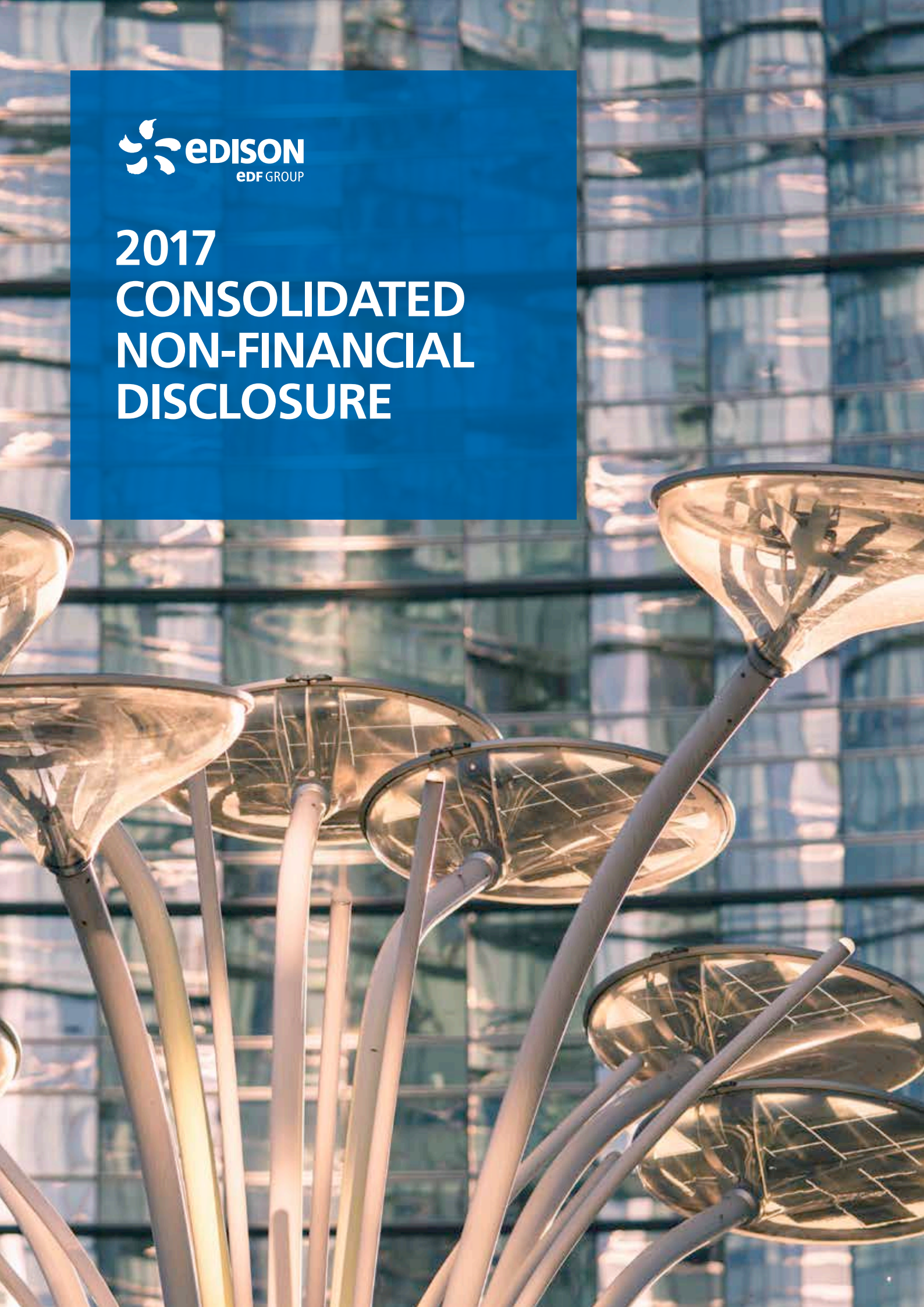




# 2017 CONSOLIDATED NON-FINANCIAL DISCLOSURE



# Contents

## **2017 CONSOLIDATED NON-FINANCIAL DISCLOSURE**

4	A note on methodology and reading guide
6	Edison profile and main activities
11	The material issues connected to the business activities
12	Corporate model for the management and organisation of business activities
14	Prevention of active and passive corruption
16	Environment, health and safety aspects
24	Personnel management
29	Social aspects
34	Respect for human rights
35	Appendix
35	- GRI correlation table
38	- External assurance

# 2017 Consolidated Non-Financial Disclosure

In accordance with Italian Legislative Decree No. 254 of 2016









# Consolidated Non-Financial Disclosure

## A NOTE ON METHODOLOGY AND READING GUIDE

Edison, being a **public interest entity** (according to article 16, paragraph 1 of Legislative Decree No 39 of 27 January 2010) with employment size, statement of assets and net revenues exceeding the thresholds indicated by article 2, paragraph 1, has to comply with **Legislative Decree No 254 of 30 December 2016** (hereafter referred to as "Decree 254") "*Attuazione della direttiva 2014/95/UE del Parlamento europeo e del Consiglio del 22 ottobre 2014, recante modifica alla direttiva 2013/34/UE per quanto riguarda la comunicazione di informazioni di carattere non finanziario e di informazioni sulla diversità da parte di talune imprese e di taluni gruppi di grandi dimensioni*".

This **non-financial disclosure** (NFD) for the Edison Group as of December 31st 2017 is therefore prepared in accordance with Decree 254 and although it is a separated document from the Report on Operations, it is part of the Financial Statements 2017. The Non Financial Disclosure is to be considered as integration and completion of the Report on Operations and other documentation relating to the Annual Report.

The information detailed in the NFD are related to **the companies that fall within the consolidation perimeter of the consolidated Financial Statements** with the exception of companies acquired in 2017<sup>1</sup>; these companies will be consolidated, with regards to non-financial information, starting from 2018, as per the prevailing interpretation of existing rules as detailed in Circolare Assonime n. 13 of June 12th 2017.

It has to be noted that, in 2016, Edison has acquired **Fenice S.p.A.** which in 2017 has transferred through a in-kind contribution its environmental services assets to a newly formed company, **Sersys Ambiente Srl**, 100% owned by Fenice S.p.A.

With regards to these two companies, the quantitative information comparison for a specific set of indicators, that have been duly highlighted, will be either done for 2017 or on the basis of a two years trend - instead of a three years trend, as done generally throughout the document -.

The NFD provides **information** on fight against corruption, both active and passive, environment, personnel management, social and human rights issues that have been deemed **relevant and material for the company** as a result of a specific and proven evaluation process that takes into consideration Edison specific core activities; this process has been detailed in this document (please refer to the paragraph "The material issues connected to the business activities").

Concerning **human rights** issues Edison has confirmed its commitment to the protection of human rights in a number of documents; its Ethical Code, its Whistleblowing Policy, Edison signing of the 10 Global Compact principles.

In 2017 Edison committed to sign a **global CSR agreement with trade unions** aimed at strengthening its human rights commitment; this agreement will be subsequently implemented through operating decisions.

In order to provide homogeneous information and an easier connection with the contents required by the above mentioned decree for each thematic item the following information are provided: the **relevance of the theme** with regards to Edison activities, the **risks** pertaining that theme, the **policies** and **commitments** of the Company concerning the theme and the **results** that have been obtained and that are monitored through specific **indicators** that can describe the relevant operating results.

Data and information contained in this Disclosure relate to events that occurred during the reference year, deriving from the company's business activities, which are relevant based on the materiality analysis carried out in compliance with the Decree. They have been gathered and consolidated by different departments within Edison and have been extracted from the Company IT, invoicing and internal reporting systems; these efforts have been coordinated by the Sustainability and CSR Department (Corporate Social Responsibility).

Data are represented at years end, if not otherwise specified.

---

<sup>1</sup> Alfa Idro SRL, Assistenza Casa SpA, C.c.s Blu SRL, Comat Energia SRL, Consorzio SST SCARL, Energon Facility Solutions SpA, Frendy Energy SpA, Idroblu SRL, Idrocarrù SRL, PVB Suisse SA, West Tide SRL.

Edison has chosen to apply the **GRI Standards indicators - following the "GRI – Referenced" approach** - and has reported its results according to three years trends. Starting from this year, therefore, Edison has moved from the guidelines of "GRI-G4" to the new "GRI Sustainability Reporting Standard".

Thus, adopting the new standard approach, this document makes reference to the indicators in the "Appendix" of this document.

This document has been **verified by an Auditing Firm** to guarantee the accuracy and reliability of the information provided to stakeholders. This audit has been undertaken according to the procedures detailed in the Auditing firm report at the end of this document.

The Board of Directors of Edison has approved the non-financial disclosure on February 14th 2018.

The NFD has been uploaded to the "Sustainability" section of the Company website ([www.edison.it](http://www.edison.it)).

# EDISON PROFILE AND MAIN ACTIVITIES

## COMPANY PROFILE

Edison is among the leading energy operators in Italy, the Country where it started to operate over 130 years ago.

