude of 3,200 m, an international team of scientists cored the glacier; the initial results of the analysis will be available at the beginning of 2022. The information will make it possible to reconstruct the last 200-300 years of the climatic and environmental history of the Alpine and sub-Alpine area. The story of the project and the days of work at high altitude was told, in harmony with the project's objectives of environmental education and scientific knowledge, through daily connections from the base camp with schools, research institutes, universities, newspapers and the media, with the aim of facilitating the involvement of local young people.

Working alongside industrial customers and Public Administration in decarbonisation

Edison adopts the best available technologies and promotes projects to modernise not only its own plants, but also those of its industrial and residential customers, with a view to gradually decarbonising consumption, improving energy efficiency and boosting competitiveness.

Edison accompanies **industries** in Italy, Spain and Poland in the construction of a personalised path towards the reduction of CO₂ emissions and energy costs, variables control over which is of strategic importance for the development of quality products and services at competitive prices.

Through diversified and integrated energy services, Edison acts as a long-term partner, supporting **industries** in monitoring production processes, adopting technological innovations and analysing consumption data. Edison supports its customers in sustainability and compliance issues, helping them to optimise resources and produce and consume better.

Specifically, for **industrial customers** it works to guarantee:

- the **energy optimisation** of production processes, aimed at reducing consumption with output remaining the same and increasing service quality, also leveraging advanced digital solutions (compressed air production, LED lighting, etc.);
- **on-site low environmental impact energy production** (photovoltaic, high efficiency cogeneration CAR, trigeneration, etc.);
- **solutions aimed at reducing CO₂ emissions** (electrification of heat consumption, studies for the use of hydrogen within the customer's production processes).

The most significant initiative undertaken in this area during 2021 is the launch of a multi-year agreement with Michelin for the energy efficiency, environmental sustainability and carbon footprint reduction of the Cuneo plant.

Moreover for the **Public Administration** it offers support for:

- the **development of urban district heating projects** that result in an increase in the efficiency of heat generation systems alongside a reduction in polluting emissions (with respect to the sum of condominium boilers);
- the **development of energy efficiency projects** in Public Administration buildings and in numerous healthcare facilities;
- the implementation of **local projects** starting from the analysis of resource efficiency opportunities, also in terms of achieving local energy system planning objectives, up to the construction of projects with stakeholders.

As far as **environmental services** are concerned, Edison supports its customers with consulting services, studies and designs, remediation, monitoring, sampling and the analysis of environmental matrices, waste management and wastewater treatment.

Sustainable mobility

Edison intends to promote sustainable mobility through electric mobility solutions; at the same time, it intends to strengthen and promote accessibility to a sustainable mobility network for land and sea transport.

In the field of **electric mobility**, Edison offers solutions for **residential and business customers** based on the supply and installation of charging systems for private use or with public access; these solutions include the possibility for everyone to charge at the stations through the Edison Plug & Go App. Specifically for business customers, Edison offers end-to-end services to equip companies with electric mobility charging infrastructure: from fleet analysis to plan the electrification process to the design, supply, installation, management and maintenance of the relative charging infrastructure.

The **partnership with Toyota/Lexus** continues for the electrification of all Italian dealerships with specific offers aimed at customers who purchase electric or plug-in cars from Toyota/Lexus.

The expansion of the offer of electric mobility solutions for **public transport** services in large metropolitan areas is also under analysis, with integrated offers of energy and electric mobility services to local public transport operators, including on the basis of public-private partnerships.

Internally, the company is developing the infrastructure of part of the Edison parking lot at Foro Buonaparte in Milan with wallboxes for charging electric cars. Installation activities also continue at Edison's main sites and in the homes of Group employees.

Sustainable mobility for heavy duty and maritime transport also includes the gradual replacement of traditional fossil fuels with **LNG (liquefied natural gas)** and **biomethane for automotive use**.

In this former area, Edison has launched supply chain activities (procurement, transport by sea, storage in appropriate depots, distribution and delivery) with respect to LNG for heavy duty and maritime transport end uses, in order to reduce its environmental impact. Compared to traditional fuels, LNG can totally eliminate sulphur oxide (SOX) and particulate matter (PM) emissions and reduce nitrogen oxide (NOX) emissions by 80-90%.

The Ravenna Depot opened in October 2021 is the first in a system of coastal depots. The plant has a storage capacity of 20,000 cubic metres, allowing it to handle up to about 1 million cubic metres of LNG, a volume that can fuel at least 12,000 trucks and more than

40 ferries every year. In addition, in July 2021, a 30,000 m³ vessel that will bring LNG to coastal depots was delivered by the company Knutsen. It will be able to be supplied thanks to the extensive portfolio of long-term LNG contracts held by Edison. Finally, the Ministry of Ecological Transition (MiTE) adopted the final decision of the Conference of Services procedure for the issue of the Authorisation to build and operate a new Small Scale coastal LNG depot in the port of Brindisi.

Lastly, as concerns **road transport**, a Memorandum of Understanding (MoU) was signed with **Iveco** to accelerate the development of sustainable gas mobility and further facilitate the **penetration of LNG** in the road transport sector in Italy. The agreement is based on the recognition of the pivotal role of G-Mobility, leveraging the unique position the two groups hold in the energy transition challenge: Edison as an integrated operator throughout the entire LNG value chain and a leader in green gases, and Iveco as a leader in the production of natural gas-powered commercial vehicles.

Just transition

The Just Transition can be identified as a set of principles, practices and processes put into place to ensure that the Energy Transition to a more climatically sustainable model is also fair and balanced and leaves no one behind.

The transformation process to achieve the Net Zero goal will require significant investment for the creation of new infrastructure, the implementation of new organisational and technological processes and training in green jobs. To take advantage of energy transition-related opportunities, companies, particularly energy companies, will need to put training, upskilling and reskilling plans into place for their employees, ensuring that the workforce adapts to changes in the business.

From this perspective, EOS Foundation takes action for the school-age population, and even more so for adolescents, especially the most vulnerable in certain areas of Southern Italy. The scenario in which these children, hard hit by the pandemic, have to live is often characterised by increasing educational and social poverty (especially for low-income groups), early school leaving, deteriorating mental and social conditions due to the pandemic, a scarcity of dedicated projects at national level and, last but not least, a scarcity of community networks and places for socialising complementary to formal education (school).

Therefore, all projects designed by the Foundation are aimed at supporting this segment of the population in order to allow adolescents to develop the ability to aspire and, therefore, to become active and aware citizens capable of dealing with complexities. A strong commitment to sustainable development, in order to imagine and work for a more inclusive future, promoting virtuous cycles and opportunities for growth while avoiding the NEET (Not in Education, Employment or Training) phenomenon.

Human capital and inclusion

The current Energy Transformation is not only linked to the need for a new paradigm of sustainable economic development, nor can it be left in the hands of technological innovation, but it is inextricably linked to a profound social transformation that needs to be guided and accompanied, in the workplace and in society, so that it can generate well-being and balanced, widespread growth, avoiding the exacerbation of fractures, inequality and poverty.

Edison has always viewed human capital as a strategic asset on which to build its corporate development model, guided by a core of shared and acted values, and oriented towards building a cohesive, open and inclusive corporate community, where everyone can express their professional and human potential, realise their life projects and create value and well-being not only for the Company but also for the communities, the environment and the local areas in which it operates. The definition and development of this paradigm continued in 2021, even as the health epidemic continued and the company prioritised the prevention and protection of the health and safety of its workers and all those who, even as workers of external companies, collaborate with the company.

For 2021, the following are also noted:

- *further growth in investments and training hours (more than 20%) in skills training, particularly on digital technologies, to ensure the employability of every person (involvement that exceeded 90% of the company population) in the future labour market, support in the challenges of the energy transformation and at the same time support for the company's competitiveness and development*
- *definition of the new post-emergency Smart Working model oriented towards the development of a new paradigm between people and the business organisation based on trust and empowerment*
- *investment in the growth of young people and the enhancement of gender and generational diversity, through mentorships, including cross and reverse mentorships, and more accelerated managerial development paths that have resulted in an increase in women managers (from 19% to 22%)*
- *development of new and innovative educational initiatives both for professional guidance for students in upper secondary schools ("Scuola Edison"), or for young people who have abandoned their studies early ("Scuola di Mestiere in Puglia"), and international educational experiences (about fifteen Intercultura Scholarships) for young students from the families of people working in the company or from certain communities in which the company has a presence*
- *establishment and operational and programmatic launch of the Edison Orizzonti Sociali (EOS) Foundation, a recognised third sector organisation, to promote social value initiatives, particularly those that fight educational poverty, in areas where the Company operates, including through voluntary work initiatives promoted and managed by Company employees during working hours.*

Giorgio Colombo
Executive Vice President
HR&ICT Department

Edison sees **human capital** as a key element for the **creation of value** and for maintaining a **competitive advantage**, even more so during this current moment of strong energy sector transformation. It therefore promotes the maintenance of high levels of employability, supports and enhances the **internal growth of its resources**, pays close attention to diversity and inclusion aspects and promotes well-being at work through a robust company welfare programme and work-life balance initiatives, thus meeting the commitment of SDGs 5 and 8. Health and safety in the workplace is a priority and an ongoing commitment.

As of December 31, 2021, the Group had a total of 4,918 employees (1,036 women and 3,882 men). With reference to the breakdown of employees by professional category, approximately 38% are concentrated in the production staff category and 43% in the office staff category. By contrast, the middle managers and managers category accounts for 15% and 4% of total employees respectively.

As regards the protection of employment, as at December 31, 2021, Edison registered 4,838 employees on permanent contracts, or roughly 98% of total employees.

Also through its **direct and active participation in national bargaining round table discussions**, Edison **applies and complies with the provisions of the different National Collective Bargaining Agreements** applicable to its organisational context, and in particular of the **Electrical, Energy and Oil and Metal-Mechanics sectors**, both with regard to the economic part and for the regulatory part. **All Group employees are covered by the national collective bargaining agreement and 24% of Edison's employees are members of trade unions.**

Edison, which pursues ongoing discussion and dialogue with workers' representatives at European, national and local level, implements what it has agreed to with the **National Trade Unions** in the "Group Representation System" agreement (containing the principles and the guidelines that provide the basis for union relations and governing the different levels of union dialogue and the topics subject to discussion). For all of the main organisational areas, second-level company union agreements are also in force, defining the criteria, parameters, objectives and amounts of collective bonuses correlated with the achievement of specific profitability and productivity targets. These agreements also include the possibility of full or partial conversion of the sums to be disbursed into welfare services, in line with applicable legal provisions.

In addition, through the corporate agreements reached, the **emergency income support instruments** introduced at national level for those **unable to work or incapable of accessing smart working were reinforced**, also through the experimental introduction of new provisions, such as the **transfer of holidays for solidarity purposes** between employees. These initiatives were supplemented by a **financial contribution** provided by the company.

Occupational health and safety

Management systems and policy

Edison considers the **workplace health and safety prevention** of its employees, the people who work for third party companies and, where relevant, the people who live in the areas surrounding its plants and company sites to be of priority importance, by eliminating the relevant risks or reducing them as much as possible.

In that regard, Edison is equipped with an organisation that makes provision for **roles and responsibilities which are formalised** at all levels, in order to ensure the **maximum level of management and control of all company processes** and the associated **specific activities** which may have an impact on the matters of protection of health and safety. The coordination of said organisation is ensured not only by the figures set forth in the **national and/or local regulations**, but by the **HSEQ (Health Safety Environmental Quality) professional family**, which is present extensively across all company organisations and sites. It guarantees **monitoring of the homogeneous application of the principles and commitments identified centrally**, by maintaining a focus on the unique local characteristics and, if necessary, integrating with the initiatives set within the context of the different types of sites in which work activity is carried out.

More specifically, Edison guarantees, through **centralised guidelines, the systematic adoption of the themes of health and safety at Edison Group level**, which is structured operationally into systems for the management of the individual company sections (divisions, management units or legal entities). These systems are applied in compliance with the international reference regulations such as: **UNI EN ISO 45001** and integrated, when applicable, by similar environmental standards **UNI EN ISO 14001, UNI EN ISO 50001** and **EMAS registration**.

In addition, **Edison's Health and Safety, Environment, Quality and Sustainable Energy Policy**, revised in 2021, outlines the principles and commitments to achieve objectives in these areas, by identifying and implementing specific action plans in a **strategic-operational roadmap with a multi-year vision**, focused on innovation issues. Specifically, the **7 pillars of innovation for HSE for the next decade** were defined.

Health and safety objectives

As regards the objectives regarding workplace health and safety, **Edison shares the objectives identified by the EDF Group** (some of which related to specific indicators):

- the objective relating to the **frequency of work-related accidents** (LTIR - Lost Time Incident Rate) set at 1.4 for the end of 2023 for company employees, and at 1.8 for the global indicator inclusive of company personnel and personnel from external firms;
- the objective of reaching, by the end of 2023, a **rate of absenteeism due to illness** of 8 days/person per year.

These indicators are monitored on a monthly basis and analysed every four months and, in addition to these indicators, **Edison has defined an overall accident frequency target** (company personnel and personnel from external firms) related to work activities constantly **below the threshold of 2**, which in 2021 stood at 1.7.

This frequency rate is calculated by multiplying the number of injuries divided by the number of hours worked, by one million.

Moreover, particularly with reference to the significant volume of activity at Edison's construction sites (more than 8 million hours worked in 2021), the accident index was 1.1.

With reference to the Group indicator used (overall work-related injury frequency rate: LTIR), it reached 1.2 in 2021 (including injuries to Group employees and personnel of external firms), lower than 1.9 in 2020. More specifically, the LTIR rate was 1.4 for company employees, lower than the value in 2020 (1.7), while that for employees of external firms stood at 0.9, a significant improvement compared to 2020 (2.3).

The results for the year therefore show an improvement over those of the previous year, in particular as regards those relating to personnel of external firms, confirming a virtuous level within the national industrial landscape.

However, during the year two fatal events occurred due to accidents at work, involving personnel of external firms engaged in maintenance and cleaning of vegetation near hydroelectric plant water diversion channels.

As part of its management system, **each company organisation verifies**, at least on an annual basis, the **progress status of its improvement programmes** as well as its objectives. At Edison Group level, **the overall management system is re-examined** in order to verify the effectiveness of the organisational model. In this regard, a **select HSEQ committee** has been defined, which includes the HSEQ managers of the divisions/management units/legal entities, with the task of monitoring the results and analysing all events which may lead to change management regarding health and safety. This committee meets at least monthly.

The main initiatives implemented or initiated in 2021 include:

- the continuation of on-site **safety tutoring projects** at the operating management units and the main sites, accompanied by similar initiatives that make provision for work risk awareness initiatives;
- participation in the **EDF Group's Safety Week** dedicated to the topics in the New Policy and HSE innovation projects;
- the continuation of **health prevention programmes**;
- the operational implementation of the **Digital Work Permit (DWP)** project;
- the **revision of the Company's Regulation 02** dedicated to the management and access of external firms and the relative IT application (DIMP);
- the **digitalisation of Risk Assessment** (ESlweb, RISOLVO);
- the **digital management of product safety data sheets**;
- the introduction of the **new Cartsan application** for employee health management;
- the implementation of **new software for the management of environmental and safety authorisation requirements**, the management of expiries for personal protective equipment and equipment, and the fire prevention register;
- the experimentation of **virtual and augmented reality pilot projects** to simulate risky events or improve the maintenance procedures of **operators in the field** and to ensure the maintenance of know-how surrounding operational procedures. The 2022 solution will be made available in a variety of operational settings;
- the **experimentation of pilot emergency prevention projects** in work at height through devices for monitoring worker physical health.

Safety Risk Assessment

Edison uses **computerised risk assessment tools** which enables a systematic approach to the process, based on the potential and the foreseeable damage.

The process of evaluating interference between the risks of Edison's activities and those of its external companies is carried out through the **single document on the assessment of risk from interference**, which was digitalised as part of the tool already used to evaluate the risks of the duties of Edison's personnel.

Edison believes that its culture of safety can be further developed through the **responsible participation and involvement of all members of the company**. Therefore, to this end, it encourages the people who work for and with it to **report any situations of insecurity or improvement**. There are also **specific projects that call for shared participation** (for example, the Sicuramente Project), which also provide for recognition for the best ideas or best results. For this reason, the **representatives of workers' health and safety** are also an integral part of the organisational model and participate in periodic reviews of the management systems.

In the event of the reporting of potentially hazardous events, Edison not only analyses its causes and identifies the appropriate corrective actions, but sends said information to the **EDF Group**, as part of the **HPE (High Potential Events) project**, so the **lesson learned can be shared**.

As part of the emergency procedures defined for each company site, Edison guarantees **quick intervention** and ensures the **protection of its workers**, those of external firms and of third parties who are guests or who live in the areas surrounding said sites.

Every accident that takes place at Edison is managed according to a **specific company procedure**. In particular, provision is made for an **incident analysis method (CAPIRE 'understand' method)** which involves the participation of all people who may be involved or who have knowledge of the process or the activities relating to the event. This method is applied, in particular, to the most significant incidents.

The application of a **systemic model and of widespread responsibility** makes it possible to guarantee constant interaction between management and the workers. This guarantees transparent management of matters of health and safety, also confirmed by the high level of perception measured periodically as part of the MyEDF survey on Edison health and safety processes by employees.

Health surveillance

As regards **workplace medicine services**, the health surveillance process, created in compliance with the applicable legislation, is detailed in a **specific company guideline**, revised during 2021 with the inclusion of the new CARTSAN management application. The competent doctors appointed by the individual organisations, and coordinated by the coordinating doctors of the management offices as well as the corporate HSEQ manager, actively participate in health management and are important components of the health and safety management systems, taking part in the evaluation process and in any other situation in which their role may be relevant. Each worker has access to the internal health service, being able to request support, advice and medical visits on request.

Employability

Personnel training and development

Through continuous training on technical-digital, **professional family** and **managerial** topics, Edison supports the development of its personnel in order to guarantee their employability and expand their relevant skills to achieve business results and promote their career advancement. The initiatives aimed at supporting the processes of **up-skilling** and acquisition of expertise connected with the use of new technologies are described in the chapter relating to the development of digital skills.

In 2021, Edison provided 164,472 total training hours, for an average of 33 hours per person. The total cost was 9,210 thousand euros. Also for the year 2021, training activities favoured **integrated teaching solutions**, both remote and in person, whenever staff safety conditions allowed.

During 2021 the subject of training was handled on a 360° basis in “**march4training**”, a series of meetings with the Divisions dedicated to updating colleagues on the courses offered by the Group, training process guidelines and specific analytics on actual and expected training hours, which were also useful for sharing the macro training needs of the Divisions.

The training of the professionals involved in the sale of the Group's electricity and natural gas is entrusted to the Edison Market Academy, which in 2021 focused on trade credit support and product training, for 3268 hours. In addition, 2557 hours of training for the various channels that sell exclusively for Edison.

