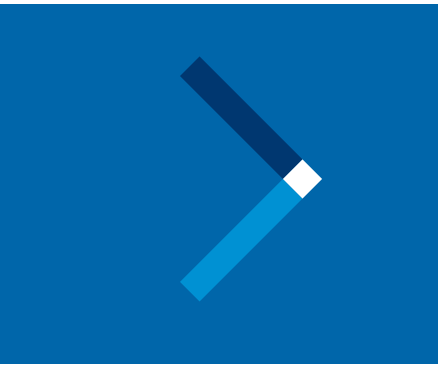




Policy on biodiversity and ecosystems

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Scope and target

This Policy defines the principles and methods that guide and characterise Edison's actions in protecting and enhancing ecosystems with regard to its activities in the energy industry, so as to better understand the specific context and identify, assess, handle, and remedy –if needed- any risks, impacts, dependency and opportunities connected with them.

This commitment is one of the four axes of Edison's sustainability action, in close connection with Climate Change and Value Creation in Communities and Territories. In particular, Edison acknowledges the role of biodiversity in protecting and boosting the productivity and resilience of ecosystems, as well as in supporting ecosystem services¹ –such as food production and climate regulation. Therefore, the conservation and proper management of biodiversity, the foundation of functional ecosystem services, is of paramount importance for the protection and quality of life on our planet.

Edison's commitment draws from the double materiality perspective and takes shape in two ways: as operating models, aimed at mitigating and managing its impacts and reliance on the environment and biodiversity by means of a proactive approach that is as site-specific as possible, and as patterns for managing the risks connected with the loss of biodiversity and ecosystem services, which is increasingly relevant for the economic and social processes in the context where Edison operates.

As far as the relations with territories and relevant stakeholders are concerned, the projects for the protection of the natural capital, and of biodiversity specifically, are the energy operator's lever for value generation in response to its presence in the area, as well as visible proof of Edison's vision translated into tangible actions and activities.

For all the above, Edison adopts a systemic approach, striving to minimise the impact and improve the environmental conditions of the areas in which it operates (Nature Positive²). The approach uses methodologies, tools and good practices, and has a comprehensive outlook on the entire value chain as well as on the reclamation of contaminated sites, with a progressive implementation and in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD). This Policy applies –with a specific reference to energy activities- to all Divisions, Business Units, Corporate Functions, Offices, Sites, and to all Edison SpA subsidiaries in Italy and abroad, taking into account the regulatory, social and cultural context of the foreign country. It also constitutes a general policy and reference for non-subsidiaries through which Edison operates.

Regulatory framework of reference

This Policy integrates principles, commitments and provisions included in the following corporate documents available to the public:

- Code of Ethics
- Sustainability Policy
- Health and Safety, Environmental, Quality, and Sustainable Energy Policy
- Policy on the relations with territories and local communities

1 ES (Ecosystem Services) are the **benefits people obtain from ecosystems**. According to the MEA (Millennium Ecosystem Assessment) they can be split into three groups:

- SES that regulate atmospheric gases, climate, water, erosion, prevention of hydrogeological instability, pollination, habitats for biodiversity;
- Provisioning ES (food, raw materials, freshwater, biological variability);
- Cultural ES, such as aesthetic, recreational, educational, spiritual, artistic, identity values.

2 Nature Positive: a concept that aims at halting biodiversity loss and reversing it by protecting the ecosystems and restoring those damaged.





The Policy also refers to the following external frameworks and regulations:

- United Nations Convention on Biological Diversity (CBD)
- EU Biodiversity strategy for 2030 (Nature Restoration Law)
- Kunming-Montreal Global Biodiversity framework
- United Nations Agenda 2030 for Sustainable Development
- International Union for the Conservation of Nature (IUCN) Red List of endangered species
- Natura 2000 network
- Habitat and Birds directives
- Corporate Sustainability Reporting Directive CSRD
- EU Regulation no. 2020/852 EU Taxonomy

Furthermore, this policy includes references to practices and methodologies included in the following frameworks:

- Task force Nature Financial Disclosure (TNFD)
- ACT-D, Assess, Commit, Transform and Disclose framework.

In addition, this policy is entirely expressed in Edison Road to Nature, an implementation guideline document that includes practical and operational instructions for its implementation.

General principles, commitments, good practices

For a methodological guideline of its Road to Nature path, Edison has based its actions on the ACT-D -Assess, Commit, Transform, and Disclose- framework. Promoted by Capital Coalition³, the ACT-D framework integrates several nature-related methodological frameworks by identifying four lines of action that result in a tangible, credible strategy for an integrated approach to the issues of Natural Capital in business activities.

Edison's commitment to protecting the Natural Capital and biodiversity more specifically takes shape and strives to evolve along all four lines of actions promoted by the ACT-D framework. The deployed tools and processes are summarized below:

A-Assess: measure, value and prioritize your impacts and dependencies on nature to ensure you are acting on the most material ones. Edison uses a variety of tools to quantify its impacts on the Natural Capital; the main ones are listed below:

- Nature assessment emerging during permit processes: Environmental Impact Studies (EIS), Environmental Impact Assessments (EIA), Environmental Effects Assessment (a more detailed analysis for sites near a Nature Protection Area)
- remarks on Nature emerging from LCA (Life Cycle Assessment) or CFP (Carbon Footprint) analysis of products, services, or new assets
- Analysis of the main interactions between Edison's activities (with a special reference to the variety of power generation technologies) and the BES (Biodiversity & Ecosystem Services) components. Starting from 2020, the state of the Natural Capital in the area surrounding the assets and the biodiversity risk associated with the presence of facilities has been mapped for all plants. This provides useful information on site interventions that need to be prioritised.