Edison's mission is to be close to its customers with intelligent, competitive and sustainable solutions.

Its activities are concentrated in the following business areas:

- **production and sale of electricity** with highly efficient and diversified set of power plants, comprising thermoelectric, hydroelectric, wind, solar and biomass plants;
- **procurement, exploration, production and sale of natural gas and crude oil** (hydrocarbons) in Italy, Europe and in the Mediterranean basin with over 100 natural gas and crude oil exploration and production concessions and permits;
- **performance of energy services and of environmental services** on a large scale, for the different markets: retail, business and public administration.

Edison operates in 10 of the world's Countries, thanks to the efforts of over 5,000 persons who dedicate themselves to meeting the customers' needs, fully safeguarding local communities and the environment.

Edison is owned by EDF, which holds 97.45% of capital and assumed control over it in 2012. It should be pointed out that Edison, whose only listed shares are the savings shares, traded on the market managed by Borsa Italiana, is included among "public interest entities" and, as such, it is subject to the obligation to disclose non-financial information as set out in Decree No. 254.

## DESCRIPTION OF THE BUSINESS ACTIVITIES

### Electric power generation

Edison generates electric power using combined cycle (CCGT) thermoelectric plants, hydroelectric, wind, solar and biomass plants.

Most of the energy generated by Edison comes from natural gas-fuelled plants; this fuel has a low environmental impact and it drives the transition towards a progressively more "low carbon" generation, with low emission impact.

A significant portion of electricity generation comes from renewable sources, where Edison generates electricity mainly with large wind farms and hydroelectric plants, and also thanks to a significant effort towards growth in the mini-hydro sector.

In light of the intents consolidated in Italy's new National Energy Strategy (SEN), published in November 2017, renewable sources are an essential part of the Country's energy future. In this context, Edison set the goal of **reaching 40% of generation from renewable sources by 2030**.

In particular, Edison intends to become, in the medium term, the **first wind power operator in Italy** through the development of e2i, leveraging the additional opportunities for consolidation of the set of wind farms in partnership with F2i and EDF En Italia.

It is equally engaged in the expansion of the hydroelectric sector through internal growth (green-field plants or revamping) and acquisitions of existing plants.

Edison continues its activities for the **optimisation of existing production plants** and the study and implementation of technologically innovative solutions, both to improve the performance of existing plants and their position on the power market.



	Unit of measurement	2015	2016	2017
<b>Net electricity production (GRI Standard EU2 - OG3)</b>				
<b>Edison production</b>	<b>Gwh</b>	<b>18,481</b>	<b>21,156</b>	<b>20,788</b>
Thermoelectric energy	Gwh	14,073	17,521	17,484
- of which combined-cycle	Gwh	14,073	16,731	16,708
Renewable energy	Gwh	4,408	3,635	3,303
- hydroelectric energy	Gwh	3,378	2,494	2,215
- wind power	Gwh	975	1,090	1,051
- electricity from other renewable sources (solar and biomass)	Gwh	54	50	38
<b>Share of energy produced from renewable sources</b>	<b>%</b>	<b>24</b>	<b>17</b>	<b>16</b>
Other purchases	Gwh	70,952	70,836	54,002

### Procurement, exploration and production of hydrocarbons

Edison operates throughout the oil&gas business segment, starting from **exploration and production activities** that are distributed mainly in Italy, Egypt, Mediterranean Basin and North Sea: in all Countries where it operates, Edison is recognised by the national authorities as a qualified operator.

Edison also has **hydrocarbon reserves** amounting to 36.5 billion cubic metres equivalents and holds four long-term contracts to import natural gas from production areas (Qatar, Libya, Algeria and Russia) ensuring that supply sources are diversified.

	Unit of measurement	2015	2016	2017
<b>Production and reserves of hydrocarbons</b>				
Natural gas produced	millions of m <sup>3</sup>	1,994	1,924	2,073
Crude oil extracted	thousands of barrels	4,354	4,143	4,001
Hydrocarbon reserves	billions of m <sup>3</sup>	42.0	40.4	36.5

### Sale of electric power and gas

In Italy, **Edison sells electric power and natural gas** to approximately one million customers in the business and residential sectors, both under free market and regulated market rules and conditions.

The commercial activity and customer relations take place through different channels, including sales agencies, branches, call centres, focusing on the development of the digital channel, both for prospects and for customers already acquired.

## Customers as at 12.31.2017\* (GRI Standard EU3)

	Unit of measurement	2015	2016	2017
<b>Total Customers</b>	<b>no.</b>	<b>1,113,392</b>	<b>1,041,115</b>	<b>1,059,316</b>
<b>Electricity customers</b>				
<b>Total</b>	<b>no.</b>	<b>591,993</b>	<b>537,603</b>	<b>572,858</b>
	<b>Gwh</b>	<b>17,109</b>	<b>11,582</b>	<b>10,928</b>
Residential	no.	489,967	446,919	433,218
	Gwh	1,513	1,218	1,180
Business	no.	7,516	4,098	67,322
	Gwh	14,502	9,325	8,855
Small business (SOHO)	no.	94,510	86,586	72,318
	Gwh	1,094	1,039	893
<b>Natural gas customers</b>				
<b>Total</b>	<b>no.</b>	<b>521,399</b>	<b>503,512</b>	<b>486,458</b>
	<b>mil Sm<sup>3</sup></b>	<b>6,033</b>	<b>6,531</b>	<b>6,911</b>
Edison Energia residential natural gas customers	no.	384,564	366,288	343,348
	mil Sm <sup>3</sup>	419	354	349
Edison Energia other natural gas customers (industrial companies and non-industrial wholesalers)	no.	671	981	6,667
	mil Sm <sup>3</sup>	5,539	6,112	6,497
<b>Total Edison Energia natural gas sector</b>	<b>no.</b>	<b>385,235</b>	<b>367,269</b>	<b>350,015</b>
	<b>mil Sm<sup>3</sup></b>	<b>5,959</b>	<b>6,466</b>	<b>6,802</b>
AMG Gas Palermo residential customers	no.	132,990	132,768	133,038
	mil Sm <sup>3</sup>	54	49	49
AMG Gas Palermo industrial customers	no.	3,174	3,475	3,405
	mil Sm <sup>3</sup>	21	16	486,458
<b>Total AMG Palermo gas customers</b>	<b>no.</b>	<b>136,164</b>	<b>136,243</b>	<b>6,911</b>
	<b>mil Sm<sup>3</sup></b>	<b>75</b>	<b>65</b>	<b>343,348</b>
<b>Green energy sold</b>				
RECS certified energy	Gwh	525	797	481

\* Note that, compared to 2015 and 2016, the method of calculating end customers has been changed and starting from 2017, the number of sites is considered instead.

## Customer services

These business activities comprise **selling and managing energy and environmental services intended for different types of customers** (retail, companies, cities and entire territories).

The services portfolio includes:

- energy optimisation to reduce consumption for equal output of the production processes while improving service quality;
- on-site energy production, with low or no environmental impact systems, such as photovoltaic, biomass, high yield co-generation, etc.;
- energy consulting in the field of energy management systems (ISO 50001), in the management of energy efficiency and environmental certificates and in in-house and external training for customers and partners;
- construction of projects on the territory, starting from the analysis of the opportunities to boost the efficiency of resources and ending with the construction of projects with stakeholders;
- coverage along the entire value chain of the environmental services of consulting, studies and designs, clean-ups, monitoring, sampling and analysis of environmental matrices, waste management, waste water treatment.

Activities are carried out in partnership with customers - through business models based on sharing the results obtained, adapted according to specific needs.

On the residential market, the services offering is directed at covering all the needs of homes, from assistance, to efficiency, through photovoltaic power and the smart home.

With the launch of the Edison World Platform, Edison proposed an unlimited assistance service against unexpected events (Edison Casa Relax) and a flexible, customised Smart Home solution (Edison Smart Living) to promote energy savings, a theme that also drove the launch of Boilers (MyComfort) and Photovoltaic (MySun).

Lastly, the acquisition of Assistenza Casa enabled Edison to sell new services, allowing it to enhance its commercial Value Proposition.

### Edison supply chain

Edison has activated a **vast and widespread network of suppliers** with which it has, over time, forged transparent relationships that can create long-term value.

Edison works with suppliers that guarantee the highest health and safety standards, respect for human rights, the fight against corruption and respect for the environment. They are paid fairly for their work and on time, in exchange for a commitment to ever-higher quality and efficiency.

All suppliers have to go through a qualification process: suppliers and subcontractors, when they apply, commit to complying with the principles and values that are unwaiverable for Edison, reading and accepting the 231 Model and the Code of Ethics.

In addition to the Sustainable Supply Chain Self-Assessment Platform, which went live in 2014 as part of the "TenP" (Ten Principles) project promoted by Fondazione Global Compact Italia, in 2017 the quantity of information collected during the supplier qualification process increased, in particular with regard to the assessment of sustainability policies.

In 2017, additional checks were introduced to verify the suppliers' integrity, to make sure that our counterparties fully comply with the principles of integrity and reputational reliability, lawfulness, ethics.

## SUSTAINABILITY AND BUSINESS POLICY

For Edison, the commitment to sustainability is the bedrock of its way of carrying out activities and developing business in the long term.

This commitment is represented by the **Sustainability Policy**, which in 2017 was updated in its basic principles with the involvement of the entire Company, thanks to the Sustainability Network, consisting of the Focal Points of the different operational and staff areas, and with the endorsement of the Executive Committee (Comex) led by the Chief Executive Officer and consisting of the Directors of the Divisions representing the main corporate areas.

**The principles on which the policy is based** entail a series of commitments, to which are connected specific objectives, which in turn are associated to key performance indicators (KPI). Through these commitments, Edison's contribution to the Sustainable Development Goals (SDG), promoted by the United Nations, is expressed.

The principles thus defined consist of a **prerequisite** (the sustainability of corporate processes), **four key pillars** (contrasting climate change, persons and competencies as a platform for growth, closeness to customers and to the market, sustainable production and protection of biodiversity) and an **enabling factor** (interaction with stakeholders and shared design).

In more detail:

- **Sustainability of corporate processes:** creation of medium-long term value for shareholders and for all stakeholder categories through operating and financial efficiency and the pursuit of its business development objectives.
- **Contrasting climate change:** consolidating a low-emission energy path, strengthening its own positioning with respect to renewable sources and energy efficiency and developing a new value proposal in relation to the use of liquified natural gas (LNG).



- **Persons and competencies as a platform for growth:** enhancing inclusion and the appreciation of diversity, promoting the development of persons' motivation through involvement, collaboration and sharing, aiming at constant development of professional competencies, promoting organisational solutions and development of personal services that reconcile the needs of the Company and the employees' personal needs, aiming at "zero injuries" in workplaces, both for the Company's own personnel and for those of the outside companies that operate in the Company's locations/construction sites.
- **Closeness to customers and to markets:** Edison intends to be a transparent and correct player in the market where it operates, to generate fair and durable dealings with its interlocutors, enhance the conciliation processes and create two-way instruments of communication with customers and consumer associations to improve the services on offer. Edison relies on innovation and digitisation and it wants to position itself on the market also thanks to the offer of energy efficiency to the public administration.
- **Sustainable production and biodiversity protection:** Edison is aware of the impact of its production activities on the environment and it constantly implements mitigation, control and monitoring actions. Edison considers environmental protection to be an essential matter and sharply focuses on the efficiency of processes and on the reduction of the environmental impacts that derive from its own activity, aiming at strengthening the union of competitiveness and environmental sustainability.
- **Interaction with stakeholders and shared design:** the Company is committed to establish relations oriented to correctness and transparency with stakeholders, both at the national and international level and at the local and territorial level, to pursue shared sustainable development objectives, also by strengthening confidence.

# THE MATERIAL ISSUES CONNECTED TO THE BUSINESS ACTIVITIES

## THE MATERIALITY ANALYSIS PROCESS

In 2017, Edison started has carried out its **materiality analysis as provided by the Decree**, to focus the report of its activities on **issues that are, at the same time, significant to its stakeholders and the important for the Company**. The analysis also made it possible to interpret, in line with the scope of the Decree, reporting according to issues that are “[...significant taking into account the activities and characteristics of the enterprise]”.

In particular, the 2017 analysis takes into account the risks and opportunities connected with the business; this aspect was more closely incorporated in the methodology summarised below.

The materiality analysis was carried out through a structured process, derived from the results of the similar process carried out in 2016:

- **analysis of the main trends of the sector**, supported by a benchmark activity;
- analysis to identify the main issues pointed out by the **Sustainable Development Goals (SDGs)** and by the **Measurements of Equitable and Sustainable Well-Being (BES)**, contextualised with respect to the reference sector;
- audit on the main issues with respect to which there are “pressures” by **public opinion** on Edison thanks to the analysis of the web press review;
- identification of the material issues included in the objectives identified by Edison’s **2017 Sustainability Plan**;
- analysis of the perception of the issues from the internal Edison viewpoint; the analysis was carried out through interviews with **top management**;
- qualitative activity directed at assessing the **external stakeholders’** perception of the material issues for the Group through focused questionnaires.

### The material issues

The material issues that emerged from the analysis were reorganised and grouped to obtain a more effective representation, and they are set out below. In the following chapters, these issues are then connected to each scope of the Decree.

- Responsible, transparent management and business integrity;
- safety and operations reliability, business continuity and risk management;
- service quality;
- fair marketing, communication and dispute resolution practices;
- renewable sources and energy efficiency in the value chain;
- mitigation of climate change and reduction of emissions;
- responsible use of water resources and biodiversity protection;
- workplace health and safety;
- good employment and internal engagement;
- diversity, inclusion and appreciation of human capital;
- relationship with territories and value shared with the community;
- respect for human rights.

# CORPORATE MODEL FOR THE MANAGEMENT AND ORGANISATION OF BUSINESS ACTIVITIES

## GOVERNANCE AND ORGANISATIONAL STRUCTURE

Edison's corporate governance system is based on the "traditional" organisational model and it is developed according to current sector regulations, and in compliance with the laws applicable to a listed issuer and with the indications of the Code of Conduct promoted by Borsa Italiana, adopted voluntarily by Edison. In its own organisation, Edison also takes into account the best practices obtainable at the national and international level.

Edison exercises direction and coordination activities with respect to its Subsidiaries, which maintain legal autonomy and apply the principles of correct corporate and entrepreneurial management.

The Company's main governance bodies are the **Shareholders' Meetings**, the **Board of Directors**, the **Board of Statutory Auditors**, the **Independent Auditors** and the **231 Oversight Body**.

The **Board of Directors** of Edison also operates through the Chief Executive Officer and the Directors who are empowered to represent the Company and is supported by **committees** established with the framework of the Board of Directors, making proposals and providing advice: **Control and Risk Committee**, **Compensation Committee** and **Committee of Independent Directors**. The office of Chief Executive Officer is held by **Marc Benayoun**.

Edison's governance structure is also supported by an **Executive Committee (Comex)** chaired by the CEO and composed of the heads of the various divisions, managerial committees supporting top management and the Internal Audit Office, which reports directly to the Board of Directors.

The **Sustainability and CSR Department** reports to the Comex that expresses indications, sharing projects and monitoring the results obtained.

To better integrate sustainability in the business, the **Sustainability and CSR Department collaborates with the various divisions and business units**, in the management of the typical processes of the department, also with the contribution of the **Sustainability Network** which, as stated previously, contributed to the preparation of the related policy.

Lastly, in 2017 Edison's "**Transformation Team**" worked alongside the Executive Committee and supported it in renewing the organisation, with particular reference to the issues of widespread innovation, directed at the development of new solutions for customers and at reducing time to market in internal processes, at the development of internal mobility and at appreciating inclusivity and diversity. The team, comprising persons with different professional experiences and different education and training, developed projects on 4 issues: inclusion and plurality, internal mobility, in time on target, entrepreneurship.

## THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Edison's **internal control and risk management system** consists of tools, organisational structures, procedures and rules for sound and proper company management in line with strategic and operating objectives. The system is compliant with applicable laws and regulations for proper and transparent reporting within the Group and to the market and prevents and limits the consequences of unexpected results. It is based, *inter alia*, on the Code of Ethics and organisational model defined pursuant to Legislative Decree no. 231/2001 (the 231 Model).

### A system based on the Code of Ethics and on the 231 Model

Edison's **Code of Ethics** contains the principles and ethical values that drive both the responsible management of corporate activities, establishing behaviour rules and implementation rules, and the development of the business with a view to sustainability. The Code of Ethics was also shared with the subsidiaries, which approved it, and is binding for everyone acting on the Company's behalf under specific mandates or proxies. Moreover, it was disclosed to all of the Company's employees and contractors and it is made available to each new hire. The Code of Ethics is an integral part of the 231 Model and the basis on which the model was designed. It is periodically reviewed and updated in order to, *inter alia*, reinforce the "**principle of zero tolerance**" for fraud and bribery, by explicitly referencing the **10 principles of the United Nations Global Compact**.



The 231 Model, which Edison adopted starting in 2004, and which deals, as far as it is concerned, with some issues of Decree 254, after carrying out a scrupulous analysis of potentially at-risk activities, was the subject of updates over time to reflect both changes in legislation and the organisational changes that have taken place. This activity resulted in the issue of a series of **231 Protocols**, directed at expressing the ways in which decisions are made in relation to the highlighted risk areas. In this sense, the protocols outline the set of objectives, roles, responsibilities and control mechanism inherent to the identified risk area.

The **Oversight Body (OB)**, appointed by the Board of Directors, oversees the updating and correct operation of the 231 Model, and reports in this regard to the Board of Directors every six months. In addition, the Chairman of the Board of Statutory Auditors is regularly invited to attend the meetings of the Oversight Body. It also monitors compliance with the Code of Ethics and the 231 Model in accordance with a specific procedure for reporting potential violations and via internal audits of 231 compliance covering all business areas and including environmental and worker health and safety aspects.

### Integrated Risk Management approach

Edison has also developed an integrated risk management model based on the international **Enterprise Risk Management (ERM)** principles and, in particular, the CoSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework, with the main objective of adopting a systematic approach to identifying key risks for the Company in order to assess their potential adverse effects in advance and take the appropriate action to mitigate them.

For this purpose, Edison issued the **Enterprise Risk Management Policy** and has adopted a risk mapping and risk scoring methodology, in which risks are scored based on an assessment of their global impact, probability of occurrence and level of control. It has also set up a Business Risk Model, developed in accordance with international and sector best practices. The model consists of an integrated framework encompassing the various types of risk that characterise the Group's business.

Thanks of the coordination of the Risk Office, the heads of the various business units **self-assess the risks** to which their units are exposed and provide an initial indication of the mitigation actions. The results of this process are consolidated at central level in a risk map in which the risks are prioritised based on their score and aggregated to further the coordination of mitigation plans for integrated management.

On an annual basis, a **self-assessment process of the internal control system** is carried out, with reference, *inter alia*, to the main risk areas tied to ethics and compliance issues, such as: frauds, conflicts of interest, market abuse, antitrust and competition, privacy, anti-money laundering, sector regulations, health and safety, environment, international penalties. The self-assessment process serves the following purposes: to assure control over the risks and activities of each organisational area and to have the elements necessary to monitor their effects and report on them, while defining a priority of appropriate interventions.

### Audit activities

**Internal audit activities** are carried out in support of the Board of Directors, of the Control and Risk Committee, and of the management, and they are addressed to all corporate areas, also on environmental and workers' health and safety aspects. 231 compliance audit activities are carried out in support of the Oversight Body. They are the main monitoring and control instrument, together with the **whistleblowing system** (described in detail below).

	Unit of measurement	2015	2016	2017
<b>Internal Audit activities*</b>				
<b>Total number of audits conducted by business area</b>				
- Corporate & IT	no.	11	10	11
- Exploration & Production	no.	5	2	1
- Gas Midstream, Energy Management & Optimisation	no.	2	5	3
- Power Asset Management	no.	2	1	2
- Marketing, Sales & Energy Services	no.	4	7	11

\* The scope has included Fenice Spa and Sersys Ambiente since 2016, the year of their entry into the Group.

# PREVENTION OF ACTIVE AND PASSIVE CORRUPTION

## RELEVANCE FOR EDISON'S ACTIVITIES

Corruption is a severe threat for Edison's activities: therefore, it has been identified as a material issue of great importance. Edison promotes the fight against corruption with a commitment to "zero tolerance for corruption" under any form, repeated both in the Code of Ethics and in the Anti-Corruption Guidelines adopted.

This commitment applies both towards employees and towards third parties, through an appropriate Disciplinary System and with the provision of specific "ethical" contractual clauses.

## MAIN CONNECTED RISKS

Edison assesses and manages the corruption risk: **risk mapping for 231 Model purposes** is a fundamental element for Edison for the prevention of the corruption risk, and more in general for ethics and compliance purposes.

Consistently, within the scope of the 231 Model, a series of protocols have been defined in relation to the management of activities that are directly at risk with respect to the **public administration and private parties** and a series of protocols relating to **the management of instrumental cross-cutting activities**.

## PROTECTIVE POLICIES ON THE ISSUE

Edison has adopted a comprehensive compliance programme, consisting of instruments and policies aimed at contrasting and preventing active and passive corruption:

- **The Anti-Corruption Guidelines:** constitute a summary of the control principles and of the provisions of the Code of Ethics and the 231 Model with reference to the main areas at risk of active and passive corruption. They apply to Edison and to the Italian and foreign subsidiaries.
- **The Integrity Checks Guidelines:** are an operational instrument to assess the reputational reliability of the third parties with which Edison has business dealings.
- **The Whistleblowing System and the related Policy:** Edison makes available an on-line platform for reports, able to assure the highest levels of confidentiality and discretion. Use of the platform and the procedures for managing the reports are illustrated in the **Whistleblowing Policy** document, which can be downloaded from the corporate website.

## ACTIVITIES AND RESULTS FROM OPERATIONS

In 2017, the Company **published the Whistleblowing Policy**, governing in detail how the system works, how reports are handled and managed, how the whistleblower and accused party are protected. It also proposed an **awareness campaign for employees and third parties**, with special news reports, supporting tutorial video and an internal survey on the level of knowledge and trust with respect to this new instrument. The whistleblowing platform is based on an open-source software (GlobeLeaks) already tested in social context characterised by high personal risks to protect whistleblowers and a pre-configured path so that the reports are as relevant and detailed as possible.

During the year, **the Integrity Checks guidelines** were promulgated, with the purpose of providing methodological support for the execution of integrity checks with respect to third parties, prior to the execution of any contractual commitments with them, and to verify that the integrity requirements are continuously met in the course of the business dealing. The check is carried out through the identification of objective elements such as the existence of past convictions or the presence of penalties, the assessment of any conflict of interest situations, the ownership and organisational structure, etc., both by finding public information, and through information, certifications or undertakings requested directly from the third party. The purpose of the integrity checks is to protect Edison against possible negative repercussions due to monetary penalties or bans (in accordance with Legislative Decree no.

231/2001) and against the reputational risk tied to any unlawful practices in the business dealings with suppliers, commercial or project partners, intermediaries, consultants, agents, sales agencies, sponsored organisations, etc. providing for this purpose operational instructions, commensurate to the type and risk of the third party, as well as to the value of the contractual performance.

Lastly, Edison has collaborated for some years with **Transparency International Italia** for the promotion and widespread adoption of business integrity principles, also through communication, training and sharing of best practices on these matters.

	Unit of measurement	2015	2016	2017
<b>Actions taken in response to incidents of corruption (GRI Standard 205-3)</b>				
Reported incidents of corruption	no.	0	0	0
Dismissed reports due to lack of evidence or false reports	no.	0	0	0
Confirmed reports with disciplinary action taken against employees	no.	0	0	0
Confirmed reports leading to legal action	no.	0	0	0

	Number of persons	Duration of the course	Total hours
<b>Training hours (GRI Standard 205-2)</b>			
Anti-corruption guidelines	1,050	30 minutes	525
Code of Ethics	1,065	60 minutes	1,065
(Leg. Dec. No. 231/2001)	1,364	90 minutes	2,046



# ENVIRONMENT, HEALTH AND SAFETY ASPECTS

## RELEVANCE FOR EDISON'S ACTIVITIES

Based on Edison's materiality, **the main environmental aspects** that are at the centre of the Company's operations and strategy and on which the external stakeholders are also focused are:

- generation from renewable sources and development of energy efficiency in the value chain,
- mitigation of climate change and reduction of emissions,
- responsible use of water resources and biodiversity protection.

**Care for the health and safety of its own employees and of all the persons** who operate to assure the execution of the Group's activities is a central value that is integrated in the development strategies and in every activity of the Company.

Consistent with previous years, the Group promoted, with a comprehensive and integrated approach, **the culture of occupational health and safety**, with a view to prevention and widespread promotion of the safety culture, taking into account both Edison's personnel and suppliers and assigning to management throughout the organization improvement objectives compared with the average results for the previous three years.

## MAIN CONNECTED RISKS

The risk with the greatest impact within the environmental matrices, identified in the ERM process, is the eventuality of a **major industrial accident**, of a hydrogeological, chemical, physical or biological nature. Should such an event occur, it has been assumed that there may be damage to the soil, subsoil and/or the atmosphere, with civil and criminal liabilities and severe damage to the Company's image.

The main risks connected with the **health and safety** of the employees of Edison and of third party companies, instead, pertain to the **normal execution of work activities**, within the Group's facilities and at the customers' sites, and they are constantly assessed to identify the appropriate measures to assure workers' protection, health and safety.

## PROTECTIVE POLICIES ON THE ISSUE

In 2017, **Edison's New Health, Safety and Environment Policy** was issued, with the signature of the Group's Chief Executive Officer. The policy, which is a revision of the previous one, summarises Edison's principles and commitments to reduce and eliminate risks in workplaces and to manage and mitigate the environmental impacts of the activity.

The **commitments** formalised in the New Policy pertain to:

- the promotion and application of the **environmental, health and safety management systems**;
- containment of CO<sub>2</sub> emissions, to contribute to the consolidation of the EDF Group as the **smallest emitter** among the world's large energy group;
- support to the development of **projects directed at enhancing energy savings**, by improving the efficiency of structures and processes, both internal and in the service of customers.

## ACTIVITIES AND RESULTS FROM OPERATIONS

### Revision of management systems

Consistently with the Policy described above, the management of health, safety and environmental aspects is based on the application and maintenance of **integrated management systems compliant with international reference standards (UNI EN ISO 14001, OSHAS 18001 and ISO 9001 standards)**, which assure a systemic approach to the continuous improvement of performance and indirectly to risk reduction.

In this regard, in 2017 the management systems were the subject of the following activities:

- all compliance obligations prescribed by the applicable standards were fulfilled and verified through specific law compliance audits;
- a comprehensive review was carried out of all management systems, also in line with the organisational model and the specific 231 Protocols;
- the inspections for the renewal of certifications were completed;
- activities continued to make the integrated environmental management system compliant with the new edition of the ISO 14001:2015 standard.

In addition, **internal training** activities were conducted on health, safety and environment issues for specialists in the professional family of Health Protection Safety and Quality (PASQ) on the following aspects: fluorinated gases, waste, excavation spoil and rocks, management of third party companies, costs of safety, training of trainers.

Regarding in particular **the maintenance of the Company's operating condition**, Edison:

- operates to identify, analyse and share **high potential events** (HPE) and starting from the analysis of these situations, identifies the possible solutions of dangerous situations or events noted in the different production units, to prevent any accidents and injuries;
- cyclically carries out **emergency simulations** to test the timeliness of response and knowledge of accident prevention procedures.

Management systems are periodically subjected to internal and external **audits**, comprising three levels, also in the mining and maritime environments, directed at periodically verifying the state of application of the system and monitoring the evolution of the risk.

The main **environment and safety indicators** are monitored and reported periodically for the assessment of the performance of the applied management systems, also on the occasion of the periodic review prescribed in accordance with the international reference standards. In addition, they are shared with Edison personnel and with the other stakeholders through communication forms identified internally and externally.

	Unit of measurement	2015	2016	2017
<b>HSE management systems*</b>				
<b>Sites covered by ISO 14001 management systems</b>				
Electricity operations	%	100	90	97
Hydrocarbon operations	%	100	100	100
<b>Sites covered by EMAS management systems</b>				
Electricity operations	%	100	67	65
Hydrocarbon operations	%	13	13	13
<b>Sites covered by OHSAS 18001 management systems</b>				
Electricity operations	%	100	92	95
Hydrocarbon operations	%	100	100	100
<b>Audit activities*</b>				
Internal audits	no.	81	101	150
Third party audits	no.	14	31	58
<b>Total audits</b>	<b>no.</b>	<b>95</b>	<b>132</b>	<b>208</b>
<b>Inspections - Italy*</b>				
By the local health unit, ARPA (Regional Environmental Protection Agency) and the municipal, provincial and regional authorities	no.	6	2	286
Other	no.	2	2	81
<b>Total inspections</b>	<b>no.</b>	<b>8</b>	<b>4</b>	<b>367</b>

\* The scope of the data refers to Edison Spa for 2015 and 2016 and, within the Edison Group (including Fenice Spa and Sersys Ambiente) for 2017. With respect to the HSE Management Systems, it should be noted that, because of plants that were just acquired or built and for which the systems are undergoing implementation/finalisation, the coverage percentage does not reach 100%.

## Commitment in renewable sources

The commitment to **increase renewable sources in the production mix** (target: 40% in 2030) comprises:

- development of **wind projects** to become, through e2i, the leading wind power player in Italy;
- expansion of the **hydroelectric sector** through internal growth (green-field plants) and acquisitions of existing plants.

In particular, in the wind power sector, the goal in the medium term horizon is to more than double the current portfolio of 600 MW through the e2i vehicle. At the end of 2016, Edison won the tenders for the incentives to the construction of 165 MW of new wind farms, in particular:

- 5 new wind farms in Campania, Apulia, Sicily and Basilicata;
- 3 complete reconstructions of wind farms in operation in Abruzzo and Basilicata.

At the end of 2017, all constructions sites were opened.

In the hydroelectric sector, the year 2017 was characterized by

- acquisitions in the hydroelectric sector (Tavagnasco plant - 4.8 MW - from Idroira Srl, fifteen plants - totalling 3 MW - from Frendy Spa, three plant - totalling 2 MW - from BBE Srl);
- new green-field mini-hydro plants (the 4.2 MW Pizzighettone plant and the 0.17 MW Montebuono plant were put in commission);
- revamping of existing plants (Campolessi - 0.9 MW - and Campagnola - 1.4 MW).

## Energy efficiency and polluting emissions

In the electricity generation sector, Edison has a set of combined cycle thermoelectric plants; this technology uses natural gas as the main fuel, assuring efficiency and containing atmospheric emissions.

Periodically, work is carried out to **further improve the energy efficiency and environmental performance**.

In 2017, the following activities were carried out:

- specific general maintenance work for the thermoelectric plants of Candela, Marghera Levante and Simeri Crichi;
- replacement of some burners (ultra low NOx) at the cogeneration plants of the Stura, Brescia, Cassino, Atessa sites of the EMS Division to reduce NOx emissions by 20-25%;
- testing activities on fugitive natural gas emissions from flanges, whose results were included in the specific Integrated Environmental Authorisations (AIA) of some thermoelectric plants.

Also of note is the progress of the two authorisation processes for two last generation combined cycle thermoelectric plants with a capacity of approximately 790 MW each and over 60% efficiency in Marghera Levante (brown field - Northern Italy) and Presenzano (green-field - Central Italy). Within the scope of these processes, the necessary assessments are made to preventively verify the environmental effects of the new facilities.

In the sector of **hydrocarbons, environmental activities involved mainly monitoring work in the marine environment**. In particular:

- environmental monitoring activity continued on the "Rospo Mare" Field, in which the analyses carried out did not yield any abnormal results with regard to the chemical and eco-toxicological characteristics, the accumulation and the possible effect of environmental contaminants, and the state of health of the benthonic community;
- in the ship simulator at the ITIS in Fermo, a module was added with the complete mapping of the area of the Sarago Mare platforms, as well as a PISCES II experimental module (pilot project), i.e. a strategic simulation system for response and management of oil spills and of the related atmospheric emissions.



	Unit of measurement	2015	2016	2017
<b>Energy used to produce electric power* (GRI Standard 302-1)</b>				
Natural gas	millions of Sm <sup>3</sup>	2,997.25	3,500.20	3,759.13
Fuel oil	thousands of t	n.a.	n.a.	3.10
Bark	thousands of t	59.64	62.40	32.78
Sludge	thousands of t	19.43	23.90	4.07
Wood chips	thousands of t	72.18	54.00	11.04
Coal	thousands of t	-	n.a.	104.19
<b>Total energy consumption</b>	<b>thousands of GJ</b>	<b>102,957</b>	<b>122,025</b>	<b>132,066</b>

\*The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017.

<b>Energy used for ancillary services* (GRI Standard 302-2)</b>				
Natural gas	thousands of Sm <sup>3</sup>	3,900.50	49,265.39	47,861.37
Diesel	t	6,217.84	5,653.54	5,244.70
Fuel oil	t	4,103.00	3,934.11	3,115.86
Electricity purchased from third parties	MWh	121,338.46	135,162.38	452,970.26

\*The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017.

<b>Energy efficiency projects (GRI Standard 302-5)</b>				
Energy saved with energy efficiency projects (energy efficiency certificates acquired)	TEP/year	2,257	1,724	48,672

<b>CO<sub>2</sub> Emissions* (GRI Standard 305-1; 305-2; 305-3; OG6)</b>				
<b>Scope I</b>				
CO <sub>2</sub> from the production of electric power and thermal energy	t	5,955,017	7,767,959	7,678,742
CO <sub>2</sub> from hydrocarbon operations	t	128,377	142,180	136,629
- flaring/venting	t	299	1,813	1,813
CO <sub>2</sub> from network leaks	t of CO <sub>2</sub> equivalents	1,634	1,639	1,639
Direct emissions due to other operations - Natural gas	t of CO <sub>2</sub> equivalents	7,478	94,451	90,199
Direct emissions due to other operations - Diesel	t of CO <sub>2</sub> equivalents	19,489	17,720	16,440
Direct emissions due to other operations - Fuel oil	t of CO <sub>2</sub> equivalents	270	270	9,603
Service car CO <sub>2</sub> emissions	t of CO <sub>2</sub> equivalents	682	1,039	1,275
<b>Scope II</b>				
Emissions from the consumption of electricity purchased from third parties*	t	53,789	59,917	200,802
<b>Scope III</b>				
CO <sub>2</sub> from Business travel	t of CO <sub>2</sub> equivalents	2,316	1,871	2,203
CO <sub>2</sub> from waste disposal	t of CO <sub>2</sub> equivalents	7,585	9,832	19,051

\* The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017, with the exception of the data relating to CO<sub>2</sub> from the production of electric power and thermal energy, which relate to the entire scope of the Group in 2016 as well. The data have been estimated. (Conversion factors published by ISPRA).

<b>Carbon intensity* (GRI Standard 305-4)</b>				
Specific CO <sub>2</sub> emissions from thermoelectric and thermal energy	gross g/kWh	352.3	351.4	361.3
Specific CO <sub>2</sub> emissions from electricity and thermal energy (including renewables)	gross g/kWh	276.1	296.7	314.0
Specific CO <sub>2</sub> emissions from electricity (including renewables)	gross g/kWh	319.0	333.2	364.6

\* The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017. The data have been estimated.

<b>Air emissions* (GRI Standard 305-7)</b>				
<b>Total emissions (electric and hydrocarbon operations)</b>				
NOx	t	2,637	4,618	4,408
SOx	t	177	837	858
Particulates	t	7	106	147
CO	t	1,229	1,029	1,244
Mercury emissions	t	0	0	0

\*The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017.

## Management of water resources

Edison's commitment is to maintain a high level of attention for an efficient and rational use of water, contributing to its protection and safeguard.

To do this, in 2017, Edison initiated numerous projects:

- recovery of first flush rainwater from the roofs of the buildings of the Sesto San Giovanni thermoelectric plant and its reutilisation in the production cycle;
- recovery of the table water (previously disposed of) for its reutilisation in the production cycle after appropriate treatment in the thermoelectric plant of Marghera Azotati;
- continuing implementations of the AUAs in the hydroelectric plants;
- construction of closed cooling loops of the cooling water in the hydroelectric plants, e.g. in the Cedegolo plant;
- installation of a new waste water treatment system of the Vega A platform;
- in most of the operating sites managed by EMS, water recirculation systems were built, which allow the company or the customer to re-insert the water in the industrial cycle, avoiding withdrawing from the wells or the water supply pipeline.

	Unit of measurement	2015	2016	2017
<b>Water withdrawals* (GRI Standard 303-1; 303-3)</b>				
Sea and salt water	thousands of m <sup>3</sup>	522,175	470,812	344,853
River or canal water	thousands of m <sup>3</sup>	29,202	39,415	31,352
Ground water	thousands of m <sup>3</sup>	2,817	3,615	10,267
Demineralised water purchased from third parties	thousands of m <sup>3</sup>	88	0.15	18
Other water resources	thousands of m <sup>3</sup>	214	193	11,136
Recycled water (from thermoelectric operations)	thousands of m <sup>3</sup>	3,389	5,060	4,015
- recycled industrial water	thousands of m <sup>3</sup>	2,820	4,259	3,654
- condensation and steam water purchased from third parties	thousands of m <sup>3</sup>	569	801	362
<b>Total water resources used</b>	<b>(thousands of m<sup>3</sup>)</b>	<b>557,886</b>	<b>519,095</b>	<b>401,642</b>
<b>Recycled water - thermoelectric operations</b>	<b>%</b>	<b>0.61</b>	<b>0.97</b>	<b>1.00</b>

\* The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017. The data have been estimated.

## Effluents and waste\* (GRI Standard 306-1)

### ELECTRICITY AND HYDROCARBONS SECTOR

Industrial waste water produced	thousands of m <sup>3</sup>	21,806	7,595	5,112
Reinjected water	thousands of m <sup>3</sup>	14,169	12,380	10,979
Cooling water	thousands of m <sup>3</sup>	534,501	503,830	372,045
Non-industrial waste water	thousands of m <sup>3</sup>	499.5	141.3	120.4
<b>Total effluents</b>	<b>(thousands of m<sup>3</sup>)</b>	<b>570,976</b>	<b>523,946</b>	<b>388,257</b>
- sewers	thousands of m <sup>3</sup>	4,057	4,863	4,474
- surface water (rivers, canals and seas)	thousands of m <sup>3</sup>	552,674	506,656	372,761
- ground water (water table, etc.)	thousands of m <sup>3</sup>	76	47	43

### ENERGY SERVICES SECTOR

Water discharges from TAR plants	thousands of m <sup>3</sup>	n.a.	n.a.	10,499
- sewers	thousands of m <sup>3</sup>	n.a.	n.a.	5,487
- surface water (rivers, canals and seas)	thousands of m <sup>3</sup>	n.a.	n.a.	5,012
- ground water (water table, etc.)	thousands of m <sup>3</sup>	n.a.	n.a.	0
Waste water treated and recirculated for reutilisation in the production cycle	thousands of m <sup>3</sup>	n.a.	n.a.	520

\* The scope of the data includes Fenice Spa and Sersys Ambiente starting from 2017. The data have been estimated.

## Protecting biodiversity

Edison's approach to protecting biodiversity is proactive and focused on generating a positive effect - not only limited to reducing the impacts of its activities on the ecosystem.

Analysis of the biodiversity of the areas around the Edison plants continues with the **mapping of all sites**, to measure the vulnerability of the surrounding environment. The analysis is carried out through the superposition of thematic maps of respect of flora and fauna, to issue a sensitivity indicator of the areas of interest.

Edison completed several projects during the year:

- **"BioRospo" project** at the "Rospo Mare" Field, in collaboration with the Zooprohylaxis Institute of Termoli, carried out by divers to monitor the development of marine species in the area of the installations;
- the **Mosselmonitor biological monitoring** system remains in operation on the Rospo Mare B platform;
- **BioVega Phase 2 project**, carried out in collaboration with the University of Catania, entailed the installation of the "tecnoreef" technology at approximately -33 m bsl in the jacket of the Vega A platform. This installation will be monitored over time to understand the development of biodiversity and of the marine habitats on the structures;
- **preliminary stakeholder engagement** activity directed at identifying possible ameliorative solutions for the promotion of the BioVega project if the activities to double the platform are started;
- **monitoring at the Wind Farm of San Benedetto Val di Sambro and at the Melissa Strongoli wind farms in Calabria**. All collected information is promptly made available to public administrations and it makes it possible to expand knowledge of the habitats and of the species present;
- in the spring of 2017, 10 additional nest boxes were installed at the wind farms in Calabria, to allow the **nesting of birds of prey** like the Kestrel and the Roller;
- during the initial phase of two new authorisation processes for thermoelectric plants (Presenzano - greenfield and Marghera Levante - brownfield), **environmental impact studies** were prepared, within which the potential impact on flora and fauna was also assessed;
- a **study on the biodiversity of the Tracciolino path** was started (hydroelectric plant of Campo);
- a **fish stairway** was built and a segment of the **riverine corridor of the river Adda** was restored to operation in the hydroelectric plant of Pizzighettone.

In 2017, there were no spills on the ground or into bodies of water.

	Unit of measurement	2015	2016	2017
<b>Flow-through water and biodiversity – hydroelectric operations* (GRI Standard 304-2)</b>				
Turbine water	thousands of m <sup>3</sup>	13,207,943	12,495,906	15,333,571
Minimum vital water flow (MVW)	thousands of m <sup>3</sup>	1,377,587	1,006,738	912,790
<b>MVW releases</b>	<b>%</b>	<b>10.43</b>	<b>8.00</b>	<b>6.00</b>

\* The scope of the data includes only the activities of Edison Spa, because it is not relevant for Fenice Spa and Sersys Ambiente. The data have been estimated.

## OCCUPATIONAL HEALTH AND SAFETY

To ensure an ever greater protection in the health, safety and environment fields, not only for its employees working at the various company sites and offices, but also for the employees of third party contractors, Edison implemented numerous focused activities in 2017 as well.

The **"Tutor della Sicurezza" Project** was launched at the Simeri Crichi thermoelectric power plant (as in-depth training on the perception of risk) along with the initiatives for the recognition of virtuous conduct of personnel from outside companies operating at the sites of the Engineering Department.

The constant commitment continued in 2017 for the dissemination of the culture of safety with the sensitization, information, training and involvement of staff through the weekly dissemination of **safety messages** and participation in **dedicated training sessions**.

This year, the Company participated in the **European Safety Week** again, organising specific events and training dedicated to the theme of active aging and road safety.



Edison, which has long had a system in place for the management of workers' health and safety, was also active in the definition of guidelines relating to the health and safety management system of the EDF Group (**EDF "BEST" - Building Excellence in Safety Together**).

Within the transformation of the Company, following the various acquisitions, a process for the integration of the various management systems was also carried out, to harmonise the differences in a single organisational model. In this sense, an HSE committee was created to govern this integration process.

A "**Digital Safety Management System**" was implemented in various operating divisions, which allows plant operators, using tablets, to register periodic, technical and safety checks (daily, weekly, fortnightly, etc.), monitoring system deadlines through automatic warnings.

	Unit of measurement	2015	2016	2017
<b>Injuries in the workplace (GRI Standard 403-2)</b>				
Injuries in the workplace involving Group employees (>1 lost day, excluding injuries in transit)	no.	10	14	7
- women	no.	1	3	2
- abroad	no.	-	4	1
Lost days due to injury (excluding injuries in transit)	no.	305	1,046	374
- women	no.	10	87	22
- abroad	no.	56	304	72
Fatalities	no.	-	-	-
Occupational diseases	no.	-	-	3
Hours worked	no.	5,243,587	8,637,207	8,991,559
- women	no.	1,004,165	1,468,402	1,473,608
- abroad	no.	1,523,614	2,997,261	2,968,398
<b>Group injury frequency rate (for every one million hours worked)</b>	<b>no.</b>	<b>1.91</b>	<b>1.62</b>	<b>0.77</b>
Injury frequency rate for women	no.	1.00	2.04	1.20
Injury frequency rate for personnel abroad	no.	-	1.33	0.32
Total injury frequency rate (Group + third party contractors)	no.	2.10	1.96	1.00
<b>Group injury seriousness rate (for every thousand hours worked)</b>	<b>no.</b>	<b>0.06</b>	<b>0.12</b>	<b>0.04</b>
Injury seriousness rate for women	no.	0.01	0.06	0.01
Injury seriousness rate for personnel abroad	no.	0.04	0.10	0.02
Total injury seriousness rate (Group + third party contractors)	no.	0.11	0.14	0.09
<b>Occupational illness rate</b>	<b>no.</b>	<b>-</b>	<b>-</b>	<b>0.07</b>
<b>Average number of lost days (for each injury)</b>	<b>no.</b>	<b>30.5</b>	<b>74.7</b>	<b>53.4</b>
<b>Health care*</b>				
Medical examinations provided	no.	1,431	2,637	2,199
* Data unavailable for foreign companies.				
<b>Employees of third party contractors (GRI Standard 102-8)</b>				
Average full-time equivalent (FTE)	no.	1,295	2,265	3,127
<b>Days worked by employees of third party contractors* (GRI Standard 403-2; EU17)</b>				
Construction work	no.	21,771	86,331	157,654
Maintenance work	no.	237,271	409,496	489,244
<b>Total</b>	<b>no.</b>	<b>259,042</b>	<b>495,827</b>	<b>646,898</b>
* Data for Fenice's foreign subsidiaries are unavailable.				
<b>Third party contractors' occupational injuries* (GRI Standard 403-2)</b>				
<b>Employees of third party contractors participating in health and safety training (out of average FTEs)</b>	<b>%</b>	<b>67</b>	<b>96</b>	<b>81</b>
Injuries of employees of third party contractors (>1 lost day)	no.	5	10	7
Hours worked	no.	2,072,334	3,623,297	5,158,851
Lost days per injury	no.	483	610	875
Fatalities involving employees of third party contractors	no.	1	-	-
<b>Third party contractors' injury frequency rate</b>	<b>no.</b>	<b>2.40</b>	<b>2.76</b>	<b>1.35</b>
<b>Third party contractors' injury seriousness rate</b>	<b>no.</b>	<b>0.23</b>	<b>0.17</b>	<b>0.17</b>
* Data unavailable for foreign companies.				

# PERSONNEL MANAGEMENT

## RELEVANCE FOR EDISON'S ACTIVITIES

The main material issues for Edison tied to personnel management relate to:

- diversity, inclusion and appreciation of human capital,
- good employment and internal engagement.

Edison believes that the growth of its personnel and the development of their competencies is a valuable platform for the Company and therefore it undertakes to listen to the **needs** and **expectations of each individual** to promote his/her **highest level of professional expression**.

## MAIN CONNECTED RISKS

One of the main risks connected with personnel management, in addition to the **health and safety risks** discussed above, pertain to **the management of competencies** and the **process of renewal of individual capabilities**: the Company's ability to adapt and to be proactive in a constantly changing environment is closely tied to the enhancement and growth of its share capital.

The other relevant issue of interest for Edison is **internal engagement** and, hence, the management of the risk of loss of motivation.

## PROTECTIVE POLICIES ON THE ISSUE

Edison allocates significant investments in the training of its resources, deeming it essential to maintain its employees professionally competitive also in light of the high rate of obsolescence of the competencies required by the business and by the market.

Edison adopts a specific policy, characterised by the following key principles:

- anticipate and support the **change in professions** and **adapt the skills** necessary to prepare for the future;
- manage and optimise investments in **training**, measure, control costs;
- prepare and support **career development**, enhancing **mobility** and **employability**.

## ACTIVITIES AND RESULTS FROM OPERATIONS

### Training and competency development

The Company directs its efforts towards the development of professional competencies, through a **continuous training process**, through specific policies and dedicated instruments. Through the technical-professional, managerial or cross-functional training, Edison enhances and maintains competitive the competencies of its resources.

In 2017, there were multiple development and training activities, including the training path dedicated to **newly hired personnel** and to the **young people of the Young Community** and of the **Talent Management** process.

Some **programmes for professionals** were stably included in the training offering and, in particular, the Energy Business and Utilities Specialisation Course, in collaboration with the Milan Polytechnic Business School (MIP) and the "Nautilus" programme on geosciences and on the subsoil.

In 2017, the activity of the **Edison Market Academy (EMA)** continued intensely; it is the professional academy of the employees who work in the Sales world.

In the field of **managerial training**, some initiatives were carried out for the development of managerial capabilities: the redesign and administration of the curriculum for Resource Managers, the women's leadership course, the course on delegating for a group of Operational Managers of Edison DG, the *ad hoc* managerial training initiatives for the Managers of the Finance Division and focused coaching curricula.

In addition, training initiatives were organised for **young people** who participated in the potential assessment curriculum, in particular on the development of influencing skills and of complex problem solving skills.

In 2017, a new **Digital Training platform** called **MyLA - My Learning Area**, was launched as an integrated environment with the Edison intranet that makes it possible, in a quick and easy manner, to access to all e-learning contents on certain matters like HSE, compliance, and other cross-cutting issues.

In addition, an education path on digital competencies was activated, with the main objectives of raising the employees' awareness in regard to **Digital Transformation**.

	Unit of measurement	2015	2016	2017
<b>Employee training</b>				
Employees who participated in at least one training course	no.	2,485	3,626	4,072
<b>Employees who received training</b>	<b>%</b>	<b>81</b>	<b>73</b>	<b>79</b>
<b>Training (GRI Standard 404-1)</b>				
<b>Total hours</b>	<b>no.</b>	<b>97,106</b>	<b>125,205</b>	<b>164,186</b>
- women	no.	22,092	28,115	36,081
- men	no.	75,014	97,090	128,105
Average hours per trained employee	no.	39	35	40
Average hours per employee	no.	32	25	32
- women	no.	34	31	37
- men	no.	31	24	31
<b>Breakdown by position</b>				
Managers	no.	6,105	6,487	6,517
Middle managers	no.	24,310	30,287	37,142
Office staff	no.	53,040	55,331	86,791
Production staff	no.	13,651	33,100	33,736
<b>Average hours by position</b>				
- managers	no.	31	28	28
- middle managers	no.	32	36	41
- office staff	no.	34	25	38
- production staff	no.	26	20	20
<b>Breakdown by type of training</b>				
Quality, environment and safety	no.	24,783	34,647	51,295
Technical training	no.	7,766	21,160	29,865
Institutional - internal training	no.	21,749	18,268	21,055
Specialised - external training	no.	15,923	22,936	28,682
Foreign language courses	no.	22,786	20,871	22,398
Computer training	no.	1,156	2,288	3,883
Conferences	no.	2,943	5,035	7,007
<b>Cost of training</b>				
Internal and external training costs (including taxes and mandatory contributions)	in thousands of euros	3,149	3,511	3,419
- funded	in thousands of euros	213	518	406
Cost of labour of trainees	in thousands of euros	2,899	3,787	3,882
<b>Total cost</b>	<b>in thousands of euros</b>	<b>6,048</b>	<b>7,299</b>	<b>7,301</b>
<b>Employees who received an annual review (GRI Standard 404-3)</b>				
Managers*	%	101	96	96
Middle managers	%	86	89	94
Office staff	%	57	66	69
Production staff	%	48	70	72
<b>Total</b>	<b>%</b>	<b>65</b>	<b>73</b>	<b>76</b>
<b>Total female employees</b>	<b>%</b>	<b>72</b>	<b>56</b>	<b>54</b>

\* The 2015 percentage is 101% because the number of managers at the end of the year was lower than the number of managers during the year who received an annual review.



## Internal involvement

Since 2012, Edison has measured with an annual survey, called "MyEDF", the **motivation** and **level of involvement** of its employees and, based on their indications, it has defined and implemented specific action plans for the integration and renewal of existing services.

Last year, through the **Transformation Team**, some projects were also activated to involve the employees in the transformation of the Company, coupling business needs with each individual's satisfaction. One of these projects, **I-MOVE**, was directed at creating a platform to facilitate internal mobility with a view to allowing employees to develop new competencies and new growth paths. The **DO IT project**, through two "calls for ideas", was aimed at stimulating the employees' entrepreneurial spirit and it obtained significant results: 250 participants and 77 new ideas proposed. Among them, three projects were selected and launched experimentally.

## Welfare as an engagement instrument

Edison launched and manages a broad **corporate welfare programme**, "Edison for you", in support of the personal needs of its own employees, which constitutes, for the Company, a structural personnel management elements. Specifically, the "Edison for you" programme proposed services and supports pertaining to Family, Health and Well-being, Time for yourself and Savings. Since 2017, in parallel to the performance of people care services, Edison also expanded its welfare offering, implementing the procedures for converting the contractual performance bonus into goods and welfare services as allowed by recent laws on this matter.

Since June 2017, moreover, a pilot project was launched to test "Smart Working" for the workers of some offices of the Milan site. Testing was preceded by mapping and analysis of the involved areas and by a specific agreement with the Union Representatives of the Milan site which outlined its execution procedures, with particular reference to policies pertaining to H&S and technological instrumentation. Approximately 180 employees participated in the testing.

	Unit of measurement	2015	2016	2017
<b>Number of employees (GRI Standard 102-8)</b>				
Employees at 1/1	no.	3,101	3,066	4,949
Incoming	no.	87	2,305	545
- hired on the market	no.	87	221	335
Outgoing	no.	122	422	350
<b>Employees at 12/31</b>	<b>no.</b>	<b>3,066</b>	<b>4,949</b>	<b>5,144</b>

	Unit of measurement	2015	2016	2017
<b>Return to work and retention rates after parental leave, by gender (GRI Standard 401-3)</b>				
Employees entitled to parental leave	no.	2,221	3,304	3,509
- women	no.	545	708	762
- men	no.	1,676	2,596	2,747
Employees who took parental leave	no.	75	108	119
- women	no.	67	90	100
- men	no.	8	18	19
Employees whose parental leave ended in the year	no.	27	39	48
- women	no.	27	32	40
- men	no.	-	7	8
Employees whose parental leave ended in the year and who returned to work	no.	27	39	50
- women	no.	27	32	40
- men	no.	-	7	10
<b>Total retention rate</b>	<b>%</b>	<b>36</b>	<b>36</b>	<b>40</b>
<b>Retention rate for women</b>	<b>%</b>	<b>40</b>	<b>36</b>	<b>40</b>
<b>Retention rate for men</b>	<b>%</b>	<b>-</b>	<b>39</b>	<b>42</b>

## The social dialog

Edison is **constantly engaged with workers' representatives** at all levels: European, national, local.

For this purpose, it signed the **Representation System of the Edison Group** with the National Unions, an agreement that defines the principles and the guidelines that inspire union relations within the Group and it also governs the different level of union interlocution and the topics of the communication.

Edison applies and complies with the provisions of the different **National Collective Employment Agreements** of the Electrical, Energy and Oil, Gas, Water, Metal Working sectors, both with regard to the economic part and for the regulatory part.

In the Edison Group there are also **second level union agreements** providing disbursement, and their quantifications, connected to the achievement of determined results of relevance for the Group, both with regard to profitability, and with regard to productivity (Performance Bonus).

In support of its commitment, in 2017 Edison implemented some specific activities for its own employees:

- inclusion in a new **supplementary pension fund** for the Edison Group for all employees who operate in the electrical, hydrocarbon and gas-water sector;
- union agreements for the introduction of the **Flexible Benefits**, functional to allow the total or partial voluntary conversion of the corporate Performance Bonus into welfare services made available to all employees;
- **union agreements for smart working experimentation**.

	Unit of measurement	2015	2016	2017
<b>Collective bargaining and trade unions (GRI Standard 102-41)</b>				
Employees covered by the national employment agreement	%	100	97	100
Trade union membership rate	%	46	32	36

## Equal opportunity, plurality and inclusion

The theme of **inclusion and appreciation of diversity** has strong interest for Edison, and in 2017, it was the focus of one of the "construction sites" of the Transformation Team.

In this context, the site addressed in particular the issues tied to work flexibility, to smart working, to the development of women's managerial skills in the Company, to the enhancement of resources and the integration of local sites. Through a corporate survey and specific focus groups, the needs of all employees were heard and subsequently some pilot projects were identified (mentorship programme for the enhancement of women's professionalism, a KPI dashboard and a plan for internal communication and sensitisation), a medium-term action plan and the related KPIs.

In 2017, the **"Plurality and Inclusion" Team** administered a survey on the issues of inclusion and plurality to 2,356 Edison personnel, receiving 1,138 replies, with a participation rate of 47%. 45 employees were involved in the works of the focus groups that delved into the most significant aspects that emerged from the survey.

The pilot project on gender mentorship saw 17 "manager-mentee" combinations, thus with a total number of 34 persons actively involved in an experimental mutual exchange and growth project.

	Unit of measurement	2015	2016	2017
<b>Employee breakdown (GRI Standard 102-8)</b>				
<b>Breakdown by gender</b>				
Men	no.	2,420	4,043	4,179
Women	no.	646	906	965

	Unit of measurement	2015	2016	2017
<b>Women (GRI Standard 405-1)</b>				
Managers	%	11	13	13
Middle managers	%	23	24	25
Office staff	%	27	29	29
Production staff	%	4	2	2
<b>Total</b>	<b>%</b>	<b>21</b>	<b>18</b>	<b>19</b>
Temporary staff	%	63	46	44

	Unit of measurement	2015	2016	2017
<b>Ratio of basic salary and remuneration of women to men (GRI Standard 405-2)</b>				
<b>Top management</b>				
Remuneration ratio of women to men (%)	%	n.a.	n.a.	n.a.
Age ratio of women to men (average years)	no.	n.a.	n.a.	n.a.
<b>Management</b>				
Remuneration ratio of women to men (%)	%	105	103	103
Age ratio of women to men (average years)	no.	<0.9	<2.0	<3.0
<b>Professionals</b>				
Remuneration ratio of women to men (%)	%	91	96	96
Age ratio of women to men (average years)	no.	<3.4	<3.5	<3.0
<b>Office staff</b>				
Remuneration ratio of women to men (%)	%	91	93	92
Age ratio of women to men (average years)	no.	<1.3	<2.0	<2.3
<b>Production staff*</b>				
Remuneration ratio of women to men (%)	%	n.a.	n.a.	n.a.
Age ratio of women to men (average years)	no.	n.a.	n.a.	n.a.

\* The "production staff" category is not meaningful because of the small number of women. The data do not include local employees of foreign sites or employees of Italian companies not on the centralized payroll system.

## SOCIAL ASPECTS

### Relevance for Edison's activities

Based on the findings of the materiality analysis, the main social aspects related to Edison's activities pertain to two main areas: relations with customers and those with the territories close to the plants.

In particular, these areas comprise the following issues:

- Service quality;
- Fair marketing, communication and dispute resolution practices;
- Relationship with territories and value shared with the community.

### RELATIONS WITH CUSTOMERS

Currently, Edison operates both in the free market, with strong competition among the operators, with consumer protection obligations established by the Authority for Electric Energy, Gas and the Water System (AEEGSI) and in the maximum protection service, where the Authority also defines the price of energy. In June 2019, the maximum protection service will cease to exist and all electrical service and gas customers will have to move to the free market.

To exploit the opportunities that will be created with the upcoming total opening of the market, Edison is working on the digitisation of its own processes, where **App** and **Web Portals** will become the main customer contact instruments. In 2017, this strategy led to the launch of a broad Digital Transformation Project, involving not only the commercial activities but also the development of key instruments in support of the post-sale service and for customer care.

### Main connected risks

In this context, and in relation to the material issues that characterise it, the main risks connected with sale and customer relation activities pertain to:

- the **regulatory risk** that takes concrete form with effects of the evolution of the regulatory scenario on market liberalisation; with obligations deriving from resolutions with retroactive effects or on existing agreements with direct impact on economics and prices and with obligations deriving from resolutions with effects on management costs;
- the **risks of violation of the regulations** that govern the selling activity and of litigation with customers connected with the management of the agreements;
- the **risk of late payment** connected with the hardships that, in spite of the signs of an economic recovery, affect a growing portion of the population.

### Protective policies on the issue

Edison protects the definition of the rules that may involve its own sales activity through the reply to the **Regulator's consultation documents**, the **monitoring of the Authority's regulatory activity** and the definition of **actions** to assure the smallest possible impact on ordinary activities.

Commitment on the issue of the correctness of the communication, marketing and dispute resolution practices takes concrete form within the scope of continuous, structure interaction with the 20 **Consumer Groups** recognised by the Ministry of Economic Development and registered with the CNCU (National Consumers and Users Council).

In this field, several structural initiatives reached maturity. The main initiative is tied to the signing of the "**Voluntary self-regulation protocol to prevent unrequested electricity and natural gas activations and contracts**", which all consumer groups also signed. The protocol calls for the institution of the **Joint observatory between companies and CNCU consumer groups**, which monitors compliance with the provisions and assesses the results of the monitoring of reports, participation in the process of verification of the recognition of the measures to be implemented in case of non-compliance, and it also specifies how the Protocol is to be revised.



The establishment of the **Edison - CNCU consumer groups ADR Body**, which acts with the goal of promptly managing any controversies, assuring transparency and impartiality. This agreement continues to strengthen Edison's consolidated relationship with consumer groups and its customers, allowing to anticipate any critical issues that may arise from the contractual relationship and readily and adequately meeting the new needs of consumers.

Edison also participates in the **Settlement Service established by AEEGSI** with the Single Buyer to facilitate the settlement of disputes between customers and electricity and natural gas operators. ([www.conciliazione.energia.it](http://www.conciliazione.energia.it)).

### Activities and results from operations

In terms of service quality, which represents an area of opportunity and a competitive lever in the reference market, Edison strengthened its offering for the residential segment, