

**EDISON S.p.A.**

**ORGANIZATION AND  
MANAGEMENT MODEL**  
(pursuant to Legislative  
Decree No. 231/2001)





# **EDISON S.p.A.**

## **ORGANIZATION AND MANAGEMENT MODEL**

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## **ORGANIZATION AND MANAGEMENT MODEL OF EDISON S.p.A.**

### **SECTION ONE**

#### **LEGISLATIVE DECREE NO. 231 OF JUNE 8, 2001**

### **1 ADMINISTRATIVE LIABILITY OF ENTITIES**

#### **1.1 Legal Framework Governing the Administrative Liability of Legal Entities, Companies and Associations**

Legislative Decree No. 231 of June 8, 2001, implementing in part Delegation Law No. 300 of September 29, 2000, introduced for the first time into the Italian legal system and governs the administrative liability of legal entities, companies and associations, including those that lack legal recognition (entities).

Specifically, Law No. 300 of 2000, which, among other matters, ratifies the Convention on the Protection of the European Communities' Financial Interests of July 26, 1995, the E.U. Anti Corruption Convention of May 26, 1997 and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of September 17, 1997, complies with the requirements of the abovementioned international documents. In this respect, the E.U. documents are especially significant because they require the establishment of paradigms of liability for legal entities and a corresponding system of penalties for criminal corporate conduct.

Legislative Decree No. 231/2001 should thus be viewed within the context of an effort to implement international obligations and, consistent with the legislative systems in effect in many European countries, established the liability of *companies*, which are viewed

*“as independent centres of interests and legally binding relationships, reference points for various types of rules and matrices of the decisions and activities of the parties who operate in their name, on their behalf or otherwise in their interest”<sup>1</sup>.*

The establishment of the administrative liability of companies is grounded in the empirical observation that, frequently, the unlawful conduct that may occur within a company, far from being the personal initiative of an individual, is consistent with a pervasive *corporate policy* and reflects decisions by the company’s top management.

The decision to enact this legislation also reflects the belief that there are crimes that are more easily carried out, or can have more serious consequences, when they involve the improper and distorted use of corporate organizations.

The liability in question is of the criminal-administrative type because, while it produces administrative penalties, it originates from a crime and can be punished only if the rights that are guaranteed in criminal proceedings are provided.

Specifically, Legislative Decree No. 231/2001 establishes a well-constructed system of penalties that ranges from mild fines to severe interdictive penalties, including the “capital” penalty of interdiction from continuing to operate.

An administrative penalty can be imposed on a company exclusively by a criminal court judge within the context of the rights guaranteed in a criminal trial and only if all of the objective and subjective requirements of the law can be met: the perpetration of a specific crime in the interest or on behalf of a company by qualified parties (top managers or their subordinates).

Entities are also liable for crimes committed abroad, unless they are prosecuted by the government of the country where the crime was committed and provided the specific conditions set forth in Legislative Decree No. 231/2001.

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<sup>1</sup> As stated by the “Grosso Commission” in its report on the preliminary project to reform the Penal Code.

Administrative liability attaches where a crime has been committed in the interest or for the benefit of an entity. These are two independent, alternative requirements, as confirmed by the disjunctive “or”. In fact, case law is now uniform in holding that *“the reference to the interest of the entity emphasizes a subjective view of the unlawful conduct engaged in by the natural person to be appreciated on an ex ante basis, due to an undue gain imagined, but not necessarily achieved, as a consequence of the crime; the reference to the benefit instead emphasizes an objective fact that always requires ex post verification as to its objective achievement following the commission of the predicate crime, even where not planned in advance”*<sup>2</sup>.

These are thus legally distinct concepts, since it is quite possible for crimes to be committed by the perpetrator to benefit the entity (and thus in the entity’s interest) while in fact not achieving this result, just as it is possible for crimes to be committed in pursuit of a personal interest of the perpetrator, while also allowing the entity to obtain a benefit. In both cases, the legal entity may be charged with an administrative offense.

The concepts of interest and benefit for the entity have then been adapted in a peculiar way in case law to negligent predicate crimes, above all for crimes relating to occupational accident prevention, but also some cases of environmental offenses. The relevant case law has in fact come to hold that interest and benefit in such cases must be assessed with regard to the conduct of the actor and not of the crime event, i.e. (in the hypothetical case) of an accident suffered by a worker. The jurisprudence establishes that *“there is an interest of the entity where the failure to prepare safety systems results in a cost savings, whereas the benefit requirement is met if failure to comply with precautionary rules enables increased productivity or even merely a reduction in working times”*<sup>3</sup>.

As to the parties committing the crime, Article 5 of Legislative Decree No. 231/2001 states that an entity is liable when a crime is committed by:

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<sup>2</sup> Cass., Sect. II, September 29, 2016, no. 52316. Conf. Cass., Sect. IV, May 23, 2018, No. 38363.

<sup>3</sup> Cass., Sect. IV, April 29, 2019, No. 43656. Conf. (to cite merely the most recent rulings) Id., November 27, 2019, No. 49775.



- a) *“individuals who act as representatives of or perform administrative or management functions for an entity or one of its organizational units that is financially or functionally independent and individuals who exercise legal or de facto management or control over said entity or organizational unit”* (so-called top management).
- b) *“individuals who are under the management or supervision of the parties referred to in Letter a) above”* (so-called subordinates).

For the purpose of establishing the liability of an entity, in addition to the abovementioned requirements for objectively attributing a crime to an entity, the law also demands the guilt of the entity be ascertained. This subjective requirement is identified as *organizational guilt*, which is a violation of adequate diligence rules voluntarily adopted by the entity specifically to prevent the risk of the occurrence of a crime.

## **1.2 Crimes that Cause an Entity to Incur Administrative Liability**

The crimes that can cause an entity to incur an administrative liability are expressly set forth in Legislative Decree No. 231/2001, as well as in other legal provisions that refer to Legislative Decree No. 231/2001: crimes against the Public Administration (Article 25) and against property (Article 24); computer crimes (Article 24 *bis*); crimes involving the counterfeiting of currency, public credit instruments, tax stamps and identification tools or marks (Article 25 *bis*); crimes against industry and commerce (Article 25 *bis.1*); crimes by criminal organizations (Article 24 *ter*); corporate crimes (Article 25 *ter*); crimes committed in the pursuit of terrorism or subversion of the democratic order (Article 25 *quater*); crimes committed while engaging in practices involving the mutilation of female genitalia (Article 25 *quater.1*); crimes against individuals (Article 25 *quinquies*); crimes involving *market abuse* (Article 25 *sexies*); a series of crimes (from criminal conspiracy to drug trafficking and to certain cases of obstruction to justice) upon condition that they are committed by criminal organizations operating on an international scale (so-called transnational crimes); negligent manslaughter and negligent extremely serious injury and serious injury caused by violation of occupational safety laws (Article 25 *septies*); receiving stolen property and laundering and use of money, assets or benefits of unlawful origin, as well as self-laundering (Article 25 *octies*); crimes involving payment instruments other than cash (Article 25 *octies.1*); crimes involving the violation of copyrights (Article 25 *novies*); crimes that involve inducing other parties not to provide statements or provide false statements to the judicial authorities (Article 25 *decies*); environmental crimes (Article 25 *undecies*); crime of employing citizens of foreign countries with irregular resident status (Article 25 *duodecies*); crimes of racism and xenophobia (Article 25 *terdecies*); fraud in sports competition, unlawful gaming or betting or gambling exercised through any prohibited equipment

(Article 25 *quaterdecies*); tax offences (Article 25 *quinquiesdecies*), contraband offences (Article 25 *sexiesdecies*) and offences against cultural and landscape heritage (Articles 25 *septiesdecies* and 25 *duodevicies*).

Legislative Decree No. 231/01 covered only the crimes addressed by the provisions of Articles 24 and 25, but subsequent legislation significantly expanded the number of crimes to which the Decree applies. This is the set of offences currently referred to in Legislative Decree No. 231/01, or the regulations that refer to it, as sources of administrative liability for entities:

**1) Crimes against the Public Administration and the property of the Public Administration** (Articles 24 and 25 of Legislative Decree No. 231/2001):

- embezzlement of public funds (Article 316 *bis* of the Penal Code);
- unlawful collection of public funds (Article 316 *ter* of the Penal Code);
- fraud in public supplies (Article 356 of the Penal Code);
- fraud injuring the government or other public entity (Article 640, Section 2, No. 1, of the Penal Code);
- aggravated fraud to obtain the disbursement of public funds (Article 640 *bis* of the Penal Code);
- computer fraud (Article 640 *ter* of the Penal Code);
- fraud in agriculture (Article 2 of Law No. 898 of 1986);

where committed injuring the government or another public entity or the European Union.

- extortion (Article 317 of the Penal Code);
- corruption (Articles 318, 319, 319 *bis*, 320, 321 and 322 *bis* of the Penal Code);
- corruption in judicial acts (Article 319 *ter* of the Penal Code);
- unlawful inducement to give or promise benefits (Article 319 *quater* of the Penal Code);
- facilitating corruption (Article 322 of the Penal Code);
- illicit traffic of influence (Article 346 *bis* of the Penal Code);

and:

- embezzlement by a public official (Articles 314, Section 1, and 316 of the Penal Code);
- abuse of office (Article 323 of the Penal Code);

with respect to the latter two offenses, only the fact offends the financial interests of the European Union.

## 2) **Computer crimes** (Article 24 *bis*):

- fraud in computer documents (Article 491 *bis* of the Penal Code);
- unauthorized access to information or online systems (Article 615 *ter* of the Penal Code);
- unauthorized possession, distribution and installation of equipment, codes and other means to access information or online systems (Article 615 *quater* of the Penal Code);
- unlawful possession, distribution and installation of equipment, devices or computer software designed to damage or disrupt information or online systems (Article 615 *quinquies* of the Penal Code);
- unlawful interception, disruption or interruption of communications on information or online systems (Article 617 *quater* of the Penal Code);
- unlawful possession, distribution and installation of equipment and other means designed to intercept, disrupt or interrupt communications on information or online systems (Article 617 *quinquies* of the Penal Code);
- damaging of information, data or software on information systems (Article 635 *bis* of the Penal Code);
- damaging of information, data or software on information systems used by the government, another public entity or otherwise used for the public good (Article 635 *ter* of the Penal Code);
- damaging of information or online systems (Article 635 *quater* of the Penal Code);
- damaging of information or online systems used for the public good (Article 635 *quinquies* of the Penal Code);

- computer fraud by the party who provides electronic signature certification services (Article 640 *quinquies* of the Penal Code).

3) **Crimes by criminal organizations** (Article 24 *ter*):

- criminal conspiracy aimed at enslaving people or keeping them enslaved, engaging in the slave trade, buying and selling slaves, and violation of the provisions concerning illegal immigration set forth in Article 12 of Legislative Decree No. 286/1998 (Article 416, Section 6, of the Penal Code);
- criminal conspiracy aimed at committing crimes of child prostitution, child pornography, possession of pornographic material, virtual pornography, tourism initiatives aimed at exploiting child prostitution, rape, sexual activities with minors, corruption of minors, gang rape and solicitation of minors, when such offences are committed to the detriment of minors (Article 416, Section 7, of the Penal Code);
- mafia-type conspiracy (Article 416 *bis* of the Penal Code);
- political and mafia-related election dealings (Article 416 *ter* of the Penal Code);
- kidnapping for extortion purposes (Article 630 of the Penal Code);
- crimes committed by exploiting the conditions provided in Article 416 *bis* or for the purpose of facilitating the activities of associations established pursuant to the abovementioned article;
- criminal conspiracy aimed at the distribution of narcotics or psychotropic substances (Article 74 of the Unified Code referred to in Presidential Decree No. 309 of October 9, 1990);
- criminal conspiracy (Article 416 of the Penal Code, except for Section 6);
- crimes that involve producing and trafficking in weapons of war, explosives and clandestine weapons (as set forth in Article 407, Section 2, Letter a), No. 5), of the Penal Procedure Code).

4) **Crimes involving the counterfeiting of currency, public credit instruments, tax stamps and identification tools or marks** (Article 25 *bis*):

- counterfeiting currency and spending and introducing counterfeit currency in the country as part of a conspiracy (Article 453 of the Penal Code);
- forging currency (Article 454 of the Penal Code);
- counterfeiting watermarked paper used to print public credit instruments and tax stamps (Article 460 of the Penal Code);
- manufacturing or possession of watermarked paper for the purpose of counterfeiting currency, public credit instruments, tax stamps or watermarked paper (Article 461 of the Penal Code);
- spending and introducing counterfeit currency in the country absent a conspiracy (Article 455 of the Penal Code);
- spending of counterfeit currency received in good faith (Article 457 of the Penal Code);
- using counterfeit or altered tax stamps (Article 464, Sections 1 and 2, of the Penal Code);
- counterfeiting, introducing into the country, purchasing, possessing or circulating counterfeit tax stamps (Article 459 of the Penal Code);
- counterfeiting, altering or using distinguishing marks identifying intellectual property or industrial products (Article 473 of the Penal Code);
- introducing into the country and trading in products with counterfeit marks (Article 474 of the Penal Code).

5) **Crimes against industry and commerce** (Article 25 *bis.1*):

- tampering with the free exercise of industry and commerce (Article 513 of the Penal Code);
- unlawful competition using threats or violence (Article 513 *bis* of the Penal Code);
- fraud against national industries (Article 514 of the Penal Code);
- fraud in the exercise of commerce (Article 515 of the Penal Code);
- sale of non-genuine food products as genuine products (Article 516 of the Penal Code);
- sale of industrial products with deceptive marks (Article 517 of the Penal Code);

- production and distribution of goods manufactured unlawfully exploiting intellectual property rights (Article 517 *ter* of the Penal Code);
- counterfeiting geographic designation or origin denomination marks of food products (Article 517 *quater* of the Penal Code).

6) **Corporate crimes** (Article 25 *ter*):

- false corporate communications (Articles 2621 and 2621 *bis* of the Civil Code);
- false corporate communications of listed companies (Article 2622 of the Civil Code);
- control obstruction (Article 2625, Section 2, of the Civil Code);
- fictitious capital formation (Article 2632 of the Civil Code);
- unlawful repayment of capital contributions (Article 2626 of the Civil Code);
- unlawful distribution of earnings and reserves (Article 2627 of the Civil Code);
- unlawful transactions involving shares or capital interests of the company or its parent company (Article 2628 of the Civil Code);
- transactions that cause injury to creditors (Article 2629 of the Civil Code);
- unlawful allocation of company assets by liquidators (Article 2633 of the Civil Code);
- unlawful influence over the Shareholders' Meeting (Article 2636 of the Civil Code);
- stock manipulation (Article 2637 of the Civil Code);
- failure to disclose a conflict of interest (Article 2629 *bis* of the Civil Code);
- obstructing the activities of public regulatory authorities (Article 2638, Sections 1 and 2, of the Civil Code);
- corruption in transactions between private parties (Article 2635, Section 3, of the Civil Code);

- facilitating corruption in transactions between private parties (Article 2635 *bis* of the Civil Code);
  - false or omitted declarations for the issue of the pre-operation certificate (Article 54, Legislative Decree No. 19/23).
- 7) **Crimes committed in the pursuit of terrorism or subversion of the democratic order** (Article 25 *quater*).
- 8) **Crimes committed while engaging in practices involving the mutilation of female genitalia** (Article 25 *quater* 1).
- 9) **Crimes against individuals** (Article 25 *quinquies*):
- enslavement (Article 600 of the Penal Code);
  - engaging in slave trade (Article 601 of the Penal Code);
  - purchase and sale of slaves (Article 602 of the Penal Code);
  - unlawful intermediation and exploitation of workers (Article 603 *bis* of the Penal Code);
  - child prostitution (Article 600 *bis*, Sections 1 and 2, of the Penal Code);
  - child pornography (Article 600 *ter* of the Penal Code);
  - tourism initiatives aimed at exploiting child prostitution (Article 600 *quinquies* of the Penal Code);
  - possession of or access to pornographic material (Article 600 *quater* of the Penal Code);
  - virtual pornography (Article 600-*quater*.1);
  - solicitation of minors (Article 609 *undecies* of the Penal Code).
- 10) **Crimes involving market abuse** (Article 25 *sexies*):
- abuse or unlawful disclosure of insider information. Recommending or inducing others to commit abuse of insider information (Article 184 T.U.F. Legislative Decree No. 58 of February 24, 1998);
  - market manipulation (Article 185 T.U.F. Legislative Decree No. 58 of February 24, 1998).



11) **Crimes concerning occupational health and safety committed in violation of occupational health and safety laws** (Article 25 *septies*):

- negligent manslaughter (Article 589 of the Penal Code);
- negligent serious injury and extremely serious injury (Article 590, Section 3 of the Penal Code).

12) **Receiving stolen property and laundering and use of assets of unlawful origin, as well as self-laundering** (Article 25 *octies*):

- receiving stolen property (Article 648 of the Penal Code);
- money laundering (Article 648 *bis* of the Penal Code);
- use of money, assets or benefits of unlawful origin (Article 648 *ter* of the Penal Code);
- self-money laundering (Article 648 *ter-1* of the Penal Code).

13) **Crimes relating to payment instruments other than cash** (Article 25 *octies.1*):

- misuse and falsification of non-cash payment instruments (Article 493 *ter* of the Penal Code);
- possession and dissemination of computer equipment or programmes aimed at committing offences involving payment instruments other than cash (Article 493 *quater* of the Penal Code);
- computer fraud (Article 640 *ter* of the Penal Code) in the aggravated hypothesis of a transfer of money, monetary value or virtual currency;
- any other offence against public faith, against property or otherwise offending against property provided for in the Penal Code, when it relates to payment instruments other than cash.

14) **Transnational crimes** (Law No. 146 of March 16, 2006):

- criminal conspiracy;
- mafia-type conspiracy;
- conspiracy to smuggle foreign processed tobacco products;
- conspiracy to traffic in narcotics;
- trafficking in migrants;
- inducement to give false statements to the judicial authorities;
- personal aiding and abetting.

It is important to note that for the crimes listed in section 13 above, the entity's liability arises only if they are transnational. A crime is transactional when it is committed by an organized criminal group and the following conditions are met:

- the crime was committed in more than one country;
- the crime was committed in one country, but part of its preparation, planning, management or control occurred in another country;
- the crime was committed in one country, but it required the involvement of an organized criminal group engaged in criminal activities in multiple countries;
- the crime was committed in one country, but it had substantial effects in another country.

If these requirements are not met, the penalties for committing the abovementioned crimes will be imposed only on the individuals who committed them.

15) **Crimes involving the violation of copyrights** (Article 25 *novies*), as set forth in Article 171, Section 1, Letter a) *bis*, and Section 3, Article 171 *bis*, Article 171 *ter*, Article 171 *septies* and Article 171 *octies* of Law No. 633 of 1941.

16) **Crimes that involve inducing other parties not to provide statements or to provide false statements to the judicial authorities** (Article 25 *decies*).

17) **Environmental crimes** (Article 25 *undecies*):

- environmental pollution (Article 452 *bis* of the Penal Code);
- environmental disaster (Article 452 *quater* of the Penal Code);
- unintentional environmental offences (Article 452 *quinquies* of the Penal Code);
- aggravating circumstance of crimes of association (Articles 416 and 416 *bis* of the Penal Code) where for the purposes of committing one of the environmental crimes provided for in the new Title VI *bis* of the Penal Code (Article 452 *octies* of the Penal Code);

- trafficking and abandonment of highly radioactive material (Article 452 *sexies* of the Penal Code);
- killing, destroying, capturing, removing, possessing specimens of protected wild animal or plant species (Article 727 *bis* of the Penal Code);
- destroying or degrading habitats within protected sites (Article 733 *bis* of the Penal Code);
- discharging industrial waste water containing hazardous substances included in the families and groups of substances listed in Tables 5 and 3/A of Annex 5, Part Three, T.U.A. (Article 137, Sections 2, 3 and 5 of Legislative Decree No. 152/06);
- unlawful dumping into the soil, subsoil and aquifer (Article 137, Section 11, of Legislative Decree No. 152/06, which references Articles 103 and 104 of the same Decree);
- discharging of banned substance or materials into the sea by ships or aircrafts (Article 137, Section 13, of Legislative Decree No. 152/06);
- engaging in the collection, transportation, recycling, disposal, commerce and intermediation of waste without the required permit, registration or communication (Article 256, Section 1, of Legislative Decree No. 152/06);
- construction or operation of an unauthorized landfill (Article 256, Section 3, of Legislative Decree No. 152/06);
- comingling of hazardous waste (Article 256, Section 5, of Legislative Decree No. 152/06);
- improper storage at the place of origin of hazardous medical waste (Article 256, Section 6, first sentence, of Legislative Decree No. 152/06);
- polluting the soil, subsoil, surface bodies of water or aquifers in excess of risk threshold concentrations (Article 257, Section 1, of Legislative Decree No. 152/06);
- pollution caused by hazardous substances in the soil, subsoil, surface bodies of water or aquifers in excess of risk threshold concentrations (Article 257, Section 2, of Legislative Decree No. 152/06);

- violations of obligations concerning communications and upkeep of mandatory registers and standard forms (Article 258, Section 4, second sentence, of Legislative Decree No. 152/06);
- unlawful trafficking in waste (Article 259, Section 1, of Legislative Decree No. 152/06);
- activities organized for the purpose of unlawful trafficking in waste (Article 452 *quaterdecies*, Section 1, of the Penal Code);
- activities organized for the purpose of unlawful trafficking in highly radioactive waste (Article 452 *quaterdecies*, Section 2, of the Penal Code);
- false information about the nature, composition and chemical-physical characteristics of waste or inclusion of a forged certificate among the information supplied for waste traceability purposes (Article 260 *bis*, Section 6, of Legislative Decree No. 152/06)<sup>4</sup>;
- use of a waste analysis certificate containing false information about the nature, composition and chemical-physical characteristic of transported waste (Article 260 *bis*, Section 7, second and third sentence, and Section 8, first sentence, of Legislative Decree No. 152/06)<sup>5</sup>;
- fraudulent alteration of a SISTRI – AREA handling form by a trucker (Article 260 *bis*, Section 8, of Legislative Decree No. 152/06)<sup>6</sup>;
- in the operation of an industrial facility, exceeding emission limits and consequently exceeding air quality limits (Article 279, Section 5, of Legislative Decree No. 152/06);
- importing, exporting or re-exporting specimens of endangered animal or plant species (Annex A to EC Regulation No. 338/97) without the requisite certificate or license or with an invalid certificate or license or failing to comply with provisions designed to ensure the safety of the

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<sup>4</sup> In this regard, it should be noted that Article 6 of Law No. 12 of 2019 repealed Article 260 *bis* of Legislative Decree No. 152 of 2006 as a result of the definitive repeal of SISTRI as of January 1, 2019. However, due to a lack of coordination by the Legislator with the provisions of Legislative Decree No. 231/01, this provision – which has in fact been repealed – is still formally present in Article 25 *undecies*.

<sup>5</sup> *Ibidem*.

<sup>6</sup> *Ibidem*.

- specimens (Article 1, Sections 1 and 2, of Law No. 150 of February 7, 1992);
- importing, exporting or re-exporting specimens of endangered animal or plant species (Annexes B and C to EC Regulation No. 338/97) without the requisite certificate or license or with an invalid certificate or license or failing to comply with provisions designed to ensure the safety of the specimens (Article 2, Sections 1 and 2, of Law No. 150 of February 7, 1992);
  - forging or altering certificates, licenses, importation notifications, declarations or communications for the purpose of obtaining a license or certificate (Article 3 *bis*, Section 1, of Law No. 150 of February 7, 1992);
  - possessing live specimens of wild mammals and reptiles and live specimen of mammals and reptiles bred in captivity (Article 6, Section 4, of Law No. 150 of February 7, 1992);
  - intentional discharge into the sea of polluting substance or spilling of such substances by ships (Article 8, Sections 1 and 2, of Legislative Decree No. 202 of November 6, 2007);
  - unintentional discharge into the sea of polluting substance or spilling of such substances by ships (Article 9, Sections 1 and 2, of Legislative Decree No. 202 of November 6, 2007).

18) **Employing citizens of foreign countries with irregular resident status** (Article 25 *duodecies*).

19) **Crimes of racism and xenophobia** (Article 25 *terdecies*).

20) **Fraud in sports competition, unlawful gaming or betting or gambling exercised through prohibited equipment** (Article 25 *quaterdecies*).

21) **Tax crimes** (Article 25 *quinquiesdecies*):

- fraudulent return based on invoices or other documents for non-existent transactions (Article 2, Sections 1 and 2 *bis*, of Legislative Decree No. 74/00);
- fraudulent return based on other contrivances (Article 3 of Legislative Decree No. 74/00);
- issue of invoices or other documents for non-existent transactions (Article 8, Sections 1 and 2 *bis*, of Legislative Decree No. 74/00);
- concealment or destruction of accounting documents (Article 10, Legislative Decree No. 74/00);
- fraudulent avoidance of the payment of taxes (Article 11 of Legislative Decree No. 74/00);

and:

- inaccurate return (Article 4 of Legislative Decree No. 74/00);
- failure to file a return (Article 5 of Legislative Decree No. 74/00);
- undue offsetting (Article 10 *quater* of Legislative Decree No. 74/00);

with respect to these latter three crimes, only if committed for the purpose of evading value added tax as part of cross-border fraudulent schemes connected to the territory of at least one other Member State of the European Union, from which a total loss of at least ten million euros results or is likely to result.

22) **Contraband** (Article 25 *sexiesdecies*): crimes provided for in Presidential Decree No. 43 of 1973.

23) **Crimes relating to cultural and landscape heritage** (Articles 25 *septiesdecies* and 25 *duodevicies*):

- Article 518 *bis*: theft of cultural assets;
- Article 518 *ter*: misappropriation of cultural assets;
- Article 518 *quater*: receiving cultural assets;
- Article 518 *sexies*: laundering of cultural assets;
- Article 518 *octies*: forgery of private writings relating to cultural assets;
- Article 518 *novies*: violations concerning the sale of cultural assets;
- Article 518 *decies*: unlawful importing of cultural assets;

- Article 518 *undecies*: unlawful removal or exporting of cultural assets;
- Article 518 *duodecies*: destruction, dispersal, deterioration, defacement, defilement and unlawful use of cultural or landscape assets;
- Article 518 *terdecies*: devastation and looting of cultural and landscape heritage;
- Article 518 *quaterdecies* counterfeiting of works of art.

### **1.3 Exemption from liability: the Organization and Management Model**

The Organization and Control Model is a tool to manage the specific risk that certain crimes will be committed.

Legislative Decree No. 231/2001, under Articles 6 and 7, expressly exempts an entity from administrative liability if it has adopted operational and effective organization and management models capable of preventing the occurrence of crimes such as the one that was committed. Therefore, an adequate organization is the only tool capable of shielding an entity from “culpability” and, consequently, escaping the imposition of penalties.

Specifically, liability is excluded if an entity can prove that:

- a) its governance body adopted and effectively implemented, before the occurrence of the criminal event, organization and management models capable of preventing the occurrence of crimes such as the one that was committed;
- b) the task of overseeing the implementation of and compliance with the models and keeping them up-to-date has been entrusted to an Organizational Unit of the entity with independent action and control powers;
- c) the individuals who committed the crime did so by fraudulently circumventing the organization and management models;
- d) there was no lack of or insufficient oversight by the Organizational Unit referred to in Letter b) above.

Therefore, the adoption of the Model satisfies the level of diligence required

by the legislator and provides the entity with a means of avoiding liability.

However, the mere adoption of the Model by the *governance body* (i.e., the body that holds management authority: the Board of Directors) does not appear to be an action sufficient to shield the entity from liability because the Model must also be *effective and operational*.

As for the *effectiveness* of the Model, pursuant to Article 6, Section 2, of Legislative Decree No. 231/2001, the Model must meet the following requirements:

- a) it must identify the activities within which a crime might occur (mapping at-risk activities);
- b) it must establish specific Protocols to plan the development and implementation of the entity's decisions with regard to the crimes that it must prevent;
- c) it must define how the financial resources required to prevent the occurrence of crimes will be managed;
- d) it must establish reporting requirements for the Organizational Unit responsible for overseeing the implementation of and compliance with the Model.

Legislative Decree No. 24 of March 19, 2023<sup>7</sup>, supplemented the provision pursuant to Article 6 of Legislative Decree No. 231/01 by introducing a new Section 2-*bis*, according to which the Model must provide for the internal reporting channels referred to in Article 4, Legislative Decree No. 24/23 mentioned above, the prohibition of retaliation against whistleblowers and the disciplinary system.

In order to comply with these provisions, Edison S.p.A. updated the Company procedure entitled Whistleblowing Policy, which governs in detail the modalities to execute and manage violations reports, while respecting the principles of confidentiality and non-discrimination with regard to the

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<sup>7</sup> "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws".



whistleblower, as specified in the abovementioned regulation.

This procedure, which is also applicable to all the companies directly or indirectly controlled by Edison S.p.A., is therefore referred to in its entirety for the purposes of this Organizational Model, with specific reference to the internal reporting channel and the measures put in place to protect the whistleblower, in respect of which reference is also made to Section II, Chapter 3 of this General Section.

The requirement that the Model be operational instead regards its *effective implementation*, which, pursuant to Article 7, Section 4, of Legislative Decree No. 231/2001, requires:

- a) a periodic assessment of the Model and its revision when significant violations of the requirements are uncovered or in response to changes in the entity's organization or activity (updating the Model);
- b) an adequate disciplinary system that can be used to punish failures to comply with the Model's requirements.

## 2. SOURCE OF THE MODEL: CONFINDUSTRIA GUIDELINES

Pursuant to an express statutory requirement (Article 6, Section 3, of Legislative Decree No. 231/2001), the adopted Organization and Management Models must be based on codes of conduct published by the associations that represent the individual entities and communicated to the Ministry of Justice.

As an industrial company, Edison is a member of the Italian Manufacturers' Association (Confindustria).

Confindustria, in June 2021, issued an updated version of its “*Guidelines for the development of organization, management and control models pursuant to Legislative Decree No. 231/01*”, approved by the Ministry of Justice on July 21, 2014. In particular, in the General Part of the Guidelines updated to June 8, 2021, the following key elements are outlined in detail: criminal liability, the disciplinary system and the sanctioning mechanisms, the composition and powers of the oversight board, as well as the phenomenon of groups of companies. The Special Part instead examines the predicate offences in depth by providing specific *case studies* and discusses the most interesting topics that have come to the fore in recent years between 2014 (the year of the previous version of the Guidelines) and 2021 (such as, for example, *whistleblowing*, *integrated compliance* and tax offences).

The process recommended by the Confindustria guidelines is summarized below:

- identify the areas at risk, to determine the areas of the company's operations in which crimes could occur pursuant to Legislative Decree No. 231/2001;
- develop a control system capable of preventing risks through the adoption of special Protocols. The key components of the control system developed by CONFINDUSTRIA are:
  - Code of Ethics;
  - organizational system;

- manual and computerized procedures;
- powers to grant authorizations and sign documents on behalf of the entity;
- control and management systems;
- personnel communication and training.

The components of the control system must be consistent with the following principles:

- verifiability, documentability, consistency and suitability of each transaction;
- adoption of the principle of segregation of functions (no one must be allowed to manage a complete process independently);
- documentation of controls;
- adoption of an adequate system to punish violations of the provisions of the Civil Code and of the Model's procedures;
- establishment of an Oversight Board that satisfies the requirements of autonomy, independence, professionalism and continuity of action, which the various company departments must provide with a flow of information.

For the preparation of its Organization and Management Model, Edison S.p.A. has therefore expressly taken into account:

- the provisions of Legislative Decree No. 231/2001, the accompanying Ministerial Report and Ministry Decree No. 201 of June 26, 2003, which set forth the implementation rules for Legislative Decree No. 231/2001;
- the guidelines provided by Confindustria, updated to June 2021;
- the recommendations set forth in the Corporate Governance Code (January 2020);
- the indications contained in the document drafted in February 2019 by Confindustria, the Italian Banking Association, the National Council of Accountants and Accounting Experts and the CNF, entitled "*Consolidated principles for preparing organizational*

*models and the activity of the oversight board and prospects for revision of Legislative Decree No. 231/01”;*

- The commentary and case law developed thus far.

**SECTION TWO**  
**CONTENT OF THE ORGANIZATION AND MANAGEMENT MODEL OF**  
**EDISON S.P.A.**

**1. ADOPTION OF THE MODEL**

**1.1 Objectives of the Model**

The decision of the Board of Directors of Edison S.p.A. to adopt an Organization and Management Model is consistent with a broader business policy pursued by the Company and extended to the entire Group, the concrete manifestations of which include programs and initiatives designed to make the entire staff of Edison S.p.A. (from management to subordinate employees), external associates and commercial partners aware of the importance of managing the Company transparently and fairly and in compliance with the laws currently in force and the fundamental principles of business ethics in pursuit of the corporate purpose.

The Organization and Management Model of Edison S.p.A. was adopted by a resolution of the Board of Directors on July 28, 2004. In view of the intense legislative activity over the years and the significant changes that occurred in the organizations and operations of many of its businesses, Edison S.p.A. found it necessary to regularly update its Model, lastly by way of resolution of the Board of Directors adopted on December 7, 2022.

Specifically, by adopting this Model, the Board of Directors intends to achieve the following objectives:

- make it clear to all employees of Edison S.p.A. and to all parties who collaborate or execute business transactions with the Company that the Company condemns in the strongest possible terms any conduct that is contrary to laws, regulations, oversight standards or is otherwise carried out in violation of internal regulations and the principles of sound and transparent management that the Company abides by in the conduct of its business operations;
- inform all Company employees and its external associates and partners of the severe administrative penalties that could be imposed on the Company if crimes are committed;
- prevent as much as possible the occurrence of criminal and other violations within the Company by: *i)* continuous monitoring of all at-risk areas of activity; *ii)* training employees in the correct performance of their tasks; and *iii)* establishing a system to punish violations of this Model.

## **1.2 Preconditions of the Model: the Integrated System of Internal Controls**

The Internal Control and Risk Management System of Edison S.p.A., which thoroughly incorporates the numerous recommendations set forth in the new Corporate Governance Code, approved in January 2020 by the Corporate Governance Committee of Borsa Italiana, is a comprehensive and organic system of activities, procedures, rules of conduct, service communications and organizational units that is present throughout the organization and involves different parties.

The Board of Directors of Edison S.p.A. sits at the apex of this system of rules and procedures and, as required by the Corporate Governance Code, plays a central role within the corporate governance system, adopting resolutions

concerning transactions that are particularly significant from a strategic, economic or financial standpoint.

The main objectives of the Internal Control and Risk Management System are to ensure, with reasonable certainty, the achievement of strategic, operational, internal and market information goals and compliance with applicable laws and regulations:

- the operational objective of the Internal Control and Risk Management System concerns the Company's ability to effectively and efficiently use its resources, protect itself from losses and safeguard its assets: in this case, the Internal Control and Risk Management System aims to ensure that employees throughout the organization work to achieve the Company's objectives and without putting other interests before those of the Company;
- the objective of information is expressed in the preparation of timely and reliable reports for the decision-making process within the organization and also responds to the need to ensure reliable documents directed externally, in compliance with the protection of confidentiality of the Company's information assets;
- the compliance objective is to ensure that all transactions are executed in accordance with laws and regulations and are consistent with the principles of prudent management and the relevant internal procedures.

The Internal Control and Risk Management System affects every area of the Company's business operations by requiring that operating tasks be kept separate from control tasks and minimizing as much as reasonably possible the impact of all potential conflicts of interest.

Specifically, the Company's Internal Control and Risk Management System is based on the following key elements:

- Code of Ethics;
- an officially established organizational system with clearly attributed responsibilities;

- system of organizational *policies*, procedures and communications;
- a sustainable development policy;
- information systems already aimed at segregation of functions and governed by internal procedures that guarantee safety, privacy and correct use;
- Accounting Control Model pursuant to Law No. 262/2005 concerning financial reporting;
- integrated quality, environment and safety management system developed, respectively, in accordance with the ISO 9001 and ISO 14001 standards and the OHSAS 18001 international regulation;
- strategic planning, management control and reporting system;
- integrated risk management model based on the international principles of *Enterprise Risk Management (ERM)* and in particular the *COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework*;
- Antitrust Code;
- powers to grant authorizations and sign documents on behalf of the Company allocated consistent with assigned responsibilities;
- internal communication system and personnel training;
- functions responsible for handling external communications in a structured and controlled fashion;
- Tax Control Framework: operational application methods;
- Group Tax Policy;
- penalty system.

This system of controls is underpinned by the following general principles:

- each undertaking, transaction or action must be verifiable, documented and consistent;
- no one must be allowed to manage a complete process independently (segregation of functions);



- the System of Internal Controls must be able to document that the controls, including those of a supervisory nature, were in fact performed.

Consistent with the requirements of laws, regulations and codes of conduct currently in effect, the control process involves, with different roles, the Board of Directors, the Board of Statutory Auditors and the Control and Risk Committee. In addition:

- The Internal Auditing, Privacy & Ethics Manager, pursuant to a mandate by the Board of Directors, provides support to the Board of Directors, the Control and Risk Committee, the Director responsible for the Internal Control and Risk Management System and the Company's management in discharging their duties concerning the Internal Control and Risk Management System and assessing the adequacy and overall operating effectiveness of the Internal Control and Risk Management System;
- The Risk Officer, who reports to the CFO, supports the Board of Directors in defining the overall strategy of the risk policies and the Director responsible for the Internal Control and Risk Management System and the Company's management in analyzing, mapping, assessing and managing risks, and in defining and managing the control and report system.

Each organizational unit is responsible for ensuring that the Internal Control and Risk Management System is functioning correctly with respect to processes over which it has operational jurisdiction.

Structurally, a breakdown of control by type is as follows:

- line controls, carried out by the individual business units on the processes for which they have management responsibility, aimed at ensuring the proper conduct of operations;
- monitoring activities, carried out by the heads of each process and aimed at verifying the correct performance of the underlying activities on the basis of hierarchical controls;
- internal audit, aimed at assessing the adequacy of the overall Internal Control System and carried out by organizations separate from the operational

units, to monitor the existing risks and line controls. This activity is applied to all corporate processes and areas and includes the monitoring of both financial and operating risks.

Even though the current Internal Control and Risk Management System contains elements that qualify it as a tool for preventing the crimes referred to in Legislative Decree No. 231/2001, the Board of Directors, responding to the need to ensure that the Company's businesses and activities are carried out fairly and transparently in order to safeguard the Company's position and reputation, meet the expectations of its shareholders and protect the jobs of its employees, agreed to carry out an analysis of its organizational, management and control tools. The purpose of this analysis is to determine whether the principles of conduct and the procedures adopted by the Company are consistent with the objectives of the abovementioned Decree and, if necessary, revise them to make them compliant with the abovementioned purposes.

As explained in detailed in the Corporate Governance Report, the 231 Internal Control System is part of a broader Internal Control and Risk Management System adopted by Edison.

Specifically, the 231 Model - as is the case for the Law No. 262/05 Model concerning accounting and corporate disclosures, the Tax Control Framework and the Model for environmental, safety and quality issues and the Antitrust Code - is one of the main tools used by Edison to pursue its *compliance* objectives.

### **1.3 Identifying At-risk Activities and Defining Protocols**

Article 6, Section II, Letter a) of Legislative Decree No. 231/2001 expressly provides that the organization and management model of the entity must "*identify the activities within the scope of which offences may be committed*". Therefore, mapping the corporate processes that are "exposed" to the occurrence of the violations referred to in the abovementioned article was the starting point for the definition of the Edison S.p.A. Model. Accordingly, the

activities carried out by the Company and its organizational units were carefully surveyed to identify the “crime risks” that could arise in the various areas of business.

This process was designed to customize the Model based on the specific areas of operation and organizational units of Edison S.p.A., as it applies to crime risks the occurrence of which is a concrete possibility.

The development of the Model included several phases, which were carried out complying with the fundamental requirements that activities must be documented and verifiable, so as to make it possible to understand and reconstruct the entire development process and determine compliance with the requirements of Legislative Decree No. 231/2001.

The Model was designed, developed and later updated by an internal multi-functional work group, supported by top external consultants.

#### *Phase I: Collecting and Analysing All Relevant Documents*

The first step involved collecting all official documents useful for analysis performance purposes that were available within the Company, including:

- organisational and functional chart;
- group control card;
- service orders;
- proxies and powers of attorney;
- operational regulations and written procedures;
- information about disciplinary actions allowed under the existing national collective bargaining agreements;
- Existing Code of Ethics;
- significant contracts.

The documents listed above were then reviewed to develop an information platform about the Company’s organization and operations and the allocation of powers and responsibilities.

#### *Phase II: Identifying At-risk Activities*

This phase involved developing an overall map of the Company's activities structured based on the processes and sub-processes of each Division, Department and/or Business Unit.

The next step was a detailed analysis of each individual activity, specifically carried out to determine their actual content and operating modalities, the allocation of tasks and whether any of the potential crimes listed in Legislative Decree No. 231/2001 could or could not occur.

The notion that Edison S.p.A., a company engaged in industrial operations that performs an operating function, is the controlling company of a group of companies that operate with different objectives but benefit from significant synergies was accepted as an underlying assumption.

Because of the type of activities carried out by Edison S.p.A., a decision was made to devote greater attention to determining whether or not risk profiles existed with regard to certain types of crimes, such as: crimes against the public administration, crimes against the property of the government or other public entities, corporate crimes, illicit intermediation and labour exploitation, market abuse crimes, money laundering and self-laundering crimes, occupational safety crimes, computer crimes, crimes involving criminal organizations, environmental crimes and tax crimes.

On the other hand, with regard to the remaining alleged offences, the specific activities carried out by Edison S.p.A. were not deemed to present risk profiles significant enough to support a reasonable expectation that such crimes would be committed in the Company's interest or for its benefit. Consequently, the reference made to the principles contained in this Model and in the Company's Code of Ethics was deemed to be sufficient, because the Model and the Code of Ethics require that corporate officers, employees and commercial partners respect the values of solidarity, individual rights, fairness, morality and respect for the laws and the pronouncements of public authorities (and of the courts above all).

In addition to taking into account the recommendations provided in the Confindustria guidelines, the work carried out during this phase included

reviewing the case law developed in recent years, thanks to the increasingly numerous pronouncement by the courts on the merit and the law concerning the liability of entities.

In some cases, surveys produced by regulatory authorities or supranational regulatory sources (e.g., examples of market manipulation and suspicious transactions provided by the Consob in its Market Regulations or other pronouncements published, in some cases, to adopt the conclusions of the Committee of European Securities Regulators) were used.

The identification of areas of risk for the occurrence of crimes that are relevant pursuant to Legislative Decree No. 231/2001 was carried out by means of interviews conducted by multiple interviewers, with different competencies, in order to allow a joint analysis of the responses provided by the interviewees, who were the managers in charge of the various Divisions, Departments or Business Units of Edison S.p.A. and, as such, the persons best informed about the operations carried out in each area. The results of these meetings were documented in detailed minutes and summarized in descriptive forms that were then used to develop the Model and are being kept on file by the Oversight Board.

In addition to illustrating the contents and operating procedures of each organisational unit, these forms represent the concrete risk profiles of the commission of the offences identified by Legislative Decree No. 231/2001. For each activity – in some cases, also through the preparation of specific opinions – the reason for the existence or non-existence of each risk profile was indicated.

To verify further the substance and accuracy of the remarks contained in the forms and of the information provided in the minutes of the meetings, these documents were reviewed by the managers of all Divisions, Departments and Business Units.

The categories of activities that were found to present the risk that crimes of the types referred to in Legislative Decree No. 231/2001 may occur are listed below:

- a) *Agreements and contracts with Public Entities*
- b) *Relationships with Regulatory Authorities*
- c) *Licenses, permits and concessions*
- d) *Inspections*
- e) *Settlement agreements and legal disputes*
- f) *Relationships with the Board of Statutory Auditors and the Independent Auditors*
- g) *Handling of insider information*
- h) *Accounting and financial reporting*
- i) *Government grants and subsidized financing*
- j) *Managing incentives*
- k) *Transactions with significant parties and related parties*
- l) *Extraordinary transactions*
- m) *Occupational health and safety*
- n) *Environmental matrices*
- o) *Tax issues*

So-called “instrumental” areas have also been identified, within which, in principle, the conditions or the tools for committing certain types of crimes could develop:

- p) *Sponsorships*
- q) *Consulting engagements/Provision of services by outsiders*
- r) *Managing developers*
- s) *Personnel recruitment and hiring*
- t) *Gifts*
- u) *Entertainment expenses*
- v) *Finance and Cash Management*
- w) *Purchasing of goods and services*
- x) *Buying and selling natural gas*
- y) *Real estate assets*

z) *Information systems*

As mentioned above, electric power sales are carried out under special contracts executed exclusively with Group companies, in accordance with regulations that require separation from the parties that will subsequently handle market distribution. On the other hand, gas sales are made also to outsiders, including thermoelectric power plants.

Moreover, Edison S.p.A., in its capacity as the controlling company, provides a series of services to its subsidiaries that are governed by special intercompany contracts.

These intercompany transactions were deemed to constitute an at-risk area because of the unlawful acts relevant for the purpose of Legislative Decree No. 231 that could potentially occur within their framework. Consequently, special attention was paid to the motives for the abovementioned contracts, the stipulated consideration and the control systems established downstream of contract execution.

*Phase III: Identification and Analysis of Existing Risk Prevention Systems*

In the areas at risk, the parties responsible for managing area activities were asked to explain the operating procedures and the controls actually in effect that can qualify as suitable for preventing a specific identified risk. The result of this activity was documented on forms and documents prepared by the parties involved. These forms and documents contributed to the development of the Model and are being kept on file by the Company.

*Phase IV: Gap Analysis*

The risk status and the corresponding prevention mechanisms listed in the abovementioned forms was compared with the needs and requirements that arise from Legislative Decree No. 231/2001 in order to identify shortcomings in the existing system. When at-risk activities that lacked adequate risk prevention mechanisms were identified, actions that were best suited to prevent in practical terms the identified potential risks were developed, working with the support of the manager of the affected activities, taking also

into account any operating rules already in effect or rules that were merely followed in operating practices. In this phase, special attention was paid to identify and regulate the processes for managing and controlling financial resources in those activities that were deemed to be prone to the occurrence of violations relevant pursuant to the abovementioned Legislative Decree.

*Phase V: Defining the Protocols*

An Action Protocol was defined for each area that was deemed to be exposed to a potential risk but lacked adequate prevention controls. Action Protocols were also defined for those activities that were found to have adequate prevention controls in order to codify the principles and general rules of these controls. The Protocols set forth the regulations that are best suited to control the corresponding risk profiles and constitute a set of rules generated through a detailed analysis of each individual activity and the corresponding risk prevention system.

The Protocols were submitted for review and approval to the parties responsible for managing at-risk activities.

Moreover, the Protocols were designed consistent with the rule that the phases of the decision-making process must be documented and verifiable, in order to allow retracing of the reasons that motivated the decision.

Each Action Protocol was codified in a Service Communication addressed to the corresponding operating unit, thereby making the rules of conduct contained therein official and binding on anyone engaged in activities within which a risk profile was identified.



An effective system of Protocols must necessarily take into account the status of the system used to grant powers of attorney and delegate authority, in order to determine whether authority and powers are allocated consistent with the decision-making processes governed by the Protocols.

With respect to this issue, Edison S.p.A. abides by the principles that only parties equipped with official and specific powers can undertake obligations vis-à-vis third parties in the name and on behalf of the company they represent.

Edison S.p.A. has thus developed a corresponding system that allocates to each party powers consistent with his/her position within the organization.

The goal pursued with such a system is to fully implement a series of guidelines to: *i*) assign to designated parties within the company responsibility for managing the system for granting powers of attorney; *ii*) require that each company grant separately the powers required for a specific activity, when an executive of Edison S.p.A. serves as a Director of a subsidiary; and *iii*) require the joint signatures of two representatives for cash payments (applicable mainly to the Finance Department, which is the only party authorized to handle cash through corporate accounts).

Suitable methods to manage the financial resources designed to prevent the crimes have been identified by setting up an expenditure regulation (which also takes into account the identified risks of committing alleged crimes), expressly approved by the Board of Directors.

In particular, the expenditure regulation is a document that summarizes both the monetary and financial flows within the company and of persons holding handling and expenditure powers involving the financial resources, in compliance with principles of transparency, accountability and pertinence to the company business.

The definition of the protocols complements and is an integral part of the Code

of Ethics, in keeping with the needs expressed in Legislative Decree No. 231/01 and based on sound, transparent and proper corporate management, which Edison S.p.A. regularly revises and updates, making it compliant with the requirements of Legislative Decree No. 231/2001.

#### **1.4 Structure of the Model: Section One, Section Two and Annexes**

Consistent with the characteristics described above, this Model is comprised of two sections. The first section, general in nature, explains the Model's purpose and principles and the provisions of Legislative Decree No. 231/2001 and the other main reference standards.

Section two comprises the heart of the Model and refers to its content: from its adoption to the identification of at-risk activities, the definition of protocols, the characteristics and modus operandi of the Oversight Board, the information flows, the training and information activities, the penalty system and Model updates.

The Model is completed by its annexes, which are an integral part of the 231 Model itself:

1. the Code of Ethics;
2. the Protocols for controlling the risk profiles identified within each unit;
3. the Expense Regulations and Guidelines for Managing and Granting Powers of Attorney.

#### **1.5 Parties to Whom the Model Applies**

As explained earlier in this document, this Model applies to anyone who operates in the name and on behalf of Edison S.p.A., with special emphasis on employees who perform activities identified as being at risk.

Compliance with the Model's provisions is required of all Directors and Statutory Auditors, managers and other employees, who must be provided with adequate training and information about the Model's content in the

manner described in Section 2, Chapter 5, below.

Compliance with the Model is also demanded by including in contracts clauses that require independent contractors, consultants and business partners to comply with the principles of the Code of Ethics and with the Protocols that specifically apply to the activities in question, with a failure to do so empowering Edison to cancel or terminate the contract.

In dealings with joint venture partners or transactions governed by other contractual relationships, such as ATI contracts, the Code of Ethics requires Edison to carry out an adequate due diligence activity before agreeing to be bound by contractual obligations vis-à-vis third parties.

## **1.6 Adoption of the Model Within the Edison Group**

Edison S.p.A. is an operating company engaged in businesses in the areas of electric power, natural gas, hydrocarbons and energy services, both directly and through subsidiaries and affiliated companies

It is comprised of a series of Divisions (*Power Asset; Gas Asset; Gas & Power Portfolio Management & Optimization; Gas & Power Market; Energy & Environmental Services Market; Finance; Legal & Corporate Affairs; Human Resources & ICT; Engineering; Strategy, Corporate Development & Innovation; Institutional Affairs, Regulatory, and Climate Change; External Relations & Communications, Sustainability*) focused on specific business activities or responsible for managing common corporate processes. In addition to the Divisions, the Company includes Business Units (organizational business units and significant profit centres), Departments (corporate organizational units and significant cost centres) and Functions (basic organizational units established within Business Units and/or Company Departments).

In many cases, subsidiaries that perform production and sales activities report to the Divisions at the operational level.

In its capacity as the controlling company, Edison S.p.A. provides guidance and coordination to the Group of companies it controls and oversees at the operational level functions that provide opportunities for significant economies of scale.

Consistent with the exercise of its guidance and coordination function, the controlling company is required to communicate the Model's adoption to its subsidiaries and inform them of any updates. It also has the power to establish general criteria and guidelines that Group companies must abide by when adopting their own models, thereby ensuring that objectively consistent criteria will be used for model adoption purposes, it being understood that each company is independently responsible for adopting and effectively implementing its own model.

Edison, through the guidance and coordination exercised by *management* and the activities carried out by the Internal Auditing, Privacy & Ethics Department, is able to verify whether all Group companies are in compliance with the principles that the Parent Company recommended be used for Model adoption purposes, it being understood that each company is independently responsible for adopting and effectively implementing its own model.

Consequently, the subsidiaries develop their own organizational models, which must take into account the needs of the different business activities they pursue.

## 2. OVERSIGHT BOARD

### 2.1 Structure and Composition of the Oversight Board

In order to secure exemption from administrative liability — as governed by Article 6, Section 1 of Legislative Decree No. 231/2001 - an entity is required to establish an internal Oversight Board (OB) provided with independent control authority (sufficiently broad to enable it to constantly monitor how the Model is functioning and if it is being complied with) and autonomous decision-making powers to ensure that the Model is being kept up to date.

Consistent with the recommendations of the Confindustria guidelines and the practice developed in the years following the decree's enactment, the use of a board with multiple members to perform this function appears to offer the best assurance that it will discharge its statutory duties.

Another characteristic of the OB is the requirement that its members have a thorough understanding of the Company's activities and, at the same time, are sufficiently influential and independent to lend credibility and authority to the OB and its activities.

The characteristics of the OB, which are a prerequisite for effectively and efficiently implementing the Model, are explained below in greater detail:

- *autonomy and independence:* They are essential to ensure that the OB has no involvement in the operating activities over which it has oversight authority. Accordingly, the OB must be hierarchically independent. This is achieved by treating it as a staff unit placed in the upper echelons of the corporate organization. To protect its independence and as evidence of the high level of the function it performs, the OB reports directly to the Board of Directors. Moreover, the members serving on the OB and their qualifications must be such to guarantee, both objectively and subjectively, the

absolute autonomy of the OB's assessments and determinations;

- *professionalism*: It is necessary to perform the delicate and incisive functions assigned to the OB;
- *continuity of action*. Consistent with this characteristic, the OB must:
  - o work incessantly to monitor compliance with the Model, using the necessary investigative powers;
  - o ensure that the Model is implemented and constantly updated;
  - o represent a constant reference point for all Company personnel.

The most recent version of the Confindustria Guidelines published in June 2021 provided additional clarifications and suggestions with regard to the OB, focusing on the requirements of autonomy and independence and on continuity of action.

More specifically, with regard to the former requirements, Confindustria recommends to avoid situations of conflicts of interest – which could arise in the event of overlap between the controlling and the controlled parties – thereby keeping the position of the supervised entity separate with respect to the OB member, as well as providing grounds for ineligibility or disqualification of OB members.

With regard to continuity of action, Confindustria suggests, in the alternative, the presence of persons internal to the company within the OB or of a technical secretariat that coordinates the OB's activity.

Edison S.p.A. has opted for a solution that gives importance to the characteristics of independence and continuity for an effective implementation of the Model: the establishment of an *ad hoc* entity, the composition of which includes more than one member.

Edison S.p.A. believes that setting up an Oversight Board comprised of

independent Directors and an outside professional will offer at least two advantages: on the one hand, maximum autonomy and, on the other, the identification of a body dedicated solely to the tasks envisaged by Legislative Decree No. 231/01.

Consequently, the Board of Directors of Edison S.p.A., in its meeting of March 31, 2022, agreed to continue with the solution it has already been using, appointing to the OB two independent Directors and an outside professional, who was asked to serve as Chairman of the OB.

The decision to include an outside professional is justified by the expertise and professional competencies gained through this choice. The Company believes that the benefits provided by an OB such as the one described above include an in-depth understanding of the Company's activities and continuity with the activity of the previous OB.

The Board, made up as above, will therefore be able to count on the high professionalism of its members, one of whom – operating within the Control and Risks Committee – is also already engaged in functions similar to that of the OB. Moreover, the three aforesaid members will be able to guarantee high authoritativeness and – also on account of their personal qualifications and experience – ensure independence and seriousness of assessment of the work carried out by corporate representatives at all levels.

Specifically with the latter issue, it is worth noting that the two OB members who also sit on the Board of Directors do not serve in executive capacities (i.e., no function has been delegated to them) and are independent Directors (i.e., they are not parties to business transactions with the Company that could affect their independent judgment and their unfettered assessment of management's performance), as required by the provisions of Article 148 of Legislative Decree No. 58/1998 (TUF - Consolidated Finance Law) on the ineligibility of statutory auditors, applicable, due to the reference set forth in Article 147 *ter* of the TUF also to directors, as well as the regulations governing interdependence set out in the Code of Corporate Governance by Borsa Italiana which Edison complies with.

Candidates for appointment to the OB, as well as those who may replace them in the future, must meet the requirements of integrity and absence of conflicts of interest and must not be related to members of the Company's top management.

The possession and retention of these qualifications shall be ascertained both upon appointment and, from time to time, while members of the OB are in office.

If the Board of Directors fails to address the appointment of the OB's Chairman in the resolution by which it adopts the Model or reelects the OB, the OB members will elect their Chairman when they are convened for their first meeting.

Grounds for ineligibility and/or disqualification of OB members are:

- sentencing (even non-final) for one of the crimes laid down by Legislative Decree No. 231/01;
- sentencing (even non-final) to a punishment that involves interdiction, albeit temporary, from public offices or temporary interdiction from the directive offices of legal entities and enterprises.

In order to allow the OB to fully perform its function, it has been provided with the option to use internal and outside consultants. More specifically:

- the OB may avail itself of special competencies available within the Company, especially those of the Internal Auditing, Privacy & Ethics Department, the *Legal & Corporate Affairs Division*, and the *Human Resources & ICT Division*;
- the OB may also use outside consultants who possess specific competencies that it may find useful;
- in the performance of its activities, the OB may avail itself of the support of the staff of the Internal Auditing, Privacy & Ethics Department, selecting employees whom it will ask from time to time to perform specific assignments or tasks, in



accordance with OB regulations that the OB itself is required to adopt.

In order to gain a thorough understanding of how the Model is being deployed, of its effectiveness and implementation at the operating level and of its updating requirements, it is essential for the OB to operate at all times in close coordination with the Company's operating units.

Consequently, concurrently with the appointment of the OB, the Company appointed to the newly created post of *Operating Unit Officers* the managers of the various Divisions and Departments, who are the very people that are responsible at the operating level for areas of business that, under current conditions, were found to be at risk for the occurrence of the crimes covered by the Decree and who are also the persons who contributed to developing Protocols designed to provide protection against those risks.

The establishment of *Operating Unit Officers* provides assurance that the Model will be physically and effectively implemented, since they provide an effective link between the OB and the individual operating units that are deemed to present risk profiles.

The use of Operating Unit Officers provides the best avenue for complying with the requirement to effectively implement the Model because they can provide practical assistance in meeting the oversight obligation, due to their direct knowledge of the businesses and operating procedures of the activities included in the at-risk areas under their jurisdiction.

Each *Operating Unit Officer* is thus required to report to the OB in order to allow the OB to more effectively abide by and comply with its obligation to monitor the implementation of and compliance with the Model and ensure that the Model is constantly updated.

As a further means of safeguarding the independence and impartiality of the OB, Edison defined general rules that govern and protect its operating processes.

Specifically, the rules require that OB members serve for the same length of time as that of the term of office of the Board of Directors, as determined by the Shareholders' Meeting, or, if earlier, until the termination of the corporate office if the member of the OB is also a member of the Board of Directors or the Board of Statutory Auditors, or until resignation or revocation.

During their term of office, the compensations of the OB members, which must be approved by the Board of Directors, may not be modified except for adjustments required by changes in statutory indices. The dismissal of any member of the OB, which is allowed *exclusively* for failures to perform the assigned tasks, requires the unanimous vote of the Board of Directors and must be communicated in advance to the Board of Statutory Auditors and, subsequently, to the Shareholders' Meeting.

For all other organizational issues, the OB will adopt a series of internal rules and regulations designed to optimize its performance.

## **2.2 Definition of the Tasks and Powers of the Oversight Board**

The tasks of the OB are expressly defined by Legislative Decree No. 231/2001 in its Article 6, Section 1, Letter b) as follows:

- supervise the operation of and compliance with the Model and the Code of Ethics;
- keep it up-to-date.

In performing the first of these two tasks, the OB is required to carry out the following activities:

- develop an annual audit plan to assess the Model's adequacy and effective implementation;
- provide the Operating Unit Officers with rules for the procedures and timing applicable to the collection of information and coordinate this process with the OB's activities;

- as part of its annual plan, monitor on an ongoing basis activities and transactions carried out within at-risk areas, in order to assess the compliance with and implementation of the Model;
- conduct reviews that target certain transactions or actions carried out within at-risk areas;
- examine the six-monthly reports of the *Unit Managers*, to identify any shortcomings in the implementation of the Model and/or potential Model violations;
- collect, process and store information for compliance purposes and establish specific rules to govern the information flow provided by the *Operating Unit Officers*;
- promote appropriate initiatives aimed at the dissemination and understanding of the Model;
- evaluate reports of potential violations of the Model and/or instances of non-compliance with the Model and the Code of Ethics and of events that constitute one of the crimes under Legislative Decree No. 231 of 2001;
- conduct - together with the Internal Auditing, Privacy & Ethics Department of Edison S.p.A.- investigations to confirm potential violations of the Model's requirements or events that constitute one of the crimes under Decree 231;
- with regard to violation reports found to be well-founded, it shall recommend to senior management and the relevant Company functions the adoption of an action plan and/or activity that could include, if applicable, reporting to the judicial authorities unlawful criminal, civil and/or administrative activities and possibly imposing penalties on the reported violator and/or any parties who are the perpetrators of the unlawful conduct and/or the reported violations;
- promote all programs necessary to implement any

adjustment to the Model and Company practices required by the reported violations;

- verify that Model violations were in fact adequately punished;
- guarantee the Model's continued effectiveness, ensure that the system used to grant powers of attorney and delegate authority is adequate. Consequently, the OB shall also perform crosschecks to ascertain whether the activities actually carried out by representatives of Edison S.p.A. are in fact consistent with the powers formally conferred through existing powers of attorney.

As for the obligation to keep the Model up to date, it is important to note that jurisdiction over the adoption of amendments to the Model rests with the Company's primary governance body (the Board of Directors, which may delegate this task to the Chief Executive Officer), which, pursuant to Article 6, Section 1, Letter a), of the Decree is directly responsible for adopting and effectively implementing the Model.

With regard to the obligation to keep the Model up to date, the OB is required to carry out the following activities:

- monitor changes in the relevant laws and regulations;
- adopt appropriate measures to keep the map of at-risk areas up to date in a manner consistent with the methods and principles applied when this Model was adopted, working with the support of the Operating Unit Officers and establishing rules for the communication process;
- supervise the adequacy and updating of the protocols for crime prevention purposes and verify if every Model component is and continues to be suitable and adequate for the purpose of achieving the Model's objectives pursuant to law, using for this purpose information and support provided by the Operating Unit Officers;

- determine, in case of actual commission of offences and serious Model violations, whether the adoption of amendments to the Model are necessary;
- recommend amendments to the Model to the Board of Directors;
- verify the effectiveness and functionality of the Model adopted by the Board of Directors.

It is important to note that, in order to enable it to pursue its activities effectively, the OB has unfettered access to all corporate documents that may be relevant for the purpose of determining whether the Model is being correctly implemented.

To ensure that the OB is able to fully and independently perform its assigned tasks, the OB is provided with an adequate annual budget, determined by a resolution approved by the Board of Directors. The budget must be sufficient to allow the OB to perform its function with full autonomy and without limitations caused by insufficient financial resources.

As for the scope of implementation of the OB's control powers, while, obviously, Legislative Decree No. 231/2001 cannot amend the current provisions of corporate law or those of the Bylaws adopted by the Company in the exercise of its organizational autonomy through the establishments of entities that hierarchically supersede the Board of Directors, types of actions must be devised that ensure, also and in particular with regard to parties who perform representation and management functions (namely the members of the Board of Directors), effective compliance with the Model's preventive measures and rules.

The Oversight Board is thus responsible for taking action with regard to the abovementioned parties—which may include exercising the penalty imposing powers discussed in detail below, obviously notwithstanding any further and more severe determination by the Shareholders' Meeting regarding the termination of the fiduciary relationship with regard to one or more members of the Board of Directors—should said parties engage in activities or conduct

in violation of the requirements set forth or referenced in this Organizational Model.

The Oversight Board of the controlling company may also dialog and exchange information with the OBs of Group subsidiaries in order to obtain a comprehensive view of the effectiveness of the Internal Control and Risk Management System and of how crime risks are being monitored, without infringing on the exclusive right of each OB to investigate and take action in response to violations of the Models adopted by the individual companies.

### **2.3 Reporting by the Oversight Board**

As explained earlier in this document, in order to enable it to perform its activities with full autonomy and independence, the OB reports directly to:

- Board of Directors of the Company
- Board of Statutory Auditors
- Control and Risk Committee.

The obligation to report to the abovementioned governance bodies, some of which are empowered to convene Shareholders' Meetings, also constitutes the best guarantee of ultimate control over the activities of the Directors, which, pursuant to law and the Bylaws, is a prerogative of the shareholders.

Specifically, concurrently with the approval of the annual financial statements and the semiannual report, the OB provides the Board of Directors and the Board of Statutory Auditors with the following information:

- a written report on the Model implementation status, focusing on the results of oversight activities carried out during the previous six months and listing appropriate actions for the Model's implementation;
- a semi-annual audit plan for the following six months.

The OB may request a meeting with the Board of Directors whenever it

believes that a review or decision by the Board of Directors concerning issues that have a bearing on the Model's functionality and effective implementation would be advisable.

To guarantee an accurate and effective flow of information and in order to fully and correctly exercising its powers, the OB may request clarifications or information directly from the Chief Executive Officer and other members of the senior management team.

Conversely, the OB may be summoned at any time by the Board of Directors and other corporate governance bodies to report on events or situations that affect the implementation of and compliance with the Model.

The OB shall report to the Board of Directors only in the manner described above and its report shall always be provided by the members of the OB acting jointly.

#### **2.4 Information Flows to the Oversight Board**

Legislative Decree No. 231/2001 also outlines, among the requirements that the Model must satisfy, the establishment of reporting obligations to the OB.

The information flows must include the information and documents that must be brought to the OB's attention in accordance with the provisions of Protocols and of each of the Model's parts.

Consequently, the Company's governance bodies, *Operating Unit Officers* (i.e., the managers of company Divisions and/or Departments) and all employees of Edison S.p.A. are required to comply with the obligations described below, and must communicate to the OB any information that may be relevant to compliance with the Model and its implementation.

The OB must specify in its operating regulations the methods that must be

followed to interact with the various governance bodies, consistent with the general objective of obtaining information relevant to the OB's tasks and objectives.

Specifically, the Model requires that the OB be provided with information about:

- actions taken and/or news concerning the existence of criminal proceedings, including proceedings against unknown parties, that involve events of interest to the Company;
- actions taken and/or news concerning the existence of administrative proceedings or significant civil law disputes that arise from demands or actions of independent authorities, the tax administration, the Ministry of the Environment, local governments, contracts with the public administration and applications for and/or the management of government financing facilities;
- requests for legal assistance that the Company received from employees who are defendants in criminal or civil proceedings;
- reports prepared by managers of company Divisions/Departments/Functions as part of the control activities they are required to perform, when such reports contain evidence pointing to the existence of risk profiles that are relevant for Model compliance purposes.

A functional reporting obligation is also established for the *Operating Unit Officers* that must report to the OB:

- every six months, details about the work they performed (controls performed, modifications suggested in response to changes in their activity or operating procedures, mention of any new activities or operating methods that could offer opportunities for committing the types of crimes covered by Legislative Decree No. 231/2001), by means of a written report;
- promptly in the event of serious anomalies in how the Model is functioning or violations of the Model's requirements.



The OB may regulate more in detail the methods and timing applicable to the flow of information that the *Operating Unit Officers* are required to provide to the OB.

When submitting their semiannual reports, the Operating Unit Officers must also provide a written declaration stating that they are familiar with the Model's rules and that they undertake to comply with those rules and discharge faithfully their supervision and control obligations.

Each Operating Unit Officer must determine if the complexity of the activity under their jurisdiction justifies the appointment of a Focal Point Officer, whose job will be to help them discharge the duties for the performance of which they are responsible in connection with the implementation of the 231 Model.

Lastly, the OB shall establish a channel for ongoing reporting by the Internal Auditing, Privacy & Ethics Department, which, in its capacity as the Department responsible for assessing the adequacy of the Internal Control and Risk Management System, is required to provide information concerning any anomalies or atypical occurrences that it uncovered in the course of its auditing engagements.

When exercising its investigative powers, the OB shall have unfettered access to all corporate sources of information and may examine documents and consult any data concerning the Company.

The OB is responsible for keeping on file and safeguarding all of the information, documents and reports of violations it obtained in the performance of its assigned duties, ensuring that the confidentiality of the abovementioned documents and information is protected and that the relevant provisions of the privacy laws are being complied with.

## **2.5. Reporting of violations.**

In addition to the above, each recipient of the Model must report any information concerning conduct in violation of the Model's regulations or concerning the occurrence of crimes.

The tools for making reports and their handling are set out in the *Whistleblowing Policy* which should be consulted for more information. All of the reporting modalities guarantee confidentiality for the whistleblowers, so as to avoid retaliatory and/or discriminatory acts against them.

The OB, informed by and in concert with the *Internal Auditing, Privacy & Ethics Department* of Edison S.p.A., shall evaluate these reports. If deemed necessary, it may question the alleged perpetrator of the violation and carry out all of the inquiries and investigations that may be required to determine what did in fact occur.

If a violation is reported anonymously, the OB, again in concert with the *Internal Auditing, Privacy & Ethics Department* of Edison S.p.A., shall determine whether an inquiry is warranted, provided the anonymous report contains sufficient specific information to take such action.

### 3 DISCIPLINARY SYSTEM

As part of the process of assessing the Model's effectiveness and suitability for the purpose of preventing the crimes covered by Legislative Decree No. 231/2001, it must identify and punish conduct that make it possible for crimes to be committed.

Article 6, Section 2 of the Decree in question, in listing the elements that must be contained within the Models prepared by the company, expressly provides under Letter e) that the company has the duty to *"introduce a disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model"*.

Accordingly, Edison established a disciplinary system specifically designed to punish all conduct that constitutes a violation of the Model.

In order to comply more effectively with the Decree's provisions, Edison chose to establish a system consistent with the principle of explicitness, thereby clearly identifying in advance both the rules of conduct and the penalties that their violation would entail.

Specifically, Edison adopted a Disciplinary Code that encompasses all of the rules of conduct set forth in the various Protocols.

This Code is annexed to and is an integral part of this Model.

The penalties, which are described below, were determined taking into account both the provisions of labour laws and the principles and requirements of the Organizational Model referred to in Legislative Decree No. 231/01, as well as the updated Confindustria Guidelines.

#### 3.1. Parties to Whom the System Applies and Definitions

The parties who are required to comply with the Model and the Code of Ethics and to whom this disciplinary system consequently applies include the following: parties who within the Company serve in such capacities as representative, director or manager of the entity or of one of its organizational units with financial and functional autonomy, as well as parties who exercise,

even if just de facto, management and control authority over it (so-called, top management); persons who are subject to management or oversight by a member of top management, i.e., Company employees, including managers and persons employed by Edison in connection with the supply of labour and the provision of services and home-working employees ( Subordinated Workers); auditors; associates in a coordinated and continuous relationship, including those working on a project or contract basis, sales agents and sales representatives and independent contractors, as defined in Articles 2222 and following of the Civil Code (Independent Workers), who collaborate with Edison S.p.A.; and, in general, outside consultants, business partners (sole proprietorships and/or companies) and anyone with whom the Company has entered into a contractual relationship for the performance of any type of work, including temporary employment agencies and service subcontractors, as defined in Articles 4, 20 and 29 of Legislative Decree No. 276/2003.

### **3.2. Conditions for Implementation**

The disciplinary system applies to all relevant parties, as defined above, whenever the existence of activities in violation of the requirements and procedures of the Model or the Code of Ethics is ascertained, whether or not an administrative and/or criminal proceedings involving the author of the violation has been instituted and irrespective of the outcome of the proceedings.

Specifically, the following shall constitute a disciplinary violation:

- a) a violation of the rules of conduct set forth in the Code of Ethics;
- b) a violation of the provisions set forth in the General Part of the Model;
- c) a violation of the procedures and protocols set forth in the Special Part of the Model;
- d) a violation of the reporting obligations towards the Oversight Board;
- e) actions to hinder controls and unjustified refusal to allow access to information and documents opposed to parties responsible for controlling the procedures and the Oversight Board, as well as other types of conduct aimed at violating or eluding the Model's control systems;
- f) commission of the offences referred to in Article 21, Section 1 of

Legislative Decree No. 24/23<sup>8</sup>.

At all times, the Company shall always have the right to seek compensation for damages caused by a violation of the Model.

### **3.3. Types of Penalties**

#### *3.3.1 Penalties Imposed on Subordinated Workers Classified as Factory Staff, Office Staff or Middle Managers*

Violations committed by Company factory staff, office staff or middle managers and, more in general, the pursuit of conduct that could cause the Company to become the target of the enforcement actions provided in Legislative Decree No. 231 of June 8, 2001 may result in the imposition of the following penalties, within the limits set forth in the applicable collective bargaining agreements:

- (a) written reprimand;
- (b) fine;
- (c) suspension;
- (d) dismissal with or without notice.

The penalties referred to in Letters (a), (b) and (c) above will be imposed in response to violations that, in view of the specific circumstances in which they arose, are not serious enough to require the imposition of a different penalty.

The penalty referred to in Letter (d) may be imposed on employees who are

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<sup>8</sup> There are two types of conduct in particular:

- retaliation against the whistleblower, obstruction or attempted obstruction of the report, breach of the obligation of confidentiality;
- failure to set up reporting channels, failure to adopt procedures to make and handle reports (or to do so in a manner contrary to the provisions of Legislative Decree No. 24/23), failure to verify and analyse the reports received.

It is also a disciplinary offence to make reports that constitute defamation or slander, unless the person making the report has been convicted, even if only at first instance, of such offences.

guilty of violations serious enough to make the continuation of the employment relationship impossible or who are guilty of repeated violations requiring the imposition of the penalties referred to in Letters (a), (b) and (c), in the manner and with the timing required by the applicable collective bargaining agreement, or, when the purpose of the conduct is to obtain a personal benefit, irrespective of the seriousness of the violation.

The imposition of penalties will be carried out consistent with the principle of proportionality and, in general, the provisions of collective bargaining agreements and of the applicable labor laws. In accordance with the principle of the right to be heard, the involvement of the interested party will always be ensured: once the allegations have been notified – in a timely and specific manner – the interested person will always have the possibility to justify their actions.

### *3.3.2 Penalties Imposed on Subordinated Workers Classified as Executives*

Violations by Company executives and, more in general, the pursuit by the abovementioned executives of conduct that could cause the Company to become the target of the enforcement

actions provided in Legislative Decree No. 231 of June 8, 2001 may result, consistent with the conditions set forth in Section 3.2 above, in the imposition of the penalties provided under the terms of the collective bargaining agreements for other classes of employees, consistent with the abovementioned principle of proportionality and of the right to be heard, in general, the provisions of collective bargaining agreements and of the applicable labour laws.

### *3.3.3 Precautionary Suspension*

Confirmation that violations such as those referred to in Section 3.2 above have occurred and confirmation of failures to promptly inform the relevant governance body of violations committed by subordinates may result, consistent with the conditions set forth in Section 3.2 above, in the imposition against employees classified as executives of a precautionary job suspension, without prejudice to their right of the affected executive to receive his/her

salary, and of the obligation, also on a temporary and precautionary basis for a period of up to three months, to forfeit other positions, in accordance with the provisions of Article 2103 of the Civil Code.

#### *3.3.4 Penalties Imposed on Directors*

The act of engaging in actions or conduct in violation of the provisions and procedures set forth or referenced in the Model by a Director shall be punished with the following disciplinary actions, depending on the seriousness of the violation and the specific nature of the relationship:

- (a) suspension from the office held for a period from one to six months;
- (b) revocation of powers delegated to the Director;
- (c) reduction of the fees for a Director without delegated powers;
- (d) convening of a Shareholders' Meeting to adopt a dismissal motion pursuant to Article 2383 of the Civil Code (i.e. revocation).

More specifically, the following provisions shall apply:

➤ the Board of Directors, depending on the seriousness of the violation, shall order the suspension from the office held (for a period from one to six months) or the revocation of delegated powers (with the corresponding fee reduction) for a Director with delegated powers who:

= violates company procedures and/or engages in conduct inconsistent with the Model and the Code of Ethics, performing actions that are or could be injurious to the Company, exposing it to an objectively dangerous situation regarding the integrity of its assets;

= in the performance of at-risk activities engages in conduct that is in contrast with the provisions and procedures set forth or referenced in the Model or with the Code of Ethics and is exclusively aimed at perpetrating one of the crimes punishable pursuant to Legislative Decree No. 231/2001;

➤ the Board of Directors, depending on the seriousness of the violation, shall order the suspension from the office held (for a period from one to six months) or reduce the fees for a Director without delegated powers who:

= violates company procedures and/or engages in conduct inconsistent with the Model and the Code of Ethics, performing actions that are or could be injurious to the Company, exposing it to an objectively dangerous situation regarding the integrity of its assets;

= in the performance of activities in at-risk areas engages in conduct that is in contrast with the provisions and procedures set forth or referenced in the Model or with the Code of Ethics and is exclusively aimed at perpetrating one of the crimes punishable pursuant to Legislative Decree No. 231/2001;

➤ the Shareholders' Meeting shall adopt a dismissal motion pursuant to Article 2383 of the Civil Code for a Director who:

= in the performance of activities in at-risk areas engages in conduct clearly in violation of the provisions and procedures set forth or referenced in the Model or with the Code of Ethics and capable of triggering the actual imposition upon the Company of the penalties set forth in Legislative Decree No. 231/2001.

The imposition of the penalties described above shall not affect the Company's ability to file a liability action against its Directors pursuant to Article 2393 of the Civil Code.

Moreover, should a Director also hold a power of attorney enabling him/her to represent the Company vis-à-vis outsiders, the imposition of a penalty shall entail the automatic revocation of the power of attorney.

### *3.3.5 Penalties Imposed on Statutory Auditors*

The act of engaging in actions or conduct in violation of the provisions and procedures set forth or referenced in the Model by a Statutory Auditor shall be punished with the following disciplinary actions, depending on the seriousness of the violation and the specific nature of the relationship:

- (a) warning to comply faithfully with the provisions;
- (b) suspension from the office held for a period from one to six months;
- (c) convening of a Shareholders' Meeting to adopt a dismissal motion pursuant to Article 2400 of the Civil Code (dismissal), which must be approved by a Court decree, subsequent to rebuttal by the Statutory Auditor.

More specifically, the following provisions shall apply:

➤ the Board of Directors, depending on the seriousness of the violation, shall issue a warning to comply faithfully with the provisions or shall suspend from the office held (for a period from one to six months) a Statutory Auditor who:



= violates company procedures and/or engages in conduct inconsistent with the Model and the Code of Ethics, performing actions that are or could be injurious to the Company, exposing it to an objectively dangerous situation regarding the integrity of its assets;

= in the performance of at-risk activities engages in conduct that is in contrast with the provisions and procedures set forth or referenced in the Model or with the Code of Ethics and is exclusively aimed at perpetrating one of the crimes punishable pursuant to Legislative Decree No. 231/2001;

➤ the Shareholders' Meeting shall adopt a dismissal motion pursuant to Article 2400 of the Civil Code for a Statutory Auditor who:

= in the performance of activities in at-risk areas engages in conduct clearly in violation of the provisions and procedures set forth or referenced in the Model or with the Code of Ethics and capable of triggering the actual imposition upon the Company of the penalties set forth in Legislative Decree No. 231/2001.

The imposition of the penalties described above shall not affect the Company's ability to file a liability action against its Statutory Auditors pursuant to Article 2407, Section 3, of the Civil Code.

### *3.3.6 Penalties Imposed on Independent Workers, Outside Consultants and Business Partners*

Contracts that Edison executes with Independent Workers, outside consultants and business partners must include a declaration by which Edison's counterparty specifically acknowledges being cognizant of the content of the Model adopted by Edison S.p.A. pursuant to Legislative Decree No. 231/2001 and of the obligation to comply with their requirements or, if the counterparty is a foreign national, of the obligation to comply with international and local laws designed to prevent risks that could ultimately result in the occurrence of crimes for which Edison S.p.A. could be held liable.

Contracts with such parties must contain a special cancellation and/or termination clause activated by a failure to comply with the abovementioned obligations, with Edison S.p.A. reserving the right to recover any damages that it may have incurred as a result of the conduct described above, including damages caused by a judge applying the enforcement actions provided by

Legislative Decree No. 231/2001.

### *3.3.7 Inclusion of Shield Clauses in Contracts Involving Independent Workers*

Contracts with the abovementioned temporary employment agencies and service subcontractors, outside consultants and business partners must include special clauses requiring the Company's counterparties to make employees who are being utilized by Edison S.p.A. or are performing their services at a location or for the benefit of Edison S.p.A. aware of risks that could cause Edison S.p.A. to be held administratively liable and inform them of the existence of the Code of Ethics and the Procedures of Edison S.p.A. and of the obligation to comply with the provisions thereof. Edison S.p.A. shall establish separate and effective penalties for violations of the Code of Ethics and the abovementioned Procedures by the abovementioned parties and shall include express termination and/or cancellation clauses specifically related to the abovementioned information obligation. Contracts for the provision of labor shall include, in addition to the abovementioned clauses, the express obligation of temporary employment agencies to enforce the penalties described above against any employees they provided to Edison who is guilty of a violation.

### **3.4 Responsibilities of Company Departments**

The Company Department that avails itself of the services of the parties described in Section 3.3.1 above or which is the owner of the process that encompasses the activities of the abovementioned parties shall record all data and information useful for understanding and assessing their conduct. These data must be provided to the OB upon request, should the OB need them to perform its duties.

### **3.5 Department Responsible for Imposing Penalties**

After the OB reported a violation of the Model, the Human Resources & ICT Division initiates disciplinary proceedings and conducts an investigation, in

accordance with standard statutory procedures.

The investigative phase, aimed at determining whether a violation did in fact occur, based on the findings developed by the OB, is carried out as quickly as possible by the abovementioned company function.

If the evidence shows that no violation occurred, the entities responsible for the investigation, acting consistent with the respective jurisdictional authority, shall close the case issuing a reasoned report that shall be kept on file at the Company and communicated to the OB.

The phase involving the issuance of charges and the imposition of a penalty, in accordance with the laws and regulations in effect (Civil Code, Workers' Charter and Collective Bargaining Agreements) is carried out:

= by the Human Resources & ICT Division for violation committed by employees (i.e., production and office staff, middle managers and executives), independent contractors, external consultants and business partners;

= by the Board of Directors or the Shareholders' Meeting, as applicable, for violations committed by members of the Board of Directors or the Board of Statutory Auditors.

#### 4. UPDATING THE MODEL

Pursuant to an express requirement of the relevant Decree, responsibility for the Model's adoption and effective implementation rests with the Board of Directors.

Consequently, the power to update the Model, which is an expression of the Model's effective implementation, falls within the purview of the Board of Directors, which can either exercise this power directly by means of a resolution or delegate it to the Chief Executive Officer, in accordance with the provisions that govern the Model's adoption.

The updating process, which may involve expanding or amending the Model, is designed to ensure that the Model is adequate and suitable for performing the function of preventing the occurrence of the crimes covered by Legislative Decree No. 213/2001.

The Oversight Board is tasked with *managing* the updating of the Model, in accordance with the provisions of this Model, also implemented through the activity of the *Unit Officers, and proposing updates of the Model to the Board of Directors.*

Because the evolving trends that characterize the pursuit of the Company's business activities could require a partial or full revision of the existing Protocols or the adoption of new Protocols in response to organizational or operational changes, the Chief Executive Officer is empowered issue a service order adopting the new rules, which must later be submitted to the Board of Directors for final approval.

## **5. PERSONNEL TRAINING AND INFORMATION.**

### **DISSEMINATION OF THE MODEL**

Adequate personnel training and the ongoing provision of information about the principles and requirements contained in the Model are factors of paramount importance for the correct and effective implementation of a corporate prevention system.

Because its human resources are an indispensable component for the existence, growth and success of a company, respect for adequate fairness, honesty and transparency criteria in the recruiting employees and outside associates is a prerequisite for the delivery of effective training and information programs

All parties who work within the Company and partners and outside associates are required to have a thorough understanding of the objectives of fairness and transparency that are being pursued with this Model and of the manner in which the Company intends to pursue them by establishing an adequate system of procedures and controls.

#### **5.1 Personnel Training and Information**

In accordance with the provisions of Legislative Decree No. 231/2001, Edison S.p.A. defined a special communication and training program designed to communicate and explain the Model to all of its employees. This plan is managed by the relevant organizational units, working in coordination with the OB.

Specifically, the **communication activities** that are being planned include:

- posting the Model on the Company Intranet and e-mailing a copy of the Model to each employee;
- giving or e-mailing to the members of corporate governance bodies and parties empowered to represent the Company copies of the Model

and Code of Ethics when they agree to serve in the office offered to them;

- giving or e-mailing to newly hired employees, as part of the documents that they receive upon joining the Company, an information kit containing the 231 Model, which they can use to obtain information of primary importance;
- posting on the Company website a page devoted to this topic, accessible also by external associates and commercial partners.

Initiatives in the **training** area will include diversified programs developed for different *targets*, with the objective of offering customized training paths that truly address the needs of different organizational units and resources. Consequently, the program will include both general training modules and more in-depth training modules specifically targeted for each at-risk area.

More specifically, the training program includes the following:

- basic training (also via e-learning) that enables timely and widespread dissemination of the contents common to all personnel - reference legislation (Legislative Decree No. 231/2001 and predicate offences), the Model and its functioning, contents of the Code of Ethics - accompanied by self-assessment and learning tests. Newly hired employees shall be automatically enrolled in training courses delivered in e-learning mode.
- specific classroom courses for persons who operate in organizational units at greater risk of unlawful conduct, during which specific Protocols are explained.
- more in-depth learning modules in connection with updates to legislation or internal procedures.

Employee attendance of the training programs described above shall be officially recorded, using the applicable modalities based on the type of training being provided and appropriately documented to the OB.