³ International network of associations, organisations and businesses that work together on initiatives to enhance the natural capital and ensure it is part of the business world.





C-Commit: Set transparent, time-bound, specific, science-based targets. Defining shared, clear corporate targets including those related to Natural Capital and Landscape is one of the pillars of Edison's Sustainability strategy. The commitments are established by the Board, included in the Sustainability Policy and in the Sustainability Report, and are reflected in corporate activities, and progressively embedded into the value chain projects. They include cooperation with partners and suppliers to achieve goals by taking positive action in biodiversity.

T-Transform: Contribute to systems improvement and transformation by implementing the ambition stated in Edison's policies and encouraging the integration of Natural Capital and biodiversity issues into the corporate strategy and models. Over time, Edison has used various tools to reduce its impacts at various levels of operations and management. A summary of the actions is listed below:

- i Edison believes Management Systems are one of the key tools to improve processes and reduce the impacts on nature and has solid track record in this regard. Almost all of Edison's sites are managed according to the ISO 14001 protocol.
- Best BES: Best Practices for Biodiversity and Ecosystem Services. An analysis of Edison's operating procedures, environmental management systems and policies has shown over 30 best practices in the management of environmental aspects strictly related to Biodiversity and Ecosystem Services (BES). They concern the main planning and implementation processes of the works and the operational flows foreseen during the activities (design/authorisation, construction site, commissioning, downtime/scheduled or extraordinary maintenance, decommissioning).
- The Catalogue of Nature-Based Solutions and its implementation guidelines are a practical tool for identifying and deploying Nature-Based environmental mitigation and improvement actions. Edison has listed specific measures for the different plant technologies and project life cycle phases.

D-Disclose: Track performance and publicly report material nature-related information. Reporting and disclosing actions in a transparent and responsible manner is of paramount importance. Moreover, by means of events, dedicated initiatives, and sustainability reporting, Edison commits to being open for dialogue with stakeholders regarding actions and progresses in sustainability. A key part of communicating Edison and of promoting the culture of certain topics lies in the awareness-raising and educational initiatives for stakeholders within and outside the company, including suppliers, customers, and communities of reference, with a special focus on educational initiatives for schools.

Edison's Road to Nature is in line with the Kunming-Montreal Global Biodiversity Framework and considers the target of halting and reversing biodiversity loss by 2030. In particular, Edison pledges to:

- Act according to the mitigation hierarchy theory across all phases of projects;
- Promote and implement nature-based environmental mitigation and improvement solutions (NBS);
- Limit deforestation in the construction of new assets, and offset residual impacts through Natural Capital activities;
- Assess the impacts, dependencies, risks and opportunities of operational activities for biodiversity (gradually along the entire value chain, including suppliers) in order to progressively align with the LEAP⁴ approach outlined in the CSRD;

⁴ LEAP stands for the four stages of assessment: Locate (locate the interface with nature), Evaluate (evaluate dependencies and impact on nature), Assess (assess risks and opportunities), Prepare (prepare to respond to, and relate on, nature-related issues)





- Work with relevant stakeholders (local authorities, research institutions, associations, networks) to evolve in this area and produce change locally, and contribute to the evolution of collective good practices of reference;
- Measure, monitor and report the results of the actions deployed to reach the Natural Capital goals in line with the CSRD requirements and the main international standards;
- Inform and educate the staff on Natural Capital and raise awareness of the issues outside the company;
- Thanks to the business relations with the suppliers, promote the traceability of products, components, and raw materials with relevant impacts –actual or potential- on Natural Capital along the value chain.

Roles and responsibilities

Responsibility for Natural Capital issues, through clear governance led by the CEO, lies with the Heads of Divisions, who are members of Edison's Executive Committee, with reference to the specific lines of business, in the geographical areas for which they are responsible and within the scope of the powers and responsibilities entrusted to them by the general organisational provisions and the organisation, management and control models approved by the Company's Board of Directors.

This responsibility system aims to ensure compliance with the principles of specificity of impacts in relation to the different business lines and geographical location of the same.

Monitoring of risks, monitoring and management of reports and defaults

The monitoring of natural capital and biodiversity issues is achieved by means of provisions, tools and management systems that can be traced back to the documents cited in the 'Regulatory Framework' of this Policy. Edison monitors emerging risks and opportunities related to biodiversity and ecosystems within a framework that is increasingly integrated with all types of risks that characterize the Company's activities, and undertakes to adopt this approach as part of a process of continuous improvement.

Furthermore, Edison supports initiatives designed to report to the Company any behaviour adopted and/or suffered by stakeholders in violation of this Policy, while respecting the principles of privacy of the whistleblower, through the Whistleblowing Policy.

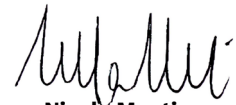


Communication, review, and document updates

In order to increase the level of disclosure and transparency and in line with the references that are acknowledged externally, Edison pledges to provide proof of initiatives on biodiversity and ecosystems in its energy operator business, as well as their results and impacts. The information will be included in dedicated documents, such as the Sustainability Statement, or published in dedicated sections of the corporate internet portal (www.edison.it).

The Sustainability Division, in agreement with the other Divisions involved, will periodically update the policy taking into account the evolution of the regulatory framework and the evidence that will emerge from corporate guidelines.

27 September 2024



Nicola Monti
Chief Executive Officer
and for the Executive Committee
of the Edison Group