Edison also uses the Digital Training platform MyLA - My Learning Area, an environment integrated with Edison's intranet, which allows all employees to access e-learning courses on compliance, HSE and digital skills development; in particular, the platform has been enhanced with “**Cookies**: six webinars to support everyday work”.

In 2021, a system of career paths was designed for young people leaving the Young Community (see specific chapter), depending on whether the orientation was more managerial or “Subject Matter Expert” related. A group of 41 young people were involved throughout the year in the Long Talent Management process.

The **Corporate Master in Energy Business & Utilities**, accredited by ASFOR - Italian Association for Managerial Training and dedicated to 30 young colleagues in development, also reached its fifth year, aimed at increasing the effectiveness of business actions and boosting inter-functionality through in-depth analyses of business approaches and industry dynamics.

More than twenty-five **training sessions** were organised for **managers**, aimed at reinforcing managerial skills consistent with **Edison's leadership model** (such as open-mindedness, vision, sustainable entrepreneurship, authenticity, collaboration and development of people), and several webinars were made available by the **Ambrosetti Continuing Education Network** on management and economic issues, in addition to international training initiatives promoted by the **Group's Corporate University**. Around 400 managers then took part in the training campaign on the Performance Management process aimed at internalising and effectively applying the new assessment model in the organisational context and promoting the effective management of employee feedback. Lastly, a new session of the **Leading People, Leading Business** management development course was dedicated to newly appointed executives.

Digital skills

Edison also promotes initiatives aimed at supporting up-skilling processes and the acquisition of skills related to the use of new technologies.

Specifically, the **Edison Digital Academy (EDA)**, launched in 2020, is the Trade Academy developed in collaboration with Talent Garden which aims to provide **lifelong learning on the digital transformation front**. During its first year of activity, the programme involved about 150 colleagues; with the second edition (Digital Academy Next Gen), starting in February 2022, the aim is to triple the number of participants over a 2-year period, devoting particular attention to the precise definition of training courses based on specific participant needs. A broad range of topics are covered in the courses, extensively dealing with the various digital training needs in the company: from more technological issues such as data science, IoT and robotics, to aspects more related to the market like the evolution of business models, without overlooking the impacts of digital culture on the corporate culture and the organisation, such as new ways of working and new leadership models. Finally, an internal community dedicated to Academy participants was created to facilitate contamination and the sharing of experiences, as well as the concrete application of the skills learned to company projects.

The digital culture is also promoted internally through a number of initiatives. These include **Digital Breakfasts**, informal webinars open to the entire company population (around 100 participants per event) which have been active for more than three years and aim to arouse curiosity and awareness of digital matters and innovation through prominent external speakers, in some cases also from areas far removed from the company's typical area of operations.

Edison has also launched a new **Digital Empowerment** project aimed at renewing and reactivating the **Digital Sherpa** community, i.e., the community of colleagues dedicated to training and support in the advanced use of social collaboration tools, to further spread the adoption of digital competencies through an integrated approach between traditional training and reverse mentoring. The Digital Sherpa community, which includes around seventy colleagues, from all company divisions and distributed throughout the country, trained more than 200 colleagues in 2021.

A **training course dedicated to the theme of Cybersecurity** was held for company managers, with the aim of protecting employees and the company from the risk of cyber fraud and making employees aware of how to recognise suspicious digital communications. In addition, the **"Smart Working manager" course** was launched with the aim of helping resource managers to coordinate their teams more effectively from a distance, providing guidance on managing by objectives, firmly establishing a climate of trust, empowering employees and the proper use of social collaboration tools.

Entrepreneurial skills

In order to develop the innovative and entrepreneurial skills of its employees, Edison launched the E-DEAS programme in 2020, which was offered again in its second edition in 2021. E-DEAS is a "Call 4 Innovation" addressed to all Edison Group employees, who are invited to suggest ideas and innovation projects to be implemented with the support of the Innovation Team and Innovation Coaches from outside the company.

The objective of E-DEAS is twofold: on one hand it aims to identify innovation ideas to be transformed into projects with high business potential, and on the other it is a training tool on issues related to entrepreneurship and the dissemination of a culture of innovation within the company.

The teams of colleagues who come up with the most innovative ideas gain access to a training and coaching programme delivered with outside support. The topics covered during the course relate to the development of innovative projects, including: innovation models, Lean start-up methodologies, definition of the business model and value proposition, customer discovery processes, market sizing and pitch presentation. During this phase, the teams work concretely on the initial development of their projects.

During 2021, the first edition of the initiative launched in 2020 was completed: 9 colleagues in 3 teams worked on 3 ideas that were presented to an Evaluation Committee composed of some members of the top management as well as experts from the innovation world. The idea deemed to have the greatest potential was then selected in order to begin the phase of actual implementation in the company.

A second edition was also launched in 2021, with 50 colleagues participating. Of these, 22 people grouped into 6 teams were selected to participate in the training and coaching phase that will take place during 2022.

The Young Community and the growth of the new generations

Edison's focus on **new graduates** starts from selection: the structure of the **talent acquisition process**, in fact, was recently **fine-tuned** and aims to hire people in the company that share Edison's values and have the energy and desire to help achieve the company's objectives. The attention to the **training and development of incoming young recent graduates** was also continuous in 2021.

The training and development programme dedicated to them, the **Young Community**, continued in **100% digital format** in 2021. Three innovations for 2021: a **new Skill Lab on entrepreneurship**, the **Mini Master in Economics** dedicated to non-economists, and the **in-depth course on energy economics** for economists.

In 2021, an **"Exploring Edison" workshop** was activated, the first in digital mode and with 13 participants from different Edison Group locations, on the topic of identifying and creating a service consistent with the Edison Risolve suite dedicated to an under 30 target audience.

Also in 2021, the **first hybrid edition of the Edison Energy Camp** was held, the intensive training programme on energy which involved Edison's Young Community and 30 university students from various Italian universities. The scheduling went from the normal one week to two weeks full time, again enriched by contributions from the WEC (World Energy Council Italia Services), testimonies from professionals from other companies, advisory services and institutions.

Prizes and awards

Continuous improvement and the search for increasingly elevated levels in **talent acquisition, onboarding, career management** and **working environment condition** processes, as well as in **corporate social responsibility**, are witnessed by the following Edison achievements in 2021:

- **Top Employer Italia**, for the sixth consecutive year: a prestigious international recognition (Top Employer Institute examines and certifies excellence in HR in more than 120 countries every year) that is awarded to companies that create **excellent working conditions for employees** and that demonstrate the application of **excellent practices in the enhancement, training and development of human resources** (from career development to leadership, from employee well-being to sustainability);

- **Universum Talent 2021 - Italy's Most Attractive Employers**, in the **Utilities** section in both the student and professional categories. Universum is an international agency specialised in Talent Attraction and Employer Branding business strategies; **recognised by Potential Park** (a Swedish company specialised in market research and support in the field of Employer Branding and Talent Acquisition working with some of the largest companies in the world since 2002) as one of the best companies in the Italian landscape for Employer Branding and Digital Communication policies relating to the Candidate Experience;
- **Recognised in the energy and utilities sector** as the ideal company to work for in the **Italy's Best Employers 2021** survey of over 20 thousand workers, carried out by Statista in collaboration with Corriere della Sera. The survey measured Company quality based on a number of variables such as image, sustainability, equipment and conditions, relationship with colleagues and superiors, work-life balance, development and outlooks, and compensation;
- **Bollino di Alternanza di Qualità (BAQ)** awarded by Confindustria for the Work Experience Platform (PTCO) Edison School was certified for its effort to accompany secondary school students in their discovery of the energy trades.

Plurality and inclusion

Values and company culture

Edison's **Employer Value Proposition** is composed of **four pillars** that define the **qualities** and **priorities** that the company has identified as **hallmarks of daily work activity**:

- **Know-How**: shared knowledge in constant transformation;
- **Open Environment**: an open and welcoming environment for self-expression;
- **Engagement and accountability**: engagement and accountability to give everyone the opportunity to contribute to company projects;
- **Sustainability and proximity**: a responsible and sustainable energy future to be imagined, which has its finger on the pulse of communities and customer needs.

To ensure the dissemination of the corporate culture and the values stated in Edison's Value Manifesto established in 2020, a dedicated training programme was launched with 14 colleagues elected to be ambassadors, the "Edison Storytellers", who in 2021 have been entrusted with the task of creating a cultural identity.

In relation to the dissemination of the corporate culture, one of the highly correlated corporate activities is the **Onboarding process**, i.e. the welcoming of new hires and the presentation of the company to them.

After the digital experience required due to the pandemic, in 2021 this process was transformed once again, this time with a mixed configuration, in person or remotely, also through an Onboarding platform on the intranet with 31 windows to be opened to discover the company. Finally, the **Trades Expo** was launched: a search for trades with a start-up streamed from the Foro Buonaparte shareholders' room by the Executive Committee and a **team game** that will be completed in 2022 with visits to key Group business sites.

During 2021, several initiatives were implemented in order to promote employee awareness of the Sustainable Corporate Culture. These include news and in-depth analyses sent periodically on ESG issues, in particular a monthly newsletter and an "ESG Weekly Report" with a selection of relevant studies and reports on the issues. In addition, the organisation of some sessions of Climate Collage has also been promoted, a collective intelligence game that makes it easy to interpret the causes and consequences of climate change.

Actions fostering plurality and inclusion

Inclusion and diversity became part of Edison's sustainability objectives in 2018 thanks to one of the areas of the Transformation Team project aimed at suggesting effective and concrete solutions to enhance diversity and plurality.

The work areas identified, including through a survey, were: **gender** (enhancement of the professionalism and managerial skills of women), **enhancement and age** (relationship between different generations and enhancement of resources on the basis of merit), **flexibility and balance** (increasing the effectiveness of services and promoting work-life balance) and **offices and territories** (encouraging proximity between local offices and headquarters by promoting knowledge and synergy between colleagues with very different jobs and geographical locations).

The actions developed to strengthen awareness, the managerial culture and widespread behaviours on the subject, to integrate colleagues from different business and regional contexts as well as to promote empowerment and enhancement of the trades, also a STEM perspective, have led to several projects involving more than 2,000 colleagues in past years. The main result is undoubtedly a greater and more widespread awareness of how to welcome and value diversity within the company and of what this really means: in addition to putting the person at the centre, enriching oneself with stimuli, different points of view and knowledge that are indispensable for dealing with an industry in transformation, by increasing efficiency and competitiveness.

Engagement on the topic continued in 2021, with the knowledge that plurality and inclusion currently constitute one of the most significant sustainability challenges. This year's major initiatives included:

- conclusion of the third edition of the Mentorship programme characterised, alongside the classic programme, by a **cross mentorship** programme on equal terms between Mentor and Mentee on the company vision, the challenges of sustainability and responsibility in the context of the energy transition and leadership styles consistent with its achievement;
- creation of a **Mentorship Community** between participants, Mentors and Mentees in all editions, more than 80 people, and launch of a project of Round Tables aimed at stimulating debate on some central issues that emerged from a targeted survey: leadership in the future energy transition, corporate culture innovation and the role of companies in sustainable development, also interpreted through tools such as mentorships and generational debate;
- continuation of the **Cross Generation Bridge**, a project for exchange and intergenerational interaction between people who have been with the company for over 20 years and Young Community Members with less than one year of experience (24 participants in 2021).

Edison also participated in the paper on Guidelines for **Diversity & Inclusion** in companies - the recognition of the UN Global Compact Network Italy's D&I Observatory.

As regards the enhancement of diversity, in 2021, Edison employed 1036 women, or more than 21% of total employees. In addition, the percentage of women in managerial roles is 22% and rises to 30% at the executive level.

The sustainability objective linked to the theme of gender in the previous NFD, consisting of a balanced pipeline of applications from women for the managerial category, was renewed with the expansion of the scope to also include applications from younger employees subject to the Long Talent Management assessment.

A total of 57% of Edison's employees fall into the 30-50 year old bracket, by contrast employees over 50 make up 36% of the total, with the remaining 7% composed of employees under the age of 30.

In 2021, and indeed over the last three years, no instances of discrimination were reported.

Employee engagement

Edison is committed to promoting inclusion and engagement amongst employees through a number of **internal communication** projects and initiatives aimed at maintaining and strengthening **the integration and engagement** of its people by exploiting innovative ways of interacting that can overcome the physical distance limits imposed by the pandemic.

In terms of internal digital tools, the **Edison intranet** was confirmed as the primary destination where employees can find news, information about the company and its people, work applications and employee services. A special emphasis was placed on storytelling surrounding company projects, activities and knowledge, directly from the mouths of the employees involved, with the creation of **many video stories**.

The **weekly newsletter**, the digital magazine that reaches all employees via email, was also the main tool for 2021 to highlight content and news of interest to the entire population.

In particular, in 2021, a new project was launched on business and values topics, concerning Edison's various activities: the **"Days of Edison"** video format which saw, between April and December, the involvement of roughly 40 colleagues for 11 videos on the world days established by the UN (Creativity and Innovation, Earth, Health and Safety at Work, Light, Biodiversity, Environment, Wind, Clean Air, City, Volunteer and Anti-corruption), for a total of about 3,500 views. In May, more than 650 children and grandchildren of Edison employees from all over Italy took part in the **digital edition of "Children at Work"**, an interactive format that involved the participation of colleagues who spontaneously responded to a preparatory call to action to help bring - even if only virtually - children into their place of work through the creation of self-produced videos that were then broadcast during the event. The children were also involved in live participation in a creative workshop using a kit of materials sent to their homes in the days leading up to the event.

In 2021, special attention was paid to the organisation of **events reserved exclusively for colleagues to present a preview of important corporate initiatives that were then communicated externally**: the launch of the Eos - Edison Orizzonte Sociale Foundation in April, and the presentation of its three-year plan and corporate volunteer projects in December; in June, the presentation of the Edison Roadmap to 2030, via live streaming for executives and middle managers, which was subsequently made available on the corporate intranet for all Edison people; in September, the presentation of the first Edison-Censis Report on sustainability; in October, the story of the great work behind the construction of the Ravenna coastal LNG storage depot, in advance of the official inauguration.

In October, all colleagues were asked to take part in a **survey** with the main objectives of determining how the Edison brand is perceived within the company and collecting opinions about the various communication activities that Edison carries out both internally and externally.

Following the success of the 2020 edition, the second season of the **"Our Professions" web series** was also released in 2021, with 24 new episodes and a total of 8,500 views.

Lastly, **Edison chiama Italia**, the year-end event, was designed in a totally inclusive form, offering, due to the persistence of the pandemic, a hybrid format that made it possible to invite all Edison people. Thousands of people, from every office throughout the country, attended remotely, while at the Palazzo Edison Shareholders' Hall it was possible to host 50 colleagues in person (this is the maximum allowed by anti-COVID regulations), drawn by lot from amongst those who had expressed their desire to attend in person during the registration phase.

Well-being and work-life balance

Flexibility - Responsibility and Work-Life Balance

In the complexity of Edison's jobs, carried out in the plants or on customers' premises, for the central management of industrial activities and in the markets that may require presence on shifts, whenever possible the company promotes **flexible work models** based on individual responsibility as a choice for organisational effectiveness, in any event attentive to personal needs of balancing work and personal and family life. Flexible hours, Smart Working, paid leave for parenting, study - medical prevention and family care complete the general context that characterises our ways of working in the different contexts where we operate and how Edison takes care of its people.

During the year, the emergency situation generated by the pandemic was managed in continuity with what was prepared during 2020 and in line with the epidemiological scenario and its evolution. Again during 2021, the number of people who worked in **Smart Working** mode was considerable, while the company's communication initiatives across all levels, including remotely, were maintained with the aim of keeping an open channel for listening and communication between the company and its people.

On November 16, 2021, Edison and the National Trade Union Secretariats of the Electricity and Energy and Oil Sectors entered into an agreement governing and regulating **Smart Working** as a structural work method (with gradual effective application based on the positive evolution of the current epidemiological scenario).

Company Welfare and People Care

Through the "**Edison per te**" welfare and people care programme, the company meets the personal needs of its employees with services and opportunities regarding family matters - particularly for the management of children, health, sports and well-being, leisure time and savings.

In 2021, among those who were already offered the various welfare services (public transport passes, facilitated rates for recreational activities, caring for children, etc.), roughly 88% of the Group's Italian employees (3,914 people) took direct advantage and, on average, each employee enjoyed 7.3 different services.

Across all companies, for the various professional and contractual levels, forms of **supplementary pension and health care services** are provided, and in 2017, Edison also introduced the **option of converting contractual performance bonuses into welfare goods and services** in nearly all Group companies. In 2021, 24% of the employees covered by the energy national collective bargaining agreements (CCNL) and 42% of the

employees in Energy and Environmental Service Management areas covered by the metal-mechanics national collective bargaining agreement converted their performance bonus into supplementary pension contributions and/or welfare reimbursements and services.

As part of the programme, also in 2021, continuing the approach adopted in previous years, the health prevention campaign was offered to employees.

There is also intense activity for the children of employees. Edison indeed:

- for many years now has sponsored **study grants** abroad for the children of employees from all Group companies, through the Intercultura Onlus Foundation. In 2021, 13 young people were awarded a study grant for a study period abroad, varying from one month to a whole school year, and these were also joined by young people who in 2020 were awarded a summer stay and semester stay scholarship, for a total of 28 young people.
- activates school and work **orientation paths**. On the first front, in 2021 two paths were created: the first dedicated to lower secondary school students, providing guidance in their choice of upper secondary school, and the second dedicated to upper secondary school students, providing guidance on universities and the world of work. The two projects involved 70 students. On the second front, in collaboration with HRC Digital Generations, an Edison digital class was organised with 20 children of employees between the ages of 19 and 26, with the aim of helping them find their way in the world of work.

Also during the year, in collaboration with the Collegio delle Università Milanesi Foundation, 40 children of Edison Group employees between 18 and 25 years of age will be able to have a multicultural experience at Expo 2020 Dubai.

Sports association

The Edison Amateur Sports Association, founded in 2015 under the name PLAY, is registered with CONI (Italian National Olympic Committee) through its affiliation with CSAIn (Industry Corporate Sports Centre). Strongly supported by Edison - which has adopted as its own the major values of sport including team spirit, respect and integrity - the amateur sports association was opened not only to colleagues but also to family members and outsiders and now has 900 members. Over the years the schedule of events and sporting events in which the amateur sports association participates has gradually increased, and now includes over 50 events per year, ranging from racing (road and trail) to men's and women's football, from Sailing weekends, to Volleyball and Beach Volleyball, Basketball and Padel.

Value for customers, local areas and sustainable economic development

Massimo Quaglini
Executive Vice President
Gas & Power Market

As an energy operator with deep-rooted values of sustainability and listening to customers, Edison is aware of the fact that today being sustainable means not only generating green energy, but also being socially aware, without overlooking either customers or partner companies operating throughout Italy. The First Censis Report of 2021 also shows how consumers declare an expectation of greater awareness with regard to energy operators: not only the supply of electricity and gas, but also products and services with a lower impact on the environment.

Precisely through energy efficiency products and services, Edison aims to accompany consumers towards the energy transition, increasing awareness of these issues and increasing the adoption of low-carbon technologies. Moreover, with an ecosystem of highly customisable, high value-added services that considers people in the context in which they live, it offers a broad range of sustainable solutions and places the customer at the centre of all of its processes, for an always fluid and positive experience (first brand in the Utilities sector to be present in the top 100 of the Italian sector ranking in the KPMG survey on Excellence in Customer Experience 2020).

Today, Edison can count on a widespread network of technical partners throughout Italy who are able to welcome customers and listen to their needs. In addition to the service provided at physical locations, Edison strengthens the tools it uses to interact with consumers through digital channels. It constantly interacts with consumer associations through work groups and co-created projects, with the goal of developing an increasingly high-quality service that meets the needs of every consumer.

Giovanni Brianza
Executive Vice President
Energy & Environmental
Services Market

In its mission to accompany customers and local communities along the path of energy and ecological transition, Edison addresses Industry, Tertiary Sector and Public Administration through solutions and a technology portfolio increasingly focused on the progressive decarbonisation of consumption, energy efficiency and increased competitiveness.

Personalised and integrated customer services range from site self-generation with low-carbon and renewable technologies to energy efficiency, from district heating to the provision of energy services for public buildings, also including sustainable architecture, digital solutions and environmental services. Leveraging consolidated specialist skills, Edison oversees all phases of the value chain in an integrated manner: energy consulting, design, implementation and management.

The market context is experiencing a major transformation, with unprecedented challenges and opportunities. It remains essential to be able to listen to and anticipate customers' needs in order to accompany them on the path towards ecological transition and decarbonisation by building solid partnerships.

Customer proximity, central to Edison's vision of sustainability, takes shape in the relationship of trust established through transparency, fairness and reliability that continues in a long-term partnership. The company's commitment **to accompanying and encouraging its customers, partners and suppliers on a path of sustainability** towards responsible production and consumption, efficient and with reduced environmental impact, also thanks to innovation, contributes to creating added value for the system. Finally, the communities in which Edison operates are the fulcrum of its commitment to a shared and widespread path of sustainability on which to build economic and social development. This is in line with **SDGs 8, 9, 11, and 12**.

Service quality and focus on customers

Through Edison Energia and its subsidiaries, the Company serves all market segments - residential, small and medium enterprises and large industrial customers - with tailored solutions for the supply of electricity and gas as well as value-added services. The number of "retail" contracts managed during 2021 exceeded 1.6 million. In addition, Edison contributed to the energy transition of more than 31,000 households and small businesses with low-impact solutions.

Edison also accompanies communities, local areas, industries and public administrations in the decarbonisation process. In Italy, it manages more than 45 production sites of large industrial companies, 20 million square metres of industrial areas for more than 800 km of energy carrier distribution networks and about 2,100 public (offices, schools, hospitals) and private facilities.

Residential market

For the **residential** market, **Edison Sweet** has been designed, an innovative offer with a long-term customer relationship mechanism also based on a bonus and incentive system. As of January 2022, in line with Edison's sustainability goals and consumers' growing environmental awareness, the residential commodity offerings world has become **100% green**. Indeed, all of the new electricity and gas offers in the free residential market will feature green energy and gas through guarantees of origin (GO) of electricity coming exclusively from Renewable Sources and the offsetting of gas carbon emissions with certified credits.

Edison has also consolidated the **Edison World** platform, which contains services that cover every need in the **home**: energy efficiency support (**Edison My Comfort** for boilers and air conditioners and **Superbonus 110%**, a broad range of products for energy efficiency measures, providing customers with the tools to obtain tax deductions), for production from photovoltaic systems (**Edison MySun** for photovoltaic and storage systems), smart meters for monitoring consumption (**Energy Control**) and electric mobility services (**Edison PLUG&GO** for electric mobility: cars, e-bikes, scooters). The range of solutions is also completed with **Casa Relax** (insurance for home electricity and gas systems with 24 hour assistance) and **Edison Risolve** (a broad range of domestic services: cleaning, laundry, appliance repair, plant interventions, renovations, etc.). Lastly, **EdisonVille** is a loyalty programme through which the company offers personalised communications aimed at consumer expectations, thanks in part to the data provided voluntarily by customers.

In 2021, contracts adopting low-carbon solutions (electric charging, photovoltaics, heat pumps, air conditioners and boilers, etc.) surpassed 31,000; by 2025, Edison aims to double that number.

To express its close support for families and businesses, Edison Energia - which relies on the support of **external partners** for contact management - adopts a **multi-channel model** centred on **physical** and **digital** channels. It has also implemented an innovative Customer Experience system to improve paperwork handling times and ease of interaction.

The company, by virtue of the broad range of services it offers its customers, can now count on a widespread network of **technical partners and installers** present throughout the country. Their value in terms of sustainability lies in being local businesses and, at the same time, a vehicle for the company to maintain close presence with its customers, as well as bearers of low-carbon solutions.

In 2021, there were about 1,974: the goal for 2025 is that they will increase by 30%, strengthening Edison's territorial presence even more while also developing local businesses. In 2021, Edison revisited the **digital touch points (Private Area and App)** for use by its residential customers, with the dual goal of improving the user experience and providing the ability to manage a number of activities themselves. Indeed, in the completely overhauled support section, it is now even easier for customers to independently manage their supply (bills, payment methods, possibility of instalment payments, etc.), initiate procedures (change of use and change of power) in full digital mode and leave specific feedback in private area (digital NPS monitoring). Several digital bill payment tools were also introduced (Apple Pay, Satispay, PayPal, etc.).

Specifically, in 2021, about 44,500 customers were registered on the App and 53,300 in the Reserved Area, a service on which Edison is focusing.

Small and medium enterprise

SME (Small and Medium-sized Enterprise) customers can also benefit from multiple services:

- **Edison Sun&Go**, created from the synergy between MySun Business (photovoltaic and storage systems) and Plug&Go Business (electric mobility and recharging systems), enables companies to select cutting edge products designed for savings and to sustainably achieve energy independence;
- **Edison Sweet Working Luce e GAS**, an offer designed for customers who want to have a single supplier and many advantages for home and office;
- **Prontissimo Impresa**, technical assistance available 24 hours a day for any intervention relating to electricity system faults or maintenance.

Working with SMEs to achieve all-round sustainability also involves specific projects. In 2021, an agreement was signed between Edison and the **Cesab Research Centre**, leading to the creation of an experimental technological laboratory in Fondi, Lazio, with the aim of creating a "Fondi Model" certified by Cesab and replicable on a national scale for the **reduction of climate-changing emissions in the agricultural sector**. The self-production of energy from renewable sources and heat pumps powered by photovoltaic panels as well as agrivoltaics are all under investigation.

Large industrial customers

Business customers (large industrial customers) generally need customised products and services, including in electricity and gas supplies, to meet their specific needs. In order to respond in particular to the growing sensitivity of large customers towards sustainability, an **offer for the purchase of "green" gas** by offsetting CO₂ emissions with voluntary credits was introduced some time ago.

On the other hand, as far as sales are concerned, Edison Energia was the first operator to start selling Biomethane in 2018, and current contractual agreements suggest that deliveries during 2022 will reach around 110 million SCM. In 2021, Edison delivered 95 million SCM of biomethane.

Finally, the first BioGNL withdrawal contract was signed with initial deliveries already taking place at the end of 2021 and full operations in the course of 2022.

In the market of services for accompanying **business customers** throughout their ecological transition process, Edison pursues this mission by positioning itself as an energy partner with the objective of researching the best solutions to optimise the use of energy and other industrial vectors.

In particular, the market approach is characterised by the following elements:

- supporting customers in understanding regulatory, technological and operational complexity, designing ad hoc solutions together with them on the basis of the actual needs and specific characteristics of their technical and financial context;
- integrating individual efficiency actions within a single strategy of systemic and complete intervention, overseeing the entire value chain from diagnosis to design, to the implementation of interventions, to plant management over time;
- committing to the results, with the utmost transparency on the performance achieved, offering to support all or part of the investment with mechanisms for sharing the savings obtained (ESCO formula);
- using digital tools to measure, design and manage efficiency interventions, collecting and enhancing energy and operational data.

A key project from 2021 in this area was the **multi-year agreement** signed with **Michelin Italiana** for **energy efficiency, environmental sustainability and reduction of the carbon footprint of the Michelin plant in Cuneo**, thanks to the construction of plants for the production of low environmental impact energy and energy from renewable sources. The Cuneo plant is Michelin's largest production site in Western Europe, with an installed production capacity of 13 million car tyres per year. The project, which will cover 97% of the plant's energy needs, involves the construction and installation of a **new high-efficiency trigeneration plant** capable of generating electricity, steam and water for heating and cooling at the same time. **Photovoltaic systems** will also be built and installed on parking lot roofs and in other available areas, in addition to an integrated system consisting of boilers for the supply of the steam necessary for the production of tyres, which also calls for the use of short-range supply chain woody biomass. Through the national transmission grid, Edison will also supply the Cuneo plant with certified electricity generated from renewable sources to supplement self-production on site.

Public Administration, tertiary and smart cities

Edison supports **Public Administrations** with an integrated offer of building and plant management and energy requalification services to support them in their day-to-day operations but also in their transition towards sustainability and **smart cities**.

Energy efficiency is an increasingly strategic issue for the Public Administration: it reflects on the environment and on people's lives, it influences community development and affects management costs. With this in mind, Edison has developed a complete range of energy services aimed at reducing consumption and CO2 emissions, encouraging the use of renewable sources and the adoption of new models of self-consumption.

Through service contracts (EPC) and public-private partnerships (PPP), Edison accompanies public entities in improving the performance of any type of building: from energy audits to feasibility studies, up to the implementation of energy upgrades of both plants and building envelopes.

One example of this is the process of **boosting energy efficiency at the Melegnano Martesana healthcare complex**, completed in 2021, which saw Edison involved in the project to upgrade the thermal power plant with the installation of low environmental impact and high efficiency systems for the self-production of energy and remote management.

In addition, aware of the importance of working alongside its industrial and tertiary customers, including in the area of communications, Edison launched “Edison Talks4Enterprise” and “Advise4Enterprise”, a series of events dedicated to the world of energy and the energy transition, respectively from a strategic or more operational standpoint.

Customer proximity and quality of customer electricity, gas and service sale services

Edison has always been committed to offering **affordable and high-quality services** to its customers, with the goal of also quickly and effectively resolving any criticalities that may emerge. **Transparency, fairness and clarity** in information and conduct as well as attention to **sales personnel training** are key elements to strengthen the relationship built on **trust between Edison and its customers**.

The NPS index (Net Promoter Score, measuring commercial relationship quality) is stably at a high level, testifying to the attentive relationship with customers.

In 2021 Edison continued to guarantee the provision of **Customer Care services** without interruption and consistent with its Pre-COVID-19 performance.

Edison also relies on the **support of external partners**, for whom it manages training and the adoption of the values referred to above in information and conduct, to **handle contact with customers**, ensuring compliance with the requirements laid out by ARERA in terms of speed of response and service availability, as well as its own more stringent standards.

From the perspective of new commercial actions, thanks to **advanced analytics tools** deployed in 2021, undesired commercial pressure has been limited across the customer base. Also in order to maintain and monitor **service standards**, Edison uses **advanced technological tools** that enable it to quickly identify signs of customer dissatisfaction. Edison is constantly looking for **new solutions to improve and innovate the Customer Experience** in terms of management timing and ease of interaction.

As regards the **retail** area, Edison has a **policy for the granting of extensions** (repayment plans) both for cycle bills but, especially, for anomalous bills/adjustments.

As with all other types of complaint, Edison employs a **specialist group** that **handles all phone complaints from customers** relating to the offer applied, both via written and phone channels.

Edison manages **disconnections due to default** for all customer segments, not only in compliance with the ARERA provisions, but by also informing customers before formal notices and suspensions by sms/e-mail in relation to their accounting position. This is augmented by a check on a representative sample of customers supplied, who have made a written or phone complaint, in order to evaluate the actual quality of the handling.

In order to obtain the **recovery of a specific credit** for each type of customer, as confirmation of the attention to said customer, **machine learning** algorithms have been studied which make it possible to identify clusters of payment behaviour and indicate the

most effective action that determines the payment of the unpaid amount, **avoiding unnecessary reminders**.

Edison also participates in the **Settlement Service**, an out-of-court protection tool established by ARERA (Regulatory Authority for Energy, Networks and the Environment) with the Single Buyer to facilitate the settlement of disputes between customers and electricity and natural gas operators (www.conciliazione.energia.it).

Always attentive to the fairness of its partners and customer satisfaction, in addition to having adopted the **voluntary self-regulation protocol (also see next paragraph)** to counteract unfair commercial practices by its sellers, it has set up a telephone number **dedicated to customers**, in order to intercept any unfair behaviour in the market.

In 2021, none of the following were verified:

- episodes of non-compliance with the regulations and/or codes of self-regulation regarding marketing communications, including advertising, promotion and sponsorships;
- episodes of non-compliance with laws and/or regulations regarding the supply and use of services.

Dialogue with consumer associations

To monitor and remain regularly updated on the **definition of regulations concerning its activities**, Edison engages in **constant relations** with the Government bodies, Parliament, the European Commission, the European Parliament and the Council of Europe, the independent national (Regulatory Authority for Energy, Networks and the Environment and Antitrust Authority) and European authorities, diplomatic missions and sector and consumer associations.

At national level, Edison cultivates robust relationships of trust, listening, dialogue and project collaboration with the twenty **Associations of Consumers of the National Council of Consumers and Users (CNCU)**, recognised by the Ministry of Economic Development, which represent a reference stakeholder for all the themes relating to Edison's presence on the market.

The working groups, local meetings, the thematic in-depth analysis and all of the numerous joint initiatives carried out are valuable occasions to gather observations and suggestions, collaborate and plan the actions to be taken in order to better respond to consumer needs. As part of the **consumer sustainability** protocol signed with the CNCU consumer associations and pursuant to the memorandum of understanding between Edison and the consumer associations that are members of the Consumers Forum, Edison promoted a series of three webinars in collaboration with TheFablab to stimulate the creativity and entrepreneurial spirit of participants and imagine new responsible energy use solutions, thanks in part to the use of new technologies.

In 2021, Edison took part in **meetings** (including Consumer Expo and Vis à vis) on the issues of unfair commercial practices and rising energy costs, sharing the messages of the communication campaign aimed at its customers, as well as in discussions (with the IRCAF research centre) on energy costs and system charges, energy communities and the discontinuation of the protected system.

The company also has the **"Voluntary self-regulation protocol to prevent unrequested electricity and natural gas activations and contracts"** in force, which requires the establishment of a joint Observatory between businesses and consumer groups. The Observatory is responsible for guaranteeing compliance with provisions and assessing the results of the monitoring of reports, participation in the process of verification of

the recognition of the measures to be implemented in case of non-compliance, and also handling Protocol updating.

The **ADR (Alternative Dispute Resolution) Body** with the Associations of Consumers of the National Council of Consumers and Users (CNCU) promptly manages any disputes, guaranteeing transparency and impartiality, with no cost for the consumer and making it possible to anticipate any criticalities that may emerge from the contractual relationship. With a view to enhancing the value of ADR, in which the company believes as it is capable of strengthening the relationship of trust with customers, Edison is a member of the European Energy Mediators Group, a network that aims to favour, also throughout Europe, in-depth knowledge of the ADR experience within companies.

In this context, again in 2021 Edison signed on to the **Unified ADR Protocol for the Energy, Water and District Heating sector** with seven sector **companies** (A2A, Acea, Edison, Enel, Eni gas e luce, E.ON and Iren) and 20 **consumer associations** to promote and enhance the **joint conciliation and** strengthen the alternative dispute resolution tool (also extended to the water sector and district heating) consolidating dialogue between companies and consumer associations and strengthening the relationship of trust with consumers.

Value creation for the local area and communities

Stakeholder engagement is a fundamental aspect for a responsible energy operator. From this standpoint, for Edison creating value for the area in which it operates means adopting an approach geared toward stimulating shared solutions with relevant stakeholders (local administrations, third sector entities, associations, schools, etc.), as well as fostering direct as well as indirect local employment by engaging local suppliers. Edison constantly meets with local stakeholders, both public and private, and participates in discussion forums about environmental sustainability and innovation. It aims to raise awareness and provide training, but also to activate virtuous co-design processes to meet the needs expressed by its stakeholders.

As regards **sponsorships, membership fees and charitable donations**, an **internal policy** ensures the utmost **transparency** in the planning, authorisation and management phase, guarantees the correct alignment between the company's strategic priorities, the various types of company businesses, the regional, national or local support requirements and the final destination of the resources.

In 2021, Edison allocated more than 5 million euros to support local and national-level activities through sponsorships and charitable contributions.

Construction and operation of plants in local areas

Traditionally, Edison has always **established relationships and constructive dialogue** with **local representatives**, both institutional representatives and those responsible for disseminating information and environmental and energy education. Collaboration with local authorities is extremely important in the construction of new plants or important developments of existing ones.

With reference to administrative procedures for the issuing of authorisations for the construction and operation of plants, the **environmental compensation measures are defined with the Municipalities concerned by the projects** in respect of the applicable regulation². Transparency, respect for the protocols in relations with third parties and the maintenance of economically sound management are the fundamental prerogative that guides the company's actions, as shown in the examples below.

In July 2021, the new **helipad** donated by Edison to the Municipality of Castiglione Messer Marino (CH) was inaugurated: a platform intended for helicopters for first aid and civil protection operations in a mountain area that is difficult to access, especially in the winter. The structure serving the **community**, for the immediate transport of the most serious patients and equipped for landing in all visibility conditions, was based on the agreement between the Municipality and Edison, which operates a wind farm there.

For the second year, Edison provided concrete help to the Third Sector with the **Building the Future Award - Special Edison for Valtellina and Valchiavenna**: 41 local third sector entities and sports associations that devote their energies and commitment to serving others in the areas where Edison has historically operated its hydroelectric facilities, demonstrating our desire to actively contribute to the well-being of the communities in which we operate.

2. Legislative Decree no. 387/2003, Article 12, par. 6 and Ministerial Decree MiSE (Ministry of Economic Development) September 10, 2010 - Annex 2, so-called National Guidelines, and Legislative Decree no. 55/2002.

Sponsorship of **local sporting events** continued (including Valtellina Wine Trail, Tracciolino Trail and Adamello Ultra Trail), as did that of Smart Benches (for charging devices with solar energy) in two squares in the cities of Sondrio and Chiavenna.

In addition, in two areas of hydroelectric production and in synergy with local skills and presence, two **sales/service points** of Edison Energia have been opened and **electric stations** for recharging cars have been installed, at no cost for the beneficiary local communities.

Moreover, in 2021 **Regional Report** activities continued, measuring the socio-economic-environmental impact on local areas of hydroelectric generation (the analysis has so far covered the areas of Valtellina, Valchiavenna, Val Camonica, Val Caffaro, Val d'Ossola and the course of the Adda river, and will continue with other power generation areas). The objective of these reports is to tell the story of Edison's presence through macro-indicators on the economic downstream activities, on shared projects or projects requested by local stakeholders, and environmental indicators. The booklets, which also contain infographics representative of the locations' hospitality and tourism attractions, have been transposed in digital form on the **mini-site** (www.reportterritoriali.edison.it) that allows them to be used in an interactive form and with periodic updates.

Relations with the institutions and local associations

An important element is the **engagement of the local institutions** for **connecting business and communities** and have an overall vision of the system and of the opportunities for development of the local area.

An important local stakeholder is represented by the **Confindustria association network**; in fact, the Group is a member of 23 local **Confindustria** associations. Edison also identifies **significant local trade associations** with whom to engage in dialogue and define a process of collaboration, which can breathe life into discussion groups and work groups regarding issues affecting multiple business segments connected to sustainability, energy and innovation, for the benefit of the local economic fabric.

The results of the **Puglia Project**, started in 2020, were presented in January 2021 with the involvement of the local institutions and many companies in the local areas with the goal, on the one hand, of highlighting the areas of improvement in relation to energy consumption and energy efficiency and, on the other, creating round table groups between the Edison business and companies for the development of new opportunities. In July 2021, the format was replicated in **Veneto**, with the involvement of Confindustria Venezia, Assindustria Veneto Centro. In this context, which saw the participation of the Business Areas involved as well as the Edison Foundation, the University of Padua and the Veneto Region, a study developed in collaboration with the Polytechnic University of Milan was presented, entitled "**Energy and Competitiveness in Veneto**", aimed at demonstrating how it is possible to reduce the overall energy expenditure of companies in the Veneto region and simultaneously reduce CO₂ emissions in 15 years through self-production and energy efficiency measures.

Edison in support of Energy Communities

Another emerging concept is that of energy communities; they will be increasingly important because they are created as a coalition of users who, by voluntarily signing on to a contract, collaborate with the goal of producing, consuming and managing energy through one or more local energy plants. Energy communities are therefore a key tool to support citizens and local governments in investing in energy from renewable sources and building energy efficiency. Local energy production and self-consumption will be a critical success factor in ensuring the decarbonisation of the European energy system envisioned for 2050.

The benefits that can be obtained are many: from environmental and social ones that, thanks to the use of shared renewable energies, can reduce the respective impacts, to economic ones through the incentive mechanisms that can be combined with contributions such as the Bonus Casa.

Edison, committed on the front lines of the energy transition challenge, offers solutions and services to stakeholders with the goal of virtuously developing the energy community. From the construction of renewable energy plants (photovoltaic and/or biomass) to the technical/economic management of the community itself, integrating, where possible, more advanced energy management technologies (BIM and BEMS) and monitoring consumption through the latest generation digital platforms.

With this in mind, Edison moved forward with two initiatives during the year:

- participation in the **Italian Forum of Energy Communities network** promoted by WEC Italy and the Energy Center at the Polytechnic University of Turin to support the development of Italian Energy Communities (REC/AUC). Ifec's initiative aims to deepen and share best practices on the topic of Energy Communities, in order to take advantage of their energy-economic-environmental benefits across the country, consistent with the Energy Transition process;
- launch of a **partnership with Gabetti Lab** for the development of **condominium energy communities** involving the installation of photovoltaic systems on roofs for collective self-consumption. Environmental benefits, economic savings on the bills of individual condominiums and a drive towards more responsible consumption (during the hours of photovoltaic production) characterise a solution for which Edison expects to develop 1,000 energy communities in Italy by 2024.

Alongside cultural excellence

In recent years, Edison, which has always been committed to supporting **culture** and excellence, launched initiatives aimed at **promoting sustainability in a range of areas**, including providing its expertise to help cultural institutions manage energy and processes more efficiently.

Therefore, in 2021, the following activities were carried out:

- **Teatro alla Scala:** Edison renewed its support for the Milan opera house again in 2021. Since 2020, Edison has been a Supporting Founder of Teatro alla Scala and is now its sole supplier of green energy. Also in 2021, the collaboration between the Teatro alla Scala Foundation and Edison continued through the "Scala Green" project, which promotes the Foundation's path to energy sustainability and decarbonisation. Thanks to Edison's many years of experience in the efficiency arena and the spirit of innovation nurtured by collaborations with the most important Milan universities, the digital energy model of the Theatre and the former Ansaldo Laboratories has been reconstructed and their behaviour over the course of a year has been reproduced. For this project, Edison surveyed 1,200 rooms, collected data from more than 900 plants and analysed 6,000 light bulbs;
- **Prima Diffusa:** Edison and the Municipality of Milan's Department of Culture, with the collaboration of Teatro alla Scala, returned in 2021 to create the cultural event Prima Diffusa. Now in its tenth edition, the festival involved more than 200,000 spectators and 80 spaces in the city, and organised more than 200 events. To celebrate the anniversary, an exhibition was set up at Accademia della Scala with scenic elements from performances spanning the last ten years;
- **Scala in Città:** this year, Edison and Teatro alla Scala promoted the dissemination of cultural and artistic excellence with a summer festival that featured shows and performances of dance, music and opera throughout the city, including the outskirts and neighbourhoods far from the city centre, in an effort to promote inclusion and sustainability;

- **FAI:** Edison is a partner of FAI - Fondo Ambiente Italiano - with a project for the **regeneration of Italy's cultural heritage** aimed at increasing asset efficiency. Also in 2021, during the FAI Autumn Days, Edison opened up the doors of Palazzo Edison at Foro Bonaparte to visitors and, after the positive experience of 2020 in Cedegolo, the hydroelectric plants in Sonico in Valcamonica as well;
- **Venice Biennale:** in 2020 Edison carried out an efficiency upgrade at the Corderie dell'Arsenale, significantly reducing the energy consumption of the splendid 14th-century building. The intervention was officially announced during the 17th International Architecture Exhibition held in 2021, of which Edison is a partner.

Raising awareness and contributing to the sustainable energy culture of communities

The creation of new skills - new generations

With a view to **guiding younger generations on energy issues**, Edison has been enthusiastically and attentively participating for years in a number of activities involving the world of education in order to activate virtuous and experiential paths.

In 2021, the **Edison School** (www.scuolaedison.it) was created, a digital platform designed to offer energy sector orientation paths. The course has been certified by Confindustria as a Quality Vocational (BAQ) project. Aimed at upper secondary schools, classes III, IV and V, the platform certifies up to 45 hours of PTCO - Pathway for Transversal Skills and Orientation -, divided into two different sections:

- **Training on Electricity Production**, through innovative educational tools such as podcasts, experiments and video explorations of power plants and energy professionals;
- **Project Work**, in which the class turns into a start-up to develop a creative idea. In addition, in a dedicated area, students will have the opportunity to interact with students from other schools and regions and vote for the best idea.

A pilot project was carried out with 8 schools in 2021, while the nationwide rollout began in November 2021 and has already covered nearly 50 High Schools throughout the country.

Also with regard to the younger generations, with a view to developing skills and consolidating its local mission, Edison, together with the Aforisma School of Management, created the **Energy Trades School**, an initiative designed to create **training and employment opportunities for young people** who want to acquire a recognised professional training qualification valid in the energy job market. The work-study and professional apprenticeship tools will be used, which is possible thanks to the willingness of Edison's partner companies (network of installers) in Puglia.

In 2021 **orientation** activities with schools also continued through the usual processes:

- **"Deploy Your Talent"**, a project promoted by the Sodalitas Foundation that aims to promote the diffusion of studies in technical-scientific disciplines and to overcome the gender stereotypes that characterise them;
- **"Tuned On Edison"**, a course designed and managed by the young people of Edison's Young Community to disseminate the energy culture and help people find out about the roles and activities of the energy world.

The many initiatives carried out for young people in the areas in which Edison operates include:

- a broad range of **scholarships** through the **Intercultura** Association for stays abroad, from summer to annual, to reward the brightest and most deserving young people living near the hydroelectric plants (awarded to five young people in 2021);
- a **digital edutainment course** for schools in the area of energy efficiency of certain school buildings, through the creation of an app, in order to meet the requirements laid out in public tenders for school efficiency activities;
- the **GEN-e Project**, the Generation of Energy, with the support of education professionals for children and young people on energy efficiency issues.

Finally, with reference to the areas of the production plants, from hydroelectric and wind power to thermoelectric plants, the company strives - when health emergency conditions so allow - to increase its interaction with **local schools** through **visits to the power plants**, as well as specific training courses and work-study opportunities.

Innovation and new skills for cities and communities

Innovation is an **integral part of Edison's business model**, which for many years now has promoted **research** activities to test **new resources, technologies and models** to accompany the energy transition and market developments. And it has always been open to collaborations with local entities and stakeholders.

In addition to participation in the Sun and Wind Schools for technicians in the photovoltaic and wind power sectors, in 2021 Edison promoted training and sharing opportunities on renewables with **Elis (Edison Wind Monitoring)**: a study aimed at creating a web app for monitoring wind turbines) and programmes to collect innovation proposals from start-ups and SMEs, in particular the launch of the **"Open Italy"** challenge aimed at finding and selecting start-ups on sustainability and renewable energy, health and safety, urban intelligence and sustainable mobility. Edison, as an industrial partner, also joined the **STEP Techpark network**, which supports start-ups in the development of their green-tech projects (sustainable mobility, smart cities) whose mission is to reduce greenhouse gas emissions into the atmosphere.

As part of its collaboration with the **Polytechnic University of Turin**, in 2021 Edison consolidated its relationship with **GEAM - Associazione Georisorse ed Ambiente** (Georesource and Environment Association) with the joint organisation of training and informational webinars for businesses and professionals in the energy and environment sector.

The **Segnali d'Italia** initiative also continued, promoted by Edison and IGPDecaux, which recounts the little known realities in the Turin area of the craftsmen and women, entrepreneurs, associations and non-profit initiatives of the third sector, the people and companies that have managed to design and implement effective and useful actions for the local community.

Responsible management of the supply chain

Edison has a **vast and well-structured** network of suppliers: over time, Edison has built up transparent relations with them, able to create not just short-term value but in the long-term too, in line with the company's material topic concerning the generation of sustainable value in partnership with suppliers. It is precisely the construction of **long-term relationships** with players in the supply chain that guarantees stability in the procurement process and also stimulates the growth of the company and the community.

Edison works with suppliers that guarantee the highest **health and safety standards**, respect for **human rights**, the fight against **corruption** and respect for the **environment**.

To check these requirements, all suppliers are subjected to a **preventive and pre-selection assessment process** before and after a **qualification process** (process contained in **General Regulation 92/2014**, which describes the Processes for the Procurement of goods, services, works, detailing their general principles, policies and fundamental responsibilities, as well as the operating methods and responsibilities). Amongst the many aspects, when they apply suppliers and subcontractors must undertake to comply with Edison's fundamental principles and values, read and accept the 231 Model and the Code of Ethics. Lastly, the suppliers that operate at the sites and offices of the Group must read and accept General Regulation 02/1992, which contains provisions regarding safety, workplace hygiene and protection of the environment for companies, freelance workers and service providers.

The passage of Edison's suppliers through the **Supplier Qualification Portal** on the company's website makes it possible to fuel the aforementioned processes and substantiate a structured assessment that leads to an updated list of industrial, commercial and service companies, professional firms and entities that are suitable for meeting the company's procurement needs. The **evaluation process**, guaranteed by the TQF Supplier Qualification Team (the corporate body within which, through its delegates, all of the company's main Organisational Units using procurement processes are represented) and guided by principles of competence, focuses on **technical aspects** that characterise the supplier for each product category and is divided into five phases: verification of ethical and legal prerequisites, technical assessment, safety, environmental and sustainability assessment (reinforced in 2021), financial assessment and commercial assessment.

During 2021, the section of the Qualification Portal related to **sustainability** was **enhanced** by asking the supplier - through a set of ten questions - for information on ESG areas and exploring: the adoption of sustainability goals, the drafting and publication of a sustainability report, policies on Diversity & Inclusion, partnerships in sustainability projects, policies on human rights, the calculation of GHG emissions, the use of green energy, the use of green gas and the commitment to research and innovation.

With the launch of the update in November, approximately 300 suppliers have enabled a survey of the supplier portfolio with reference to valid metrics to define the starting point of a path with a specific focus on ESG areas (and first and foremost on the issue of human rights), which will be used to draw up a programme of actions. In the course of 2022, dedicated listening/engagement initiatives will be launched with the aim of consolidating the customer-supplier relationship towards a partnership model in which Edison supports the improvement of the supplier sustainability profile.

In 2021, an in-depth study of the supply chain in relation to human rights issues was launched; oversight that could also be implemented through the drafting of a supplier code of conduct based on the UN Global Compact standard.

In terms of short-, medium- and long-term objectives, Edison is committed to **promoting fair and transparent procurement processes**, monitoring the supply chain and orienting it towards sustainability issues. In particular, it intends to introduce specific sustainable procurement initiatives starting from the mapping and surveys conducted during the year.

In 2021, Edison has a total of 4,370 suppliers in the portal, for a total expenditure amount of 642.57 million euros (of which 94% of local suppliers and 6% of foreign suppliers). A total of 86% (555.07 million euros) of the total value of purchases is accounted for by the overall value of supplies assigned to qualified suppliers.

Local suppliers

The issue of local suppliers is particularly relevant to the development and management of renewable energy plants. In the first case, because a certain number of local technical firms are normally involved from the design phase, follow-up during the authorisation processes, as well as the co-interaction and support with relations with the administrations. In the second case because, especially in the civil sector, partnership agreements lasting several years have been entered into with some local companies - for example in the hydroelectric sector - in compliance with the provisions of the protocols linked to 231 regulations and the Code of Ethics.

Aware of the intrinsic value of local suppliers, especially in certain geographical areas where its assets are located, in 2021 Edison analysed its portfolio, leading to the definition of an “identikit” that includes information such as: size and average turnover, typical product categories, possession of certifications and duration of the relationship with Edison. On the basis of the evidence emerging from the analysis, and detailed reports based on dedicated interviews, in 2022 actions will be deployed in order to leverage their value for Edison while also supporting local supplier activities through support for transversal skills.

Natural capital and landscape

Barbara Terenghi
Chief Sustainability
Officer

“Doing Sustainability” implies a deep reflection on our relationship with resources, at the level of individuals, communities, and the corporate world; an invitation that also comes from the Green New Deal where “economic growth decoupled from resource use” is one of the guidelines to face climate challenges and environmental degradation and make Europe a modern, sustainable and resilient country.

Specifically with reference to natural resources, the definition of Natural Capital “the entire stock of natural assets - living organisms, air, water, soil and geological resources - which provide goods and services of direct or indirect value to man and are necessary for the survival of the environment from which they are generated” reminds us how ecosystems provide multiple benefits to mankind, “Ecosystem Services”, which consist not only of the provision of resources essential to the human species, but also other services such as climate regulation services and cultural and tourist-recreational services. A holistic view of the concepts of Natural Capital and Ecosystem Services is at the basis of a truly sustainable approach to resources, which develops from a “linear” model into a “circular” model, which reconciles economic and social development concerns with ecosystem regeneration requirements.*

Natural Capital is a fundamental axis of the sustainability policy of Edison, which - as a responsible energy operator - has always been a player in development and an enabler of shared value in the areas where it operates with its plants. In particular, today, our concrete commitment is translated into actions and projects as well as the integration of the issue among our multi-year sustainability objectives, adding to the already adopted target on Biodiversity to 2023 also one on Landscape to 2025, a topic on which we have started a systemic reflection of enhancement of the same, understood as a platform of integration between Energy, Nature and Society.

In 2021, training and dissemination actions on biodiversity issues were designed, targeting internal and external stakeholders that will see the light in 2022, starting from the Biodiversity Vulnerability Mapping conducted in 2020. Biodiversity Vulnerability Mapping is a snapshot that shows the state of natural capital around Edison's electric generation assets; a database that returns the presence of protected natural areas, land use and the presence of endangered species, and which constitutes a solid base of information within a structured process of scouting, identifying intervention priorities and designing biodiversity protection and restoration projects, even for sites under development.

The mapping process has identified Valtellina as one of the areas with the highest values of biodiversity vulnerability, hence the decision to carry out an in-depth study: the Valtellina Biodiversity Study with a focus on an area close to the Ganda, Belviso and Publino power plants and Orobic Park. The assessment, performed in collaboration with Orobic Park, was developed in accordance with the general objectives promoted by the Lombardy Region with the LIFE+ Programme and led to the drafting of four detailed maps, one of which is entirely dedicated to Ecosystem Services.

* UK Natural Capital Committee

In line with SDG 15, Edison respects and protects biodiversity through a **proactive approach** that translates not only into compliance with **current** environmental **regulations**, but also the promotion of **initiatives and activities aimed at protecting the environment** and local **species**. The company has set itself the goal that by the end of 2023, at least 3 initiatives will be activated to protect habitats and enhance biodiversity, co-designed with local stakeholders, also identified by mapping the vulnerability of existing sites and those in development Edison is also careful to ensure that the development of its plants is consistent with the **landscape, visual and cultural values** and is committed to ensuring that the **landscape**, integrated with the energy issue, is an element of value in the development of the territories in which it operates. Therefore, it has set the goal of developing at least 3 projects relating to this topic by 2025.

Respect for natural resources

In line with what is defined in its **Health and Safety, Environment, Quality and Sustainable Energy Policy**, Edison follows the principles of a responsible energy operator in compliance with current environmental legislation, complies with the requirements established during the authorisation phase for the construction of new plants or revamping, and applies its **ISO 14001** Environmental Management System.

In its plants and infrastructure, from the design phase to construction and then operation, it takes into consideration the most significant **environmental aspects**: solid or liquid waste, noise emissions, excavated soil and rocks (TRS), significant electromagnetic field emissions, water from excavation, washing water, sewage and wastewater, synthetic and glass fibres (FAV), storage of hazardous products use of chemicals, atmospheric emissions, asbestos-containing materials (ACM).

As previously reported, the experience with the Envision Protocol in the wind sector has led to work, which began in 2021 and will be completed in 2022, on **specific Guidelines for applying the Protocol to wind farms**. A focus on the issues of environment, health, safety and sustainability, particularly with reference to the use of resources, becomes central in the definition of strategic design and operational choices for new construction and full reconstruction.

As far as photovoltaic generation is concerned, it is called upon to play a leading role in the national electricity system according to the National Integrated Energy and Climate Plan (PNIEC). To reach the national target of 52 GW of photovoltaic capacity by 2030, it is estimated that both agricultural land and industrial or contaminated rooftops and land will be used (Legambiente, Greenpeace, Italia solare and WWF estimates). In this context, a role will also be played by **agrivoltaics**, i.e. a model in which the production of electricity and the maintenance of soil and vegetation are integrated and contribute to the achievement of land productive, economic and environmental objectives.

This is a form of coexistence that Edison looks at with interest because it not only contributes to the decarbonisation of our energy system, but can also contribute to the sustainability of the agricultural system and the long-term profitability of companies in the sector (energy production can in fact provide concrete support to farmers, without requiring competition - especially for some categories of agricultural products - between space for the production of goods for food consumption and that for energy production). Last but not least, agrivoltaics can encourage the recovery of abandoned farmland.

Ecosystems and biodiversity

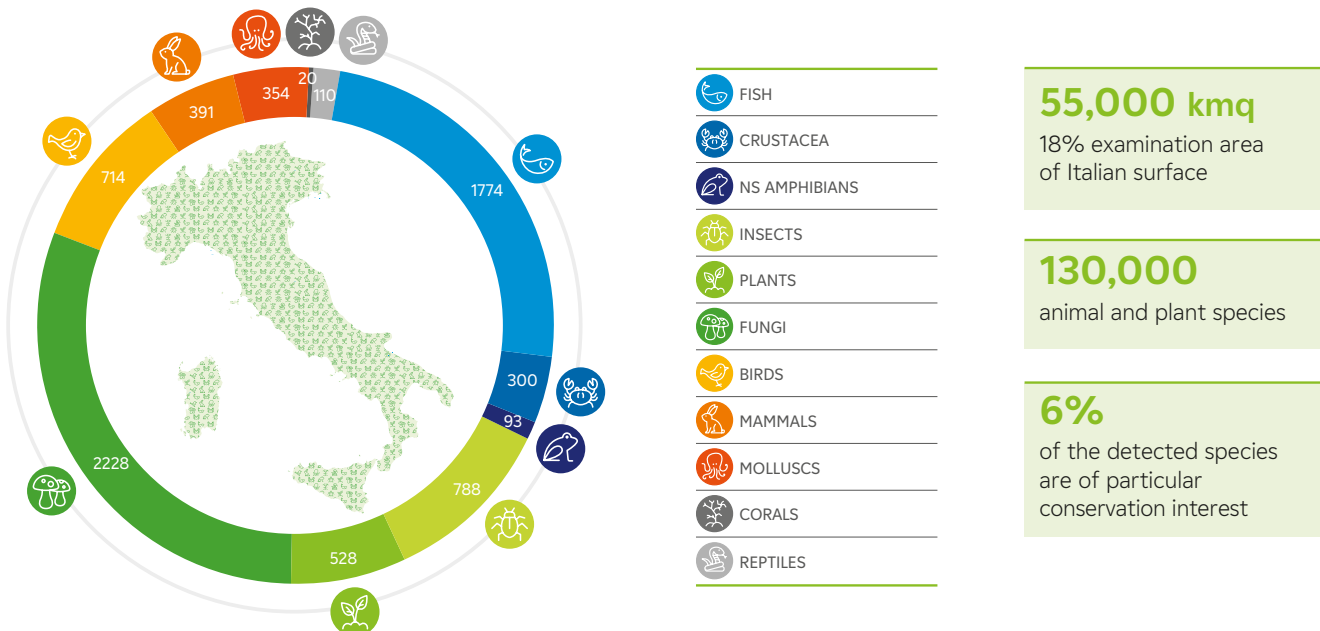
Becoming familiar with sites surrounding the plants from a biodiversity perspective is the first step necessary to carry out protection actions. This is why, in recent years, an **analysis of ecological vulnerability and biodiversity risk in the vicinity of Edison's power generation sites** was carried out using an innovative methodology. This study involved more than 200 thermoelectric, hydroelectric, wind power and photovoltaic plants, conducted entirely in a GIS - Geographic Information System - environment, creating a usable database that can be integrated and updated.

A biodiversity profile was created for each production site by querying within a 10 km buffer the most authoritative and up-to-date indirect sources on biodiversity, understood as a set of 3 levels of information: animal and plant species, scientifically recognised habitats and biomes, and protected natural areas.

Descriptors of ecological vulnerability and biodiversity risk were identified for each information level:

- proximity/distance of any protected area;
- percentage surface area of valuable habitat within the study area;
- percentage density of threatened species (IUCN red list).

Considering the value of the study conducted and the importance of providing information on a subject that has not yet been studied in depth, information and awareness materials were prepared on biodiversity and the analysis approach for different targets (middle school students and adults) with immediately comprehensible infographics that can bring the company closer to the areas it "inhabits" with its plants.

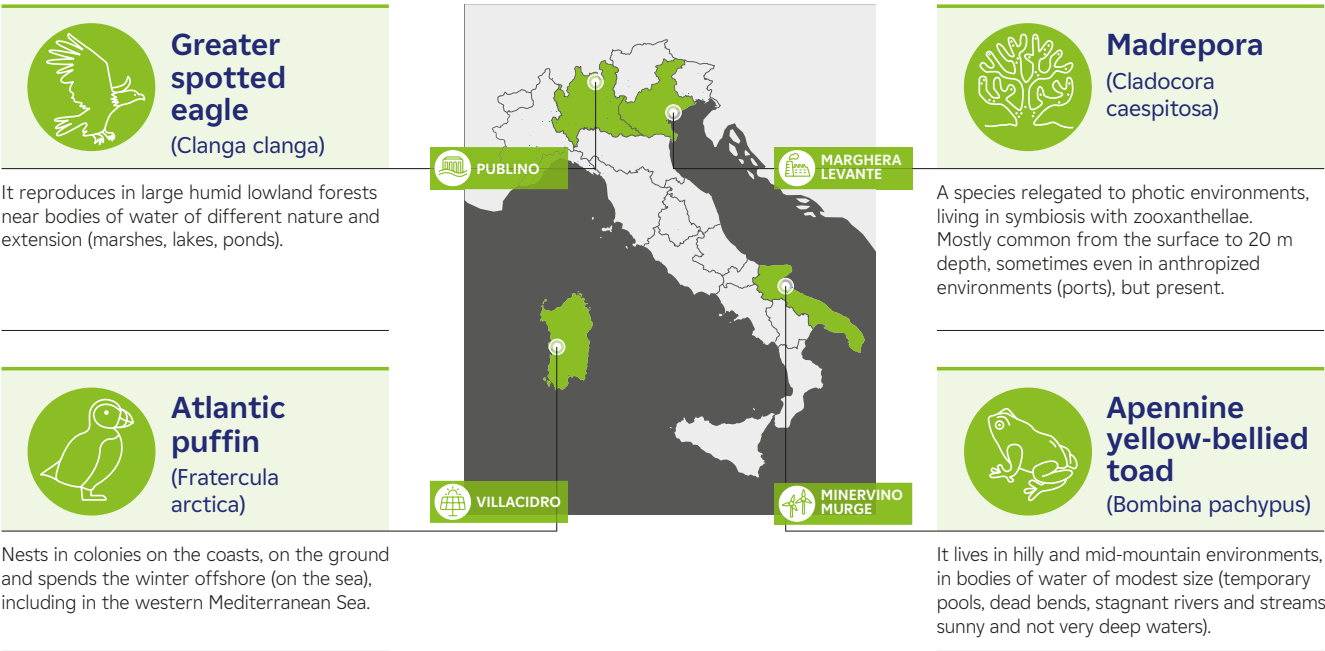


Species of major conservation interest in the territories near our plants.

From the study it was also possible to identify some indicators representative of the biodiversity of specific habitats as well as some “*image species*” representing the ecosystems around the plants analysed.

Precisely based on site mapping, then, in 2021, the *Biodiversity and Ecosystem Services Assessment* Study was conducted on a Valtellina geographical area close to the Ganda, Belviso and Publino **hydroelectric plants** and the area of the **Orobic Valtellinesi Park**. The activities, carried out with the active collaboration of the Park, led to the drafting of a descriptive report and four detailed thematic maps: land use map, vegetation map, nature map (terrestrial or aquatic areas that are distinguished by their geographical, abiotic and biotic features, entirely natural or semi-natural) and summary map of priority ecosystem services (i.e. all those goods and services that natural and semi-natural ecosystems produce, such as the supply of resources, climate stabilisation, waste recycling, protection from erosion and geological instability, pollination, recreational land uses and landscape aesthetics). In the course of 2022, discussions with the Park will continue, also for possible dissemination activities concerning the most significant elements that emerged; lastly, further possible actions will be evaluated.

Finally, among the main initiatives for the protection of biodiversity in 2021 was the continuation of **bird monitoring** on several **wind** farms as well as the preparation of dedicated areas not far from them of “slaughters” to protect local birds of prey. With reference to **photovoltaic** plants, some **soil monitoring** has also begun.



Edison for the landscape

Landscape is undoubtedly a strong element of **identity** and **recognisability in Italy**.

Edison fully embraces the definition of landscape in the sense of “*an area, as perceived by people, whose character is the result of the action and interaction of natural and/or human factors*”. Developed during the **European Landscape Convention** in 2000, this definition includes social aspects for the first time in the term “landscape”; it is also in this sense that Edison identifies in the landscape an element catalysing sustainability policies linked to the creation of value in local areas.

Specifically, Edison is working on a project that focuses on the enhancement of physical and cultural landscapes in synergy with local stakeholders and with the support of professionals and landscape architects with international experience.

In this context, Edison is aware that energy production plants become part of their surrounding landscapes. Therefore, during 2021, Edison participated - like other energy operators - in the publication of the Online Tourist Guide dedicated to wind farms promoted by Legambiente. The site **parchidelfvento.it** was created with the aim of providing directions and information to visit some plants and, at the same time, to highlight beautiful landscapes outside the most popular tourist circuits. Among Edison's, the plant featured in this showcase is Santa Luce in the province of Pisa. The initiative is set to continue during 2022 and additional plants will be included in the publication.

Circular economy and territorial regeneration

The process of transitioning to a circular economy plays a key role in meeting today's environmental challenges.

Edison applies the principles of the circular economy:

- preserving and enhancing natural capital by controlling limited supplies and balancing renewable resource flows;
- optimising resource yields by circulating products, components and materials in use in their maximum utility at all times;
- promoting system effectiveness by revealing negative externalities and designing solutions for the development of its products and/or services, thus contributing to the goal of countering the depletion of natural resources and their irrational use.

In waste management, which any production activity has to deal with in order to dispose of it properly without burdening the environment and the community, Edison proposes customised solutions capable of maximising **recovery** rates and the **leveraging of waste**. The concept of waste leveraging also includes the possibility of **generating energy from an eco-sustainable and widely available waste material** such as **woody biomass**. Through Edison Teleriscaldamento, Edison is active in the district heating sector with more than 80 thermal power stations and 40 distribution networks concentrated in the foothills and mountain areas. A virtuous example is represented by the Edison wood biomass power plant in Cerialdo, inaugurated in 2019, serving the district heating network that is able to cover the heating needs of more than 350 households and some tertiary buildings in the area. The distribution network of the Ciriè plant is also in the pipeline, which will extend over 15 km, reaching 3,000 households and whose district heating plant will use both gas and solid biomass.

With full service contracts for its industrial customers, including ordinary, extraordinary and preventive maintenance services, emergency response and on-site availability in the event of failures, real-time monitoring and the supply of spare parts, Edison **extends the life cycle** of its products and services, thus reducing environmental impact and the natural resources in play.

Furthermore, natural resource **monitoring**, from the design phase to end of life, and the resulting **prevention** of possible harmful effects on the environment and the ecosystem, is central for any public or private organisation. Edison supports its customers in the management of environmental matrix monitoring and analysis systems: water, soil and waste, air quality and atmospheric emissions, microclimate, illumination, optical radiation and electromagnetic fields as well as noise, vibration and biological agents.

However, Edison does not only pursue Circular Economy goals as a business model. Indeed, it has signed on to the “**Generazione SpreK.O.**” initiative promoted by Cittadinanzattiva and co-funded by the Ministry of Labour and Social Policies, which promotes the proper use of goods and resources, recycling and awareness of the social, environmental and economic advantages of sustainable and responsible consumption.

With more than two years of activity, ten local meetings in as many cities that have seen debate between businesses, municipal administrations, public companies and universities, the project aims to promote the empowerment of citizens, stakeholders and responsible consumers, strategic partnerships and processes of collaboration with local authorities and the involvement of young people as promoters of sustainable behaviours, as well as replicability.

Finally, Edison is involved in reclamation activities across large industrial areas of the country, either directly or through third party companies.

Specifically, in 2021 Edison, in collaboration with Ambientthesis, Herambiente (Hera Group), Sersys, established a NewCo specialised in soil and groundwater remediation services. This special purpose entity represents a model for the practical management and successful resolution of cases of land contamination by historic Italian industries. The NewCo will carry out its first interventions in the Tre Monti area of the site of national interest (SIN) of Bussi sul Tirino (Pe) and will gradually expand its activities to other sites.

In addition, Edison, in collaboration with a group of businesses, developed the “**Regeneriamo il Territorio**” digital platform: a place for information and conversation about the regeneration of the territory, land reclamation and the redevelopment of abandoned production sites. A space providing information on the progress of remediation work, the best technological choices, news regarding scientific research and stories of redevelopment that have brought a second life to abandoned industrial sites. The Platform also aims to provide a space for discussion between local communities, experts and businesses, which makes it possible to look at issues from a development perspective.

A note on methodology

Even though Edison is included in the consolidated statement of non-financial performance drafted by its parent company, EDF - Électricité de France SA, it chose not to take advantage of the exemption provided under Article 6, paragraph 2, letter a), of Legislative Decree No. 254/2016 (the “Decree”) and to prepare its own NFD in accordance with that Decree in order to ensure an appropriate and effective level of communication and transparency to the market and its stakeholders.

This consolidated Non-Financial Disclosure of Edison as at December 31, 2021 is therefore prepared in accordance with the provisions of Legislative Decree No. 254/2016 and constitutes a separate document from the Report on Operations, but it is nonetheless an integral part of the documentation pertaining to the 2021 Financial Statements. The Non-Financial Disclosure is therefore to be considered a supplement which completes the Report on Operations and additional documentation regarding the financial statements.

The contents of this Document were identified through a process of checking whether the materiality analysis carried out last year, through which material themes for Edison and its stakeholders were identified, is up to date to the extent needed to ensure an understanding of the company business, its performance, its results and the impact of the company (see paragraph “Material topics and sustainability objectives”).

The reporting period runs from January 1 to December 31, 2021, the data relating to previous years are reported, where available, solely for comparative purposes in order to make it easier to understand the trend in the Group’s activities.

The scope of social and environmental data and information includes all the companies consolidated on a line-by-line basis by the parent company, Edison S.p.A. In this regard, reference should be made to the Consolidated Financial Statements of the Edison Group. More specifically,

- with reference to Edison Exploration & Production S.p.A., sold in December 2020 and in which almost all E&P sector activities were concentrated, it is specified that the data of the activities pertaining to it were included in the consolidated data reported in the 2020 NFD, for the reference period from January 1 to December 31, 2020. Therefore, to allow for comparative reporting between 2020 and 2021, performance has been restated on a like-for-like basis. Therefore, the 2020 environmental data have been restated in this document, excluding those relating to that company;
- following the refinement of the calculation methodology, the quantitative environmental information relating to 2021 also includes that relating to Edison Facility Solutions Spa. Also in this case, to ensure greater comparability, the 2020 figures have been restated to also include those relating to this company.

Details of changes in the scope of the companies during the reporting period are provided in the consolidated financial statements. With reference to the significant changes during 2021, please note:

1. the sale, completed on March 25, 2021, of 100% of Edison Norge AS to Sval Energi. With this transaction, Edison will exit the hydrocarbon exploration and production operations in Norway;
2. the sale, completed on April 30, 2021, to 2i Rete Gas of 100% of Infrastrutture Distribuzione Gas (IDG).

In this regard, it should be noted that, for better comparability, the quantitative environmental data relating to 2020 have been restated to exclude the information of Edison Norge AS and Infrastrutture Distribuzione Gas.

Any additional perimeter limitations are specified in the individual chapters; however, these do not limit an understanding of the Group's activities and the impact generated by the Group.

In order to correctly represent the Group's performance, the use of estimates was limited as much as possible; where use has been made of them, these are based on the best methodologies available and reported accordingly.

This report has been prepared in accordance with the GRI Standards: Core option. In addition, account was taken of the "Electric Utilities Sector Disclosures" and "Oil and Gas Sector Disclosures" as defined by GRI in 2013, and the indicators provided by the Sustainability Accounting Standards Board (SASB) for the *Infrastructure – Electric utilities & power generators* sector, where deemed applicable

This document was presented for approval by Edison S.p.A.'s Board of Directors on February 16, 2022.

This document is subject to a limited examination (limited assurance engagement according to the criteria indicated in standard ISAE 3000 Revised) by KPMG S.p.A. The limited review activity did not address the application of the indications provided by the SASB.

The NFD is published in the "Sustainability" section of the Company's Website (www.edison.it).

Corporate model for the management and organisation of activities

The Internal Control and Risk Management System

Internal auditing

	2020	2021
Total number of audits conducted by business area		
- Corporate & IT	12	8
- Exploration & Production	3	n.a.
- Gas Midstream, Energy Management & Optimisation	3	3
- Power Asset Management	2	4
- Gas & Power Market	5	7
- Energy & Environmental Services	6	8
Total number of audits conducted by thematic area		
231 Model Compliance	7	9
262 Model Compliance	1	1
Contract Management	1	0
Privacy	1	1
Purchasing - suppliers (Supply chain)	2	2
DEP. Hydroelectric and Renewable Sources Development	2	2
DEP. SME Market	2	3
DEP. Residential Market	2	3
DEP. Retail Services Delivery	2	3
Energy Management BU	1	1
Gas Supply, Ptf. Management & Logistics BU	2	1
Governance ICT	1	1
Security and ICT infrastructure	4	3
Auditing and/or checks of whistleblowing reports	5	12

Reports received by the Oversight Boards

	2020	2021
For presumed violations of the Code of Ethics and/or the Organisational Model pursuant to Leg. Dec. No. 231	5	12

Prevention of active and passive corruption

GRI 205-2 Total number and percentage of members of the governance body to whom the organisation's anti-corruption policies and procedures were communicated

(No. people)	2020	2021
Members of the governance body who received communication	9	9
Total members of the governance body	9	9
% communication	100%	100%

GRI 205-2 Total number and percentage of employees to whom the organisation's anti-corruption policies, ethic code trafficking illicit influences were communicated divided by employee category ⁽¹⁾

(No. people)	2020	2021
Managers who received communication	186	191
Total managers	186	191
% communication	100%	100%
Middle managers who received communication	718	745
Total middle managers	741	745
% communication	97%	100%
Office staff who received communication	1,907	2,093
Total office staff	2,070	2,093
% communication	92%	100%
Production staff who received communication	1,197	1,889
Total production staff	1,765	1,889
% communication	68%	100%
Employees who received communication	4,008	4,918
Total employees	4,762	4,918
% communication	84%	100%

GRI 205-2 Total number and percentage of employees to whom the organisation's policies and procedures regarding D. Lgs. 231/01, were communicated divided by employee category ⁽²⁾

(No. people)	2020	2021
Managers who received communication	186	190
Total managers	186	190
% communication	100%	100%
Middle managers who received communication	718	723
Total middle managers	741	723
% communication	97%	100%
Office staff who received communication	1,901	1,917
Total office staff	2,070	1,917
% communication	92%	100%
Production staff who received communication	1,197	1,394
Total production staff	1,765	1,394
% communication	68%	100%
Employees who received communication	4,002	4,224
Total employees	4,762	4,224
% communication	84%	100%

1. Following a refinement of the calculation methodology, the scope of the data referring to the communication to employees of anti-corruption policies and procedures and the related training on the subject also includes, for 2021, the companies Fenice Poland Sp.z.o.o. and EDF Fenice Iberica Slu.

2. Does not include the personnel of foreign companies for which Legislative Decree 231/01 is not applicable.

GRI 205-2 Total number and percentage of members of the governance body who received training on anti-corruption, broken down by employee category

(No. people)	2020	2021
Members of the governance body who received training	9	0
Total members of the governance body	9	9
% participation	100%	100%

(*) During the year, no specific training session was planned for the members of the Governance Body; however, in December 2021, the Board of Directors examined, among others, issues related to smuggling, embezzlement and abuse of office (when detrimental to the financial interests of the European Union) and consequently approved the updating of the 231 Model and the Company's Code of Ethics.

GRI 205-2 Total number and percentage of employees who received training on anti-corruption, broken down by employee category ⁽¹⁾

(No. people)	2020	2021
Managers who received training	7	9
Total managers	186	191
% participation	4%	5%
Middle managers who received training	50	32
Total middle managers	741	745
% participation	7%	4%
Office staff who received training	192	164
Total office staff	2,070	2,093
% participation	9%	8%
Production staff who received training	163	119
Total production staff	1,765	1,889
% participation	9%	6%
Employees who received training	412	324
Total employees	4,762	4,918
% participation	9%	7%

GRI 205-2 Total number and percentage of employees who received training on Legislative Decree 231/01, broken down by employee category ⁽²⁾

(No. people)	2020	2021
Managers who received training	33	22
Total managers	186	190
% participation	18%	12%
Middle managers who received training	151	99
Total middle managers	741	723
% participation	20%	14%
Office staff who received training	495	326
Total office staff	2,070	1,917
% participation	24%	17%
Production staff who received training	171	217
Total production staff	1,765	1,394
% participation	10%	16%
Employees who received training	850	664
Total employees	4,762	4,224
% participation	18%	16%

1. Following a refinement of the calculation methodology, the perimeter of the data referring to the communication to employees of the policies and procedures anti-corruption matters and related training on the subject also includes, for 2021, the companies Fenice Poland Sp.z o.o. and EDF Fenice Iberica SLU.

2. Does not include the personnel of foreign companies for which Legislative Decree 231/01 is not applicable.

GRI 205-2 Total number and percentage of employees who received training on the Code of Ethics, broken down by employee category^(*)

(No. people)	2020	2021
Managers who received training	8	66
Total managers	186	191
% participation	4%	35%
Middle managers who received training	38	335
Total middle managers	741	745
% participation	5%	45%
Office staff who received training	170	1,043
Total office staff	2,070	2,093
% participation	8%	50%
Production staff who received training	132	405
Total production staff	1,765	1,889
% participation	7%	21%
Employees who received training	348	1,849
Total employees	4,762	4,918
% participation	7%	38%

GRI 205-2 Total number and percentage of employees who received training on the trafficking of illicit influences, broken down by employee category^(*)

(No. people)	2020	2021
Managers who received training	29	48
Total managers	186	191
% participation	16%	25%
Middle managers who received training	169	220
Total middle managers	741	745
% participation	23%	30%
Office staff who received training	640	655
Total office staff	2,070	2,093
% participation	31%	31%
Production staff who received training	206	258
Total production staff	1,765	1,889
% participation	12%	14%
Employees who received training	1,044	1,181
Total employees	4,762	4,918
% participation	22%	24%

^(*) Following a refinement of the calculation methodology, the scope of the data referring to the communication to employees of anti-corruption policies and procedures and the related training on the subject also includes, for 2021, the companies Fenice Poland Sp.z.o.o. and EDF Fenice Iberica Slu.

Edison's material themes and the related extra-financial risks

Areas of Legislative Decree No. 254	Material topics of 2021 NFD	Risks
Environmental aspects	Sustainable energy transition	Risks for the non-attainment of green targets, linked to the non-renewal of hydroelectric concessions and delay/difficulty in the construction and management of new plants,
		Risks associated with SSLNG development
		Operational and non-compliance risks
		Risks relating to the European economic and political context
		Risks relating to climate change
	Protection of ecosystems and biodiversity	Market risks
Social aspects	Service quality and focus on customers	Operational risks
		Risks relating to the security of data, the IT network and production sites
		Risks of profitability and growth of integrated services
		Market risks
	Value creation for the local area and communities	Non-compliance and reputational risks
		Operational risks
		Reputational risk
		Risks relating to the Italian economic and political context
	Responsible management of the supply chain	Business continuity risks
		Operational risks
		Risks of non-compliance, unethical behaviour and reputational risks
	Vulnerability to cybercrime	Risks relating to the adequacy of ICT solutions
		Operational risks
	Innovation and digitalisation	Reputational risk
	Stakeholder dialogue and engagement	Risks related to organisational model sustainability
Aspects relating to personnel	Employee well-being, development and inclusion	Reputational risk
		Risks relating to the European economic and political context
		Risks associated with achieving RES development goals
		Risks relating to organisational model sustainability
		Risk relating to attracting and hiring new talents
		Risk relating to employee motivation and involvement
		Risk relating to the maintenance and development of skills
		Risk of non-compliance and unethical behaviour
		Risk relating to employee motivation and involvement
		Risk relating to employee motivation and involvement
Health and safety	Workplace health and safety	Health and safety risks
		Risks relating to weather events and catastrophes
		Risk of non-compliance and unethical behaviour
		Operational risks
Fight against active and passive corruption	Business ethics	Risks relating to organisational model sustainability
	Sustainability in governance	Risk of non-compliance and unethical behaviour
Human rights	Human rights	Risks relating to organisational model sustainability

Material topics and sustainability objectives

Stakeholder dialogue and engagement

Stakeholder category	Engagement methods	Main engagement activities carried out in 2021
Associations* <ul style="list-style-type: none"> National associations European associations Transnational associations Organisations that deal with sustainability and corporate social responsibility International organisations Think Tanks 	<ul style="list-style-type: none"> Participations in Governance Bodies Contribution and regulatory deepening Participations in studies and initiatives Round tables Events Seminars and Webinars Sponsorship 	<ul style="list-style-type: none"> Eurogas/Assocostieri: support on issues related to sustainable mobility Contacts with Legambiente, I4C, ANCITEL, WWF, Greenpeace Webinar through the Energy Efficiency Campus with the Polito Georesources and Environment Association Participation in the EU EIT Digital network Award" Participation in Festival della Diplomazia -XXII edizione
Regulatory Authorities	<ul style="list-style-type: none"> Regulatory Development Meetings/ Round tables Written communications, consultation responses 	<ul style="list-style-type: none"> Inspections by the Ministry of Infrastructures Periodic meetings of analysis of the regulatory impacts of regulations Dialogue with sector authorities and associations of reference in the regulatory field
Business partners	<ul style="list-style-type: none"> Negotiation agreements, collaborations for business development 	<ul style="list-style-type: none"> Partnership agreement with Gabetti Lab for Energy Communities Continuation of the agreement Toyota/Lexus for electric mobility Partnership Amazon Web Services
Customers- consumer associations	<ul style="list-style-type: none"> Meetings for signing contracts Events, conventions and fairs Collaborations on new initiatives for awareness of responsible consumption 	<ul style="list-style-type: none"> Consumer sustainability protocol, protocol of voluntary self-regulation and Single ADR Protocol Energy, Water and District Heating sector Supply offer for territories in which Edison Assets are installed Opening of Edison points in the territories of energy consulting counters, electric recharge stations Spreko project for the fight against waste and the promotion of sustainability
Financial community and shareholders	<ul style="list-style-type: none"> Relationship with Banks, rating companies, analysts and BCE 	<ul style="list-style-type: none"> Financial management in collaboration with banks Occasional interventions with rating agencies
Local community and territory	<ul style="list-style-type: none"> Meetings to promote and present projects Meetings, conventions with the territory and sponsorships (educational, sporting and recreational) 	<ul style="list-style-type: none"> Collaboration with Confindustria Territorial Organizations Membership of FAI Days Compensation projects with the municipalities affected by the assets (e.g. Castiglione Messer Marino heliport) Co-planning with the Orobic park on the theme of biodiversity Membership of the Italian Forum of Energy Communities Support for energy efficiency and sponsorship to cultural institutions (La Scala Theater in Milan ...)
Employees and collaborators	<ul style="list-style-type: none"> E-learning/Training courses Seminars and webinar Meetings and interviews Presentations and practical demonstrations of projects and prototypes Managerial conventions 	<p>For example:</p> <ul style="list-style-type: none"> Internal training course for commercial accounts Course Green Transition: new opportunities for companies Presentation of Smart Home and Robotics projects, drone and robot testing and augmented reality testing Edison X2 managerial meeting
Suppliers	<ul style="list-style-type: none"> Training Dialogues on specific issues Interactions aimed at qualification of the supplier 	<p>For example:</p> <ul style="list-style-type: none"> Training on Edison practices and standards Meetings with partners and suppliers to reflect on new technological trends OT & TLC Infrastructure Optimization Sustainability insights

Stakeholder category	Engagement methods	Main engagement activities carried out in 2021
Future Generations	<ul style="list-style-type: none"> • Mentorship and training activities • Open day • Edison's involvement in events climate awareness campaigns promoted from young colleagues 	<ul style="list-style-type: none"> • Schools of trade and accompaniment to professional paths for technicians working in renewables or low carbon solutions • Operational site visits with presentation of activities • Edison School orientation and digital path of edutainment (creation of an app) • Participation in initiatives for the promotion of STEM studies for young girls
Institutions and Public Administration	<ul style="list-style-type: none"> • Participation in meetings related to energy transition at national and international level • Periodic meetings to update about the projects • Support for the activation of low carbon and energy optimization solutions 	<ul style="list-style-type: none"> • T20 Participation, Engagement Group in view of the G20 • Support to Istituto Affari Internazionali for the drafting of the quarterly report Green Deal Watch • European project Ingenious (Horizon Europe) • European project Beehave (Horizon 2020) • Sustainable Development Laboratory - AnciLab • Program of artistic enhancement of the restoration site of the French Embassy in Italy • Energy efficiency and decarbonization paths for various Public Administration bodies (for example the Melegnano Martesana health park) • District heating projects
Third Sector	<ul style="list-style-type: none"> • Initiatives, projects and proposals • Involvement of colleagues in activities volunteer • Discussion tables on the themes of sustainability 	<ul style="list-style-type: none"> • Establishment of the EOS Foundation and start of activities • Let's Build the Future Award - Edison Special for Valtellina and Valchiavenna • Signals from Italy with IGPDecaux in the Turin area
Media	<ul style="list-style-type: none"> • Interviews, press releases, social media campaigns • Information to journalists for thematic insights 	<ul style="list-style-type: none"> • Press Campaigns
Trade Unions	<ul style="list-style-type: none"> • Project presentation events • Participation in national and local groups 	<ul style="list-style-type: none"> • Meetings in territories where assets and projects are located • Job Organization and Smart Working Agreements
Schools and Universities	<ul style="list-style-type: none"> • Participation in specific initiatives/events/meetings • Research contracts and national and international university thesis proposals 	<p>For example:</p> <ul style="list-style-type: none"> • Digital Identity Observatory • School work experience • Support for the Interculture Program • Edison School • Smart City Observatory - Polytechnic of Milan • Strengthening of activities with the Limes magazine and its School • Smart Home and Robotics Project

(*) A list of the main Associations and Organisation with whom Edison collaborates is provided below:

National associations:

Confindustria; Confindustria Energia; Elettricità futura; Assolombarda; MOTUS E; Anev-Associazione Nazionale Energia del Vento; Unindustria; AIRI-Associazione Italiana per la Ricerca Industriale; IGAS; AEIT-Associazione Italiana di Elettrotecnica, Elettronica, Automazione, Informatica e Telecomunicazioni; AIGET-Associazione Italiana di Grossisti di Energia e Trader; Assocostieri; CEI-Comitato Elettrotecnico Italiano; Energia Libera; Consumers Forum; IFEC – Italian Forum of Energy Communities; Ditne – Distretto Tecnologico Nazionale sull'Energia; FAI – Fondo per l'Ambiente Italiano; GEAM – Associazione Georisorse e Ambiente.

European associations

Eurelectric; Eurogas; GIE-European association of renewable and low-carbon gases infrastructure operators; EFET-European Federation of Energy Traders; EASEE-GAS streaming the gas business; GII-Gruppo di Iniziativa Italiana; Business Europe; IAP-Industrial Advisory Panel; EEMG-European Energy Mediator Group

Organisations that deal with sustainability and corporate social responsibility

Global Compact Network Italia; Fondazione Sodalitas; Elettrici Senza Frontiere; Centro per la cultura d'impresa; CSR Manager Network; ASVIS (Alleanza Italiana per lo Sviluppo Sostenibile); SDSN Italia (Sustainable Development Solutions Network); Organizzazioni rappresentative dell'impegno delle nuove generazioni; CittadinanzAttiva

Transnational associations

OME-Observatoire Méditerranéen de l'Energie; WEC Italia.

International organisations

Energy Charter Treaty (IAP); Energy Community.

Think tanks:

IAI-Istituto Affari Internazionali; ISPI-Istituto per gli Studi di Politica Internazionale; Florence School of Regulation; Aspen Institute; SAFE; BREC-Brussels energy club; LIMES; Fondazione nuovi mecenati; Civita; GLOBE-Associazione nazionale per il clima; I-COM-Istituto per la competitività.

Stakeholder Advisory Board (SAB) Edison members:

Paola **Bellotti** - <https://www.linkedin.com/in/paola-bellotti-059a251/>
Daniela **Bernacchi** - <https://www.linkedin.com/in/daniela-bernacchi-6862b92/>
Matteo **Di Castelnuovo** - <https://www.linkedin.com/in/matteo-di-castelnuovo-b3bb303/>
Isabella **Falautano** - <https://www.linkedin.com/in/isabella-falautano/>
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Patrizia **Gianguialano** - <https://www.linkedin.com/in/patrizia-michela-gianguialano/>
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Massimiliano **Mandarini** - <https://www.linkedin.com/in/massimilianomandarini/>
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Lorenzo **Triboli** - <https://www.linkedin.com/in/lorenzotriboli/>

The material issues

Sustainable energy transition	
<i>Low-carbon energy and green gas development</i>	Supporting the green energy transition and the development of reduced environmental impact production systems. Promoting research, innovation and the use of new technologies, with particular reference to thermoelectric production, including through the development of the green gas supply chain.
<i>Promoting the production and use of renewable energy and flexibility solutions</i>	Promoting the development and consumption of renewable energy through investments to expand renewable generation capacity. Strengthening energy infrastructure and promoting the adoption of new balancing models, in response to the unpredictability and intermittency of renewable sources, in order to make the system more reliable and flexible and ensure continuity in the delivery of essential services.
<i>Accompanying industrial customers and public administration in decarbonisation</i>	Adopting the best available technologies and promoting projects to modernise its own plants and those of its industrial and residential customers, with a view to energy optimisation and gradually decarbonising consumption.
<i>Adaptation and mitigation of risks linked to climate change</i>	Implementing decarbonisation strategies, by monitoring and reducing GHG emissions throughout the value chain, and identifying the impacts generated and suffered by the Group's business activities in relation to climate change, in order to improve risk management and actively respond to international protocols.
<i>Sustainable mobility</i>	Promoting sustainable mobility solutions by gradually replacing traditional fossil fuels with LNG (liquefied natural gas) and electric mobility solutions. Strengthening and promoting the accessibility of services supporting the spread of a sustainable mobility network, in terms of both land and sea transport.
Employee well-being, development and inclusion	
<i>Employability</i>	Encouraging the up-skilling and re-skilling of human resources, through a process of continuous adaptation of training activities. Thus ensuring the competitiveness of the company and protecting the employability of people throughout their professional life cycle.
<i>Plurality and inclusion</i>	Ensuring respect for the principles of diversity and inclusion, combating all forms of discrimination. Ensuring an inclusive and equitable work environment that enables the expression of each resource's talent and active participation in projects and company life.
<i>Well-being and work-life balance</i>	Promoting activities and initiatives aimed at ensuring the best working conditions and well-being for people, promoting a healthy and stimulating work environment that encourages work-life balance.
Workplace health and safety	
<i>Workplace health and safety</i>	Adopting policies, practices, management systems and training activities designed to ensure a safe workplace for people and contractors involved in company operations. Evaluating the health and safety risks associated with plant management through targeted controls and audit activities geared toward workplace injury prevention.
Value creation for the local area and communities	
<i>Value creation for the local area</i>	Supporting the areas in which it operates through activities for involving local communities, with a particular focus on the most vulnerable groups. Making available the Group's energy knowledge, resources and best practices in order to generate a positive and sustainable social impact over time. (Smart cities)
<i>Construction and operation of plants in local areas</i>	Activating virtuous paths of dialogue and co-design of plant solutions to meet the needs expressed by institutions and local communities, in order to enhance their potential and actively participate in the social fabric of the territories in which it operates, becoming a point of reference and promoting inclusive and sustainable growth
<i>Raising awareness and contributing to the energy culture of communities</i>	Increasing the awareness and consciousness of the community as concerns the importance of energy resources, promoting an increasingly conscious use of energy, communicating the activities undertaken by the Group on issues relating to climate change.
Service quality and focus on customers	
<i>Service quality and focus on customers</i>	Aiming for the highest standards of quality in the delivery of energy and ancillary services, with the goal of building loyalty amongst both industrial and residential customers. Identifying the most effective channels of contact and communication, identifying specific indicators for measuring the satisfaction of each customer.

Vulnerability to cybercrime

<i>Infrastructure reliability and business continuity</i>	Efficiently managing the Group's infrastructure through the promotion of innovation, preventive maintenance and continuous monitoring of operations, increasing asset safety and reliability. Developing emergency management plans, from a business continuity perspective, aimed at preventing and/or mitigating potential internal and external risk factors that could compromise service continuity.
<i>Cybersecurity</i>	Adopting practices and policies aimed at safeguarding cybersecurity, particularly sensitive data and information provided by the various stakeholders in accordance with privacy and cybersecurity laws and regulations, including in light of the continued increase in the digitalisation and computerisation of the products and services offered.

Responsible management of the supply chain

<i>Responsible management of the supply chain</i>	Adopting business partner selection policies based on fair and transparent processes, integrating sustainability criteria into responsible supply chain management, particularly with reference to environmental and social aspects.
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Protection of ecosystems and biodiversity

<i>Ecosystems and biodiversity</i>	Mapping, conserving and enhancing the biodiversity of areas subject to ecological vulnerability in which the Group's plants or sites are located, with a view to proactively protecting biodiversity, which translates into the promotion of initiatives and activities aimed at safeguarding the environment and the animal and plant species present, always in compliance with current regulations.
<i>Natural Resources, Circular Economy and Landscape</i>	Efficiently managing available natural resources, seeking to optimise their consumption and minimise their impact, also from a circular economy perspective (production of Biogas from OFMSW). Promoting the responsible use of resources, with respect for the areas where the plants are located and laws in force. Integrating soil, subsoil and groundwater protection policies into operations and developing processes prioritising waste recovery. Focus on plant development balanced with landscape, perceptive and cultural values.

Business ethics

Conducting business activities in compliance with the regulatory environment and ethical and moral standards, adopting practices and procedures to ensure compliance with laws and regulations on socio-economic and environmental matters, as regards combating active and passive corruption and in the approach to taxation. Activating appropriate mechanisms for reporting any irregularities and misconduct in business ethics (e.g. whistleblowing channels), making them available to all Group stakeholders.

Human rights

Protecting and guaranteeing respect for rights connected to the personal sphere, labour and the protection of the environment associated with Group activities, in line with the "Universal Declaration of Human Rights", the international commitments of the United Nations (Global Compact) and the principles sanctioned by the fundamental Conventions of the International Labour Organization (ILO).

Innovation and digitalisation

Investing in research and adopting new technology solutions aimed at boosting the efficiency of and expanding business operations. Leveraging technological innovation and digitalisation to optimise infrastructure management and make service offerings increasingly comprehensive and sustainable

Sustainability in governance

Integrating the approach to ESG issues and sustainability commitments within the Group's governance structure and medium/long-term strategic objectives (Business Plan).

Sustainability in financing and investments

Strengthening the Group's focus on environmentally and socially sustainable financial instruments and investments, that not only generate value for society but also contribute to protecting the planet and improving people's quality of life.

Stakeholder dialogue and engagement

Building transparent communications in stakeholder relations, through ad hoc engagement initiatives aimed at strengthening the relationship and dialogue with the most influential stakeholders, in order to identify and meet their expectations.

Sustainability goals relating to the 2020 NFD - actual

Policy	KPI	Unit of measurement	2020	2021
Sustainability of company processes				
DIGITAL TARGET: at least 30 digital transformation projects by 2021	Projects implemented in the year (EESM area)	no.	10	5
	Projects implemented in the year (Digital area)	no.	6	12
	Total projects implemented	no.	41	61
Fight against climate change				
RENEWABLE SOURCE TARGET: 40% of production by 2030	Production from renewable sources	%	26	27
CO₂ TARGET: specific emissions from electric power generation facilities at 0.26 kg/kWh by 2030, within the framework of the Italian carbon reduction plan	Specific CO ₂ emissions	Kg/kWh	0.268	0.271
People and skills as a platform for growth				
INCLUSION TARGET: at least 2,000 employees involved in inclusion projects by 2021	Employees involved in inclusion projects and initiatives	no.	223	511
	Grand total	no.	2,077	2,588
COLLABORATION TARGET: at least 70% of employees involved in the use of social collaboration tools	Users who use social collaboration tools	%	76.33	82%
DIVERSITY TARGET: balanced management candidate pipeline to improve the presence of women	Women participating in management assessment (figure over the three-year period)	%	29%	15%
	Women in upper management (average population in the three-year period)	%	27.1%	27.1%
	Pipeline balancing ratio	%	1.9	0.6
Close to the customers and the markets				
SMART BUILDING TARGET: by 2021, at least 30 innovative design initiatives through the innovative BIM system	Projects with BIM system implemented in the year	no.	12	7
	Total BIM projects	no.	23	30
CUSTOMER RELATIONSHIP TARGET: high customer satisfaction over time (NPS>6) and the consolidation of a network of at least 400 regional contact points by 2021	NPS Index	no.	19.9	21
	Contact point balance in the year	no.	249	61
	Total contact points opened	no.	613	674
Sustainable production and protection of biodiversity				
TARGET: by the end of 2023, at least 3 initiatives to protect habitats and enhance biodiversity, co-designed with local stakeholders, also identified by mapping the vulnerability of existing sites and those in development	Sites analysed in the mapping	no.	200	200
	Initiatives co-designed	no.	0	2
	Initiatives launched	no.	0	1
Dialogue with stakeholders and shared design				
STAKEHOLDER ENGAGEMENT TARGET: at least two meetings of the SDGs@ Edison stakeholder panel per year, of which at least one in the areas of interest	Annual meetings of the stakeholder panel	no.	3	3
	- of which in the areas of interest	no.	0	0

EU Taxonomy Indicators

EU taxonomy- Turnover-Capex-Opex

(million euros) 12.31.2021	Turnover	CAPEX	OPEX
4.1. Electricity generation using solar photovoltaic technology			
4.3. Electricity generation from wind power			
4.5. Electricity generation from hydropower			
4.20. Cogeneration of heat/cool and power from bioenergy			
4.24 Production of heat/cool from bioenergy			
5.7 Anaerobic digestion of bio-waste			
7.3 Installation, maintenance and repair of energy efficiency equipment			
7.6 Installation, maintenance and repair of renewable energy technologies			
Total	650	147	84

Climate Action^(*)

GRI 302-1 Energy consumed within the organisation and SASB - Electric Utilities & Power generators IF-EU-000.E

The sources of the conversion and emission factors used for fossil fuels and electricity are shown within the following tables.

Energy carrier	Conversion factor source	
	2020	2021
Natural gas		
Diesel	ISPRA, Table of national standard parameters, 2019	ISPRA, Table of national standard parameters, 2021
Petrol		
Coal		
Biomass	DEFRA, UK Government conversion factors for company reporting, 2020	DEFRA, UK Government conversion factors for company reporting, 2021
Biogas		
Electricity	Constant	Constant
District heating	Constant	Constant

	2020		2021	
	Thousands of GJ	GWh	Thousands of GJ	GWh
Non-renewable fuels				
Natural gas	107,529	29,869	102,076	28,354
<i>of which for production of electricity</i>	107,477	29,855	102,010	28,336
<i>of which for auxiliary consumption</i>	34	10	56	16
<i>of which for heating</i>	18	5	9	3
Diesel	52	14	65	18
Petrol	2	1	1	0.2
Coal	1,568	436	1,746	485
Non-renewable electricity				
Electricity acquired from non-renewable sources	64,160	17,822	54,448	15,124
Electricity acquired from non-renewable sources and sold to third parties	63,328	17,591	53,622	14,895
Non-renewable electricity consumed	832	231	826	229
District heating				
District heating acquired from non-renewable sources	3	1	2	1
Energy consumption from non-renewable sources	109,987	30,552	104,716	29,088

(*) For the sake of greater comparability, the 2020 environmental data have been restated following the disposal of Edison Exploration & Production S.p.A and Infrastrutture Distribuzione Gas, which were sold by the Edison Group in December 2020 and April 2021, respectively. Refer to the 2020 Consolidated Non-Financial Disclosure for previously published historical data.

	2020		2021	
	Thousands of GJ	GWh	Thousands of GJ	GWh
Renewable fuels				
Biomass	6,565	1,824	4,391	1,220
Wood	862	240	1,494	415
Biogas	60	17	136	38
Renewable electricity				
Electricity acquired from renewable sources	9,716	2,699	11,401	3,167
Electricity acquired from renewable sources and sold to third parties	9,716	2,699	11,401	3,167
Electricity self-produced and self-consumed from renewable sources	1,102	306	233	65
Renewable electricity consumed	1,102	306	233	65
Energy consumption from renewable sources	8,590	2,386	6,255	1,738

GRI 302-4 Reduction of energy consumption

	2020			2021		
	TOE/year	Thousands of GJ	GWh	TOE/year	Thousands of GJ	GWh
Reduction in electricity consumption	2,082	40	11	2,040	39	11
Reduction in natural gas consumption	80,359	3,393	943	36,237	1,529	425
Other reductions	180	-	-	-	-	-

Reduction obtained with respect to situation prior to intervention or reference that would have been obtained with systems/technologies that, at the date of implementation of the project, constituted the standard market offer in technological terms and/or minimum standard set by the legislation in relation to the operating conditions set forth in the post-intervention configuration. Type III certificates do not correspond to a single "type" of energy, so it is not possible to identify a unique conversion factor.

GRI 305-1 Direct (Scope 1) GHG emissions and SASB - Electric Utilities & Power generators IF-EU-110a.1

The sources of the emission factors used to calculate Scope 1 emissions are shown within the following table.

Emission source	Emission factor source	
	2020	2021
Natural gas		
Diesel	ISPRA, Table of national standard parameters, 2019	ISPRA, Table of national standard parameters, 2021
Petrol		
Coal		
Biomass	DEFRA, Government conversion factors for company reporting, 2020	DEFRA, Government conversion factors for company reporting, 2021
Biogas		
District heating	ISPRA, Table of national standard parameters, 2019	ISPRA, Table of national standard parameters, 2020
Refrigerant gases	IPCC Emission factors - 5th Assessment, ADEME Base Carbone, DEFRA, Government conversion factors for company reporting, 2020	IPCC Emission factors - 5th Assessment, ADEME Base Carbone, DEFRA, Government conversion factors for company reporting, 2021
Distribution gas leaks	Global Warming Potential - Climate Policy Watcher	Global Warming Potential - Climate Policy Watcher

The sources of the emission factors used to calculate Scope 2 emissions are shown within the following table.

Emission source	Emission factor source	
	2020	2021
Location-based		
Electricity	IEA CO2 emissions from fuel combustion - 2020 edition (2019 data)	IEA CO ₂ emissions from fuel combustion - 2021 edition (2019 data)
District cooling	ISPRA, Atmospheric emission factors of greenhouse gases in the domestic electricity sector and major European countries, 2019	ISPRA, Atmospheric emission factors of greenhouse gases in the domestic electricity sector and major European countries, 2021
District heating		
Steam		
Market-based		
Electricity	AIB - European Residual Mixes, 2019	AIB - European Residual Mixes, 2021
District cooling	ISPRA, Atmospheric emission factors of greenhouse gases in the domestic electricity sector and major European countries, 2019	ISPRA, Atmospheric emission factors of greenhouse gases in the domestic electricity sector and major European countries, 2021
District heating		
Steam		

	Unit of measurement	2020	2021
GRI 305-1: Direct emissions of GHG (Scope 1)	tCO ₂	6,282,177	5,864,197
of which CO ₂ for the production of electricity and thermal energy	tCO ₂	6,245,541	5,819,208
of which under ETS	%	92%	91%
GRI 305-2: Indirect emissions of GHG (Scope 2) - location based	tCO ₂	70,946	65,397
GRI 305-2: Indirect emissions of GHG (Scope 2) - market based	tCO ₂	107,761	105,301
GRI 305-3: Indirect emissions of GHG (Scope 3)	tCO ₂	22,857	19,932
of which CO ₂ for business travel	tCO ₂	784	533
of which CO ₂ for waste disposal	tCO ₂	22,073	19,399

Scope 1, Scope 2, and Scope 3 emissions are expressed in tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂-equivalent) as inferred from the relevant technical literature.

GRI 305-4 Carbon intensity

	Unit of measurement	2020	2021
Intensity of emissions (electricity and thermal energy)	gCO ₂ /kWh	267	271
Intensity of emissions (thermoelectric and thermal energy produced)	gCO ₂ /kWh	346	350

For the calculation of the intensity of emissions, the total gross electrical and thermal energy produced was used, equal to 21,432,476,810 kWh.

GRI 305-7 Total atmospheric emissions

	Unit of measurement	2020	2021
NOx	t	2,693	2,687
SOx	t	525	603
CO	t	1,650	2,156
Particulates	t	93	49

EU 1 - Installed capacity, divided by primary energy source

	Unit of measurement	2020	2021
Capacity from non-renewable sources (thermoelectric plants)	MW	8,438	7,838
<i>of which electric</i>	MW	4,623	4,490
<i>of which thermal</i>	MW	1,842	1,344
Capacity from renewable sources	MW	1,879	1,967
<i>Hydroelectric plant capacity</i>	MW	861	866
<i>Wind plant capacity</i>	MW	890	975
<i>Biomass and photovoltaic plant capacity</i>	MW	94	96
Total capacity	MW	10,317	9,805
Total electric capacity	MW	6,468	6,426
Electric capacity from renewable sources	%	27%	29%

GRI Standard EU2 and SASB - Electric Utilities & Power generators IF-EU-000.D - Net electricity production

	2020		2021	
	GWh	Thousands of GJ	GWh	Thousands of GJ
Non-renewable energy (thermoelectric)	17,507	63,024	16,348	58,851
<i>of which combined-cycle</i>	15,286	55,031	14,021	50,477
<i>of which electricity</i>	13,534	48,721	12,394	44,620
<i>of which thermal energy</i>	1,753	6,310	1,627	5,857
Renewable energy (electric)	4,991	17,968	4,734	17,042
<i>of which hydroelectric energy</i>	3,201	11,524	2,665	9,595
<i>of which wind power</i>	1,618	5,825	1,863	6,705
<i>of which energy from other renewable sources (solar, photovoltaic and biomass)</i>	172	619	206	741
Total production (*)	22,498	80,992	21,081	75,893
Share of total energy produced from renewable sources	22%		22%	
Total electric power production	18,880	67,969	17,486	62,950
<i>of which from non-renewable sources (thermoelectric)</i>	74%		73%	
of which from renewable sources	26%		27%	
<i>of which from renewable sources (hydroelectric)</i>	17%		15%	
<i>of which from renewable sources (wind)</i>	9%		11%	
<i>of which from biomass and photovoltaic</i>	1%		1%	
Total thermal power production	3,618	13,023	3,595	12,943

(*) All net electricity produced is sold to third parties.

Green energy sold to customers

	Unit of measurement	2020	2021
Total quantity of green energy sold to customers	GWh	2,338	3,319*

(*) Please note that the figure relating to the quantity of green energy sold to customers, referring to 2021, has been estimated as it will be available following the publication of this Report.

Biomethane sold to customers

	Unit of measurement	2020	2021
Biomethane sold to customers	SCM	67,000,000	95,263,000

OG 2 Total amount invested in renewable energy

	Unit of measurement	2020	2021
Total investment amount	Millions of euros	57	123
Wind farms	Millions of euros	36	75
Solar plants	Millions of euros	-	-
Hydroelectric plants	Millions of euros	12	29
Biomass plants	Millions of euros	3	2
<i>of which first generation biomass</i>	Millions of euros	-	-
<i>of which advanced biomass</i>	Millions of euros	3	2
PV plants	Millions of euros	7	17
Biogas production	Millions of euros	23	1

Human capital and inclusion

GRI 406-1 Instances of discrimination and corrective measures adopted

	2020	2021
Total number of instances of discrimination during the reporting period	0	0

GRI 405-1 Breakdown of personnel by employee category, by gender

	2020		2021	
	no.	%	no.	%
Managers	186		191	
- men	150	81	149	78
- women	36	19	42	22
Middle managers	741		745	
- men	516	70	519	70
- women	225	30	226	30
Office staff	2,070		2,093	
- men	1,344	65	1,349	64
- women	726	35	744	36
Production staff	1,765		1,889	
- men	1,740	99	1,865	99
- women	25	1	24	1
Total	4,762		4,918	
- men	3,750	79	3,882	79
- women	1,012	21	1,036	21

GRI 405-1 Breakdown of personnel by employee category, by vulnerable categories

	2020		2021	
	no.	%	no.	%
Managers	186		191	
- of which protected categories (disabled + other categories)	-	0	-	0
Middle managers	741		745	
- of which protected categories (disabled + other categories)	8	1	8	1
Office staff	2,070		2,093	
- of which protected categories (disabled + other categories)	107	5	114	5
Production staff	1,765		1,889	
- of which protected categories (disabled + other categories)	75	4	78	4
Total	4,762		4,918	
- of which protected categories (disabled + other categories)	190	4	200	4

Following a refinement of the methodology, data relating to the number of employees belonging to protected categories in 2020 have been restated to include information from Edison Facility Solutions Spa. Refer to the 2020 Consolidated Non-Financial Disclosure for previously published historical data.

GRI 405-1 Breakdown of personnel by employee category, by age bracket

	2020		2021	
	no.	%	no.	%
Managers	186		191	
- of which < 30 years old	-	0	-	0
- of which between 30 and 50 years old	57	31	62	32
- of which > 50 years old	129	69	129	68
Middle managers	741		745	
- of which < 30 years old	1	0	1	0
- of which between 30 and 50 years old	484	65	470	63
- of which > 50 years old	256	35	274	37
Office staff	2,070		2,093	
- of which < 30 years old	206	10	198	9
- of which between 30 and 50 years old	1,307	63	1,329	63
- of which > 50 years old	557	27	566	27
Production staff	1,765		1,889	
- of which < 30 years old	131	7	125	7
- of which between 30 and 50 years old	865	49	939	50
- of which > 50 years old	769	44	825	44
Total	4,762		4,918	
- of which < 30 years old	338	7	324	7
- of which between 30 and 50 years old	2,713	57	2,800	57
- of which > 50 years old	1,711	36	1,794	36

GRI 102-8 Employees by employment contract (permanent and fixed-term), by gender

	Unit of measurement	2020	2021
Permanent	no.	4,684	4,838
- men	no.	3,700	3,813
- women	no.	984	1,025
Fixed-term	no.	78	80
- men	no.	50	69
- women	no.	28	11
Total	no.	4,762	4,918
- men	no.	3,750	3,882
- women	no.	1,012	1,036

GRI 102-8 Employees by employment contract (permanent and fixed-term), by geographical area

	Unit of measurement	2020	2021
Permanent	no.	4,684	4,838
- <i>abroad</i>	no.	653	664
Fixed-term	no.	78	80
- <i>abroad</i>	no.	34	30
Total	no.	4,762	4,918
- <i>abroad</i>	no.	687	694

GRI 102-8 Employees by employment type (full time and part-time), by gender

	Unit of measurement	2020	2021
Full-time employees	no.	4,624	4,783
- <i>men</i>	no.	3,732	3,854
- <i>women</i>	no.	892	929
Part-time employees	no.	138	135
- <i>men</i>	no.	18	28
- <i>women</i>	no.	120	107
Total	no.	4,762	4,918
- <i>men</i>	no.	3,750	3,882
- <i>women</i>	no.	1,012	1,036

GRI 102-8 Non-employee workers

	Unit of measurement	2020	2021
Interns	no.	44	43
- <i>men</i>	no.	25	29
- <i>women</i>	no.	19	14
Temp staff	no.	47	63
- <i>men</i>	no.	27	37
- <i>women</i>	no.	20	26
Total	no.	91	106
- <i>men</i>	no.	52	66
- <i>women</i>	no.	39	40

GRI 404-1 Training hours provided by employee category

	Unit of measurement	2020	2021
Managers	no.	5,227	6,259
- men	no.	3,833	4,301
- women	no.	1,391	1,958
Middle managers	no.	27,076	33,496
- men	no.	18,984	22,229
- women	no.	8,092	11,267
Office staff	no.	60,864	69,959
- men	no.	39,365	48,874
- women	no.	21,499	21,085
Production staff	no.	36,880	54,759
- men	no.	36,750	54,609
- women	no.	130	150
Total	no.	130,048	164,472
- men	no.	98,932	130,012
- women	no.	31,113	34,460

The 2020 flow data relating to training hours provided, employees undergoing annual feedback interviews and parental leave were restated following the disposal of Edison Exploration & Production S.p.A, which was sold by the Edison Group in December 2020. Refer to the 2020 Sustainability Report for previously published historical data.

GRI 404-1 Average hours of training per employee, by gender

	Unit of measurement	2020	2021
Managers	no.	28	33
- men	no.	26	29
- women	no.	39	47
Middle managers	no.	37	45
- men	no.	37	43
- women	no.	36	50
Office staff	no.	29	33
- men	no.	29	36
- women	no.	30	28
Production staff	no.	21	29
- men	no.	21	29
- women	no.	5	6
Total	no.	27	33
- men	no.	26	33
- women	no.	31	33

The 2020 flow data relating to training hours provided, employees undergoing annual feedback interviews and parental leave were restated following the disposal of Edison Exploration & Production S.p.A, which was sold by the Edison Group in December 2020. Refer to the 2020 Sustainability Report for previously published historical data.

GRI 404-3 Employees who received an annual review

	2020		2021	
	no.	%	no.	%
Managers	181	97	189	99
- men	146	97	148	99
- women	35	97	41	98
Middle managers	721	97	717	96
- men	500	97	499	96
- women	221	98	218	96
Office staff	1,984	96	1,900	91
- men	1,289	96	1,237	92
- women	695	96	663	89
Production staff	1,648	93	1,676	89
- men	1,625	93	1,656	89
- women	23	92	20	83
Total	4,534	95	4,482	91
- men	3,560	95	3,540	91
- women	974	96	942	91

2020 flow data relating to training hours provided, employees subjected to annual feedback interview and parental leave were restated following the sale of the company Edison Exploration & Production S.p.A, which was sold by the Edison Group in December 2020. For previously published historical data, refer to the 2020 Sustainability Report.

Return to work and retention rates after parental leave, by gender

	Unit of measurement	2020	2021
Employees entitled to parental leave	no.	4,755	4,910
- women	no.	1,007	1,032
- men	no.	3,748	3,878
Employees who took parental leave	no.	96	87
- women	no.	91	83
- men	no.	5	4
Employees whose parental leave ended in the year	no.	58	54
- women	no.	53	50
- men	no.	5	4
Employees whose parental leave ended in the year and who returned to work	no.	58	54
- women	no.	53	50
- men	no.	5	4
Total retention rate	%	100%	100%
Retention rate for women	%	100%	100%

2020 flow data relating to training hours provided, employees subjected to annual feedback interview and parental leave were restated following the sale of the company Edison Exploration & Production S.p.A, which was sold by the Edison Group in December 2020. For previously published historical data, refer to the 2020 Sustainability Report.

The total retention rate equals the total number of employees who returned to work after completing parental leave in the reporting year out of the total number of employees who completed parental leave. The retention rate for women equals the number of women employees who returned to work after completing parental leave in the reporting year out of the total number of women employees who completed parental leave.

GRI 102-41 Collective bargaining agreements

	Unit of measurement	2020	2021
Employees covered by the national bargaining agreement	no.	4,762	4,918
Employees who are members of a trade union	no.	1,171	1,195
Employees covered by the national bargaining agreement	%	100	100
Employees who are members of a trade union	%	25	24

Ratio between basic salary of women with respect to men

	Unit of measurement	2020	2021
Top Management*			
Remuneration ratio of women to men	%	n.a.	n.a.
Age ratio of women to men (average years)	no.	n.a.	n.a.
Management			
Remuneration ratio of women to men	%	95	94
Age ratio of women to men (average years)	no.	2.1	1.8
Professionals			
Remuneration ratio of women to men	%	95	95
Age ratio of women to men (average years)	no.	2.0	1.8
Office staff			
Remuneration ratio of women to men	%	91	92
Age ratio of women to men (average years)	no.	1.8	1.8
Production staff*			
Remuneration ratio of women to men	%	n.a.	n.a.
Age ratio of women to men (average years)	no.	n.a.	n.a.

(*) With reference to the ratio between basic salary of women with respect to men for the "Production staff" and "Top management" categories, data are not relevant for the KPI's calculation, considering the low numerical representativeness in those categories of the female gender. In addition, data do not include local employees of foreign sites or employees of Italian companies not on the centralised payroll system.

GRI 403-9 Workplace injuries to Group employees (No. cases) (*)

Group employees	2020	2021
Number of workplace injuries recorded	15	19
- of which, number of deaths following workplace injuries	-	-
- of which, workplace injuries with serious consequences (excluding death)	-	-

The 2020 workplace injury data were restated following the disposal of Edison Exploration & Production S.p.A, which was sold by the Edison Group in December 2020. Refer to the 2020 Sustainability Report for previously published historical data.

GRI 403-9 Hours worked by Group employees

Group employees	2020	2021
Hours worked	8,018,463	8,401,281

GRI 403-9 Injury rate and deaths of Group workers

Employees	2020	2021
Rate of workplace injuries recorded	1.9	2.3
Death rates due to workplace injuries	0.0	0.0
Rate of workplace serious injuries	0.0	0.0

Note:

i Workplace injury rates are based on one million hours worked and are calculated as the number of recorded workplace injuries, multiplied by 1,000,000, divided by the number of hours worked.

ii The overall frequency rate of work-related injuries (IF), which includes group personnel and personnel of third-party companies, is 1.7 for 2021.

GRI 403-9 Workplace injuries to external workers (No. cases)

External workers	2020	2021
Number of workplace injuries recorded	10	9
- of which, number of deaths following workplace injuries	1	2
- of which, workplace injuries with serious consequences (excluding death)	0	0

GRI 403-9 Hours worked by external workers

External workers	2020	2021
Hours worked	4,299,665	8,471,279

GRI 403-9 Injury rate and deaths of external workers

External workers	2020	2021
Rate of workplace injuries recorded	2.3	1.1
Death rates due to workplace injuries	0.2	0.2
Rate of workplace serious injuries	0.0	0.0

Notes: workplace injury rates are based on one million hours worked and are calculated as the number of recorded workplace injuries, multiplied by 1,000,000, divided by the number of hours worked.

Sites covered by HSE management systems

	Unit of measurement	2020	2021
Sites covered by ISO 14001 management systems			
Electricity operations and energy services	%	98	99
Gas storage sector	%	100	100
Sites covered by EMAS management systems			
Electricity operations	%	45	45
Gas storage sector	%	9	25
Sites covered by ISO 45001 management systems			
Electricity operations	%	95	97
Gas storage sector	%	100	100
Sites covered by ISO 50001 management systems			
Energy services	%	44	13

Inspections - Italy

	Unit of measurement	2020	2021
By the local health unit, ARPA (Regional Environmental Protection Agency) and the municipal, provincial and regional authorities	no.	92	27
Other	no.	53	126
Total inspections	no.	145	153

Health care

	Unit of measurement	2020	2021
Medical examinations provided	no.	2,467	3,129

Audits

	Unit of measurement	2020	2021
Internal audits	no.	156	258
Third party audits	no.	79	35
Total audits	no.	235	293

Value for customers, local areas and sustainable economic development

EU 3 - Number of customer contracts (POD/PDR) broken down by type (millions)

Type of user	2020			2021		
	Type of service			Type of service		
	Distribution/transport	Sale	Total	Distribution/transport	Sale	Total
Gas	n.a.	0.9	0.9	n.a.	0.9	0.9
Power	n.a.	0.7	0.7	n.a.	0.7	0.7
Total	n.a.	1.5	1.5	n.a.	1.6	1.6

Claim Index

Type of service	2020	2021
Electricity services	0.75%	0.76%
Natural gas services	0.58%	0.52%
Monthly average data	0.67%	0.63%

Number of registered customers: Mobile app and reserved area (No. cases)

	2020	2021
Total number of customers registered on the mobile app	11,821	44,503
Total number of customers registered in the reserved area	70,368	53,285

The figure relating to the number of customers registered in 2020 has been estimated as previously another platform was used, which is no longer active and can be consulted. Specifically, data were extracted for the period May – December 2020, this value was divided by 8 and multiplied by 12 monthly payments.

NPS Index

	Unit of measurement	2020	2021
NPS Index		20	21

SASB: IF-EU-550a.1 Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations (No. cases)

	2020	2021
Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	363	590

The number of cases is expected to increase in 2021 due to increased employee awareness of the issue.

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

	2020	2021
Total number of substantiated complaints received concerning breaches of customer privacy	0	0*
- of which received from external parties and confirmed by the organisation	0	0
- of which received from regulatory bodies	0	0
Total number of customer data leaks, thefts or losses	0	0

The data reported for GRI 418-1 indicator refer to Group companies that have a direct relationship with customers (AMG, Edison Energia, Assistenza Casa). With reference to the data reported, no written communication was received from an Authority or similar Public Supervisory Body and all communications/reports were filed without sanctions.

(*) A preventive action taken by the Company was reported during the year which led, in any case, to the filing of the event by the Guarantor, following verification by the latter of the contents of the notification and the measures put in place to protect customers.

Number of security alarms analysed

	2020	2021
Total number of security alarms analysed	8,627	1,000

GRI 102-9 Supply chain

	2020	2021
Local suppliers (Italian)		
Total number of suppliers engaged by the organisation	3,043	2,935
Estimated number of suppliers throughout the entire supply chain	n.a.	n.a.
Foreign suppliers		
Total number of suppliers engaged by the organisation	276	156
Estimated number of suppliers throughout the entire supply chain	n.a.	n.a.

GRI 204-1 Proportion of expenditure on local suppliers

	2020		2021	
	Expense (in million euros)	%	Expense (in million euros)	%
Expenditure on suppliers	972.8	-	642.6	-
- suppliers in Italy	951.6	98%	604.8	94%
- foreign suppliers	21.2	2%	37.8	6%

Supplier vetting and screening

	2020		2021	
	Expense (in million euros)	%	Expense (in million euros)	%
Number of qualified suppliers	4,098	-	4,370	-
Total value of supplies	972.8	-	642.6	-
- of which subject to qualification	825.6	85%	555.1	86%

GRI 205-2 Total number and percentage of Type I commercial partners to whom the organisation's anti-corruption policies and procedures were communicated

(No. commercial partners)	2020	2021
Commercial partners that received communication	1,133	1,140
Total commercial partners	3,319	3,091
% participation	34%	37%

Natural capital and landscape

GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Site	Geographical area	Type of activity (e.g., office, manufacturing or production, mining, etc.)	Biodiversity value characterised by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater or maritime ecosystem)	Biodiversity value characterised by the list of protection regimes (such as IUCN protected area management categories, Ramsar Convention, national legislation)"
Montemignaio	Tuscany	Wind farms	The lands near these sites have sensitive areas for biodiversity, high cover of natural environments (according to Corine Land Cover 2018), and relative IUCN species richness	
Roio del Sangro	Abruzzo			
Mistretta	Sicily			
Rocca Spinalveti	Abruzzo			
Melissa Strongoli	Calabria			
Minervino Murge	Apulia			
Monteferranta	Abruzzo			
Rignano garganico	Apulia			
Fraine	Abruzzo			
Publino	Lombardy	Hydroelectric plants		
Alto Preit	Piedmont			
Piancone	Piedmont			
Ossola - Morelli	Piedmont			
Venina Superiore	Lombardy			
Alto Ossola	Piedmont			
Alto Lario - Reggea	Piedmont			
Mulino di Marano	Piedmont			
Dora - Montestrutto	Piedmont			
Isonzo	Piedmont			
Alto Lario - Moledana	Lombardy			
Venina	Lombardy			
Venina Superiore - Scais	Lombardy			
Val Caffaro - Vacca	Lombardy			
Armisa - Mezzo	Lombardy			
Belviso - Frera	Lombardy			
Camonica - Poggia	Lombardy			
Tagliamento - Luincis	Friuli Venezia Giulia			
Val Meduna - Ca Zul	Friuli Venezia Giulia			
Cellina - Barcis	Friuli Venezia Giulia			
Cellina - Tul	Friuli Venezia Giulia			
Cervino	Valle d'Aosta			
Maen	Valle d'Aosta			
Brusson	Valle d'Aosta			
Trentino - Taio	Trentino - Alto Adige			
Teglia - Rocchetta	Tuscany			
Quassolo	Piedmont	Solar power plants	The territories close to these sites have a significant presence of sensitive areas for biodiversity, an important cover of natural environments and a fair amount of IUCN species richness	
Montalto Dora	Piedmont			
Bussi	Abruzzo	Thermoelectric plants	The territories near these sites are characterised by a high presence of sensitive areas for biodiversity and an abundance of IUCN species richness	
Jesi	Marche			
Marghera Levante	Veneto			

The perimeter of the analysis includes Edison power generation assets and consists of approximately 200 thermoelectric, hydroelectric, wind power and photovoltaic plants located throughout Italy. Between 2020 and 2021, Edison surveyed these production sites by analysing the land cover and biodiversity characteristics of the environment near them (10Km analysis buffer). The sites shown in this table (generally owned or leased or managed by the organisation and for which the area occupied by plant components can be considered insignificant) are those whose surrounding areas are more significant for biodiversity issues, also by virtue of the presence of portions of protected natural areas in the territory considered.

Material topic-GRI standard correlation table

The following table presents the material topics identified in 2021 by Edison S.p.A. and their relative correlation to the GRI Sustainability Reporting Standards, the Electric Utilities Sector Disclosures and the Oil and Gas Sector Disclosures set forth in this Report. For these topics, the “Scope of material themes” column provides a description of where each topic has an impact and what Edison’s involvement is.

Material issues	Where the impact takes place	Edison involvement	Reconciliation with GRI topics
Sustainable energy transition	Edison Group	Generated by the Edison Group and directly related to its activities	<ul style="list-style-type: none"> • Energy • Emissions • Profile of the organisation
Protection of ecosystems and biodiversity	Edison Group	Generated by the Edison Group and directly related to its activities	<ul style="list-style-type: none"> • Biodiversity
Employee well-being, development and inclusion	Edison Group	Generated by the Edison Group	<ul style="list-style-type: none"> • Training and education • Diversity and equal opportunity • Non-discrimination
Workplace health and safety	Edison Group	Generated by the Edison Group	<ul style="list-style-type: none"> • Workplace health and safety
Value creation for the local area and communities	Edison Group	Generated by the Edison Group and directly related to its activities	N/A
Service quality and focus on customers	Edison Group	Generated by the Edison Group and directly related to its activities	<ul style="list-style-type: none"> • Marketing and labelling • Profile of the organisation
Vulnerability to cybercrime	Edison Group	Generated by the Edison Group	<ul style="list-style-type: none"> • Customer privacy
Responsible management of the supply chain	Edison Group	Generated by the Edison Group and directly related through a business relationship	<ul style="list-style-type: none"> • Supply procedures • Anti-corruption
Business ethics	Edison Group	Generated by the Edison Group	<ul style="list-style-type: none"> • Anti-corruption
Human rights	Edison Group	Generated by the Edison Group	<ul style="list-style-type: none"> • Non-discrimination
Innovation and digitalisation	Edison Group	Generated by the Edison Group	N/A
Sustainability in governance	Edison Group	Generated by the Edison Group	N/A
Sustainability in financing and investments	Edison Group	Generated by the Edison Group	N/A
Stakeholder dialogue and engagement	Edison Group	Generated by the Edison Group	N/A

Material topic-SASB standard correlation table

The following table presents the material topics identified in 2021 by Edison S.p.A. as well as their correlation with the Sustainability Accounting Standards Board (SASB) standards for the Infrastructure - Electric utilities & power generators segment, included in this Report.

Material issues	Reconciliation with SASB standards
Sustainable energy transition	<ul style="list-style-type: none"> • IF-EU-000.D: Total electricity generated, percentage by major energy source, percentage in regulated markets • IF-EU-000.E Total wholesale electricity purchased • IF-EU-110a.1 Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations
Vulnerability to cybercrime	<ul style="list-style-type: none"> • IF-EU-550a.1 Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations

GRI content index

GRI Standard	Disclosure	Page number(s) and/or link(s)	Omission
GRI 101: Foundation (2016)			
GRI 102: General disclosures (2016)			
Profilo dell'organizzazione			
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102-3	Location of the main headquarters	125	
102-4	Location of activities	7	
102-5	Ownership and legal form	12	
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EU 1	Net installed capacity by energy source	10, 43, 99	
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Governance			
102-18	Governance Structure	12, Report on operations	
102-26	Role of the top governance body in establishing the objectives, values and strategies	12, Report on operations	
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Report of the Independent Auditors



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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
Edison S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2021 consolidated non-financial statement of Edison S.p.A. (the "parent") and its subsidiaries (together, the "group"), relating to the year ended 31 December 2021 prepared in accordance with article 4 of the decree and approved by the board of directors on 16 February 2022 (the "NFS").
Our procedures did not cover the information set out in the "EU environmental taxonomy regulation" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") of Edison S.p.A. for the NFS

The directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne. The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical require of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding the compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 revised), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform procedures in order to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, a limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does 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.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel of Edison S.p.A. responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.



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3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel of Edison S.p.A. and with the personnel of the subsidiary company Fenice Qualità per l'Ambiente S.p.A. and we also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group and subsidiaries level:
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- through remote communication tools, we held discussions with personnel of the Venina (SO) and Torviscosa (UD) sites, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 consolidated non-financial statement of the Edison Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the Global Reporting Initiative Sustainability Reporting Standards issued by GRI – Global Reporting Initiative (GRI Standards).



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Our conclusion on the consolidated non-financial statement of the Edison Group does not extend to the information set out in the "EU environmental taxonomy regulation" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 28 February 2022

KPMG S.p.A.

(signed on the original)

Umberto Scaccabarozzi
Director of Audit



Wind field of Melissa Strongoli (KR), 2010



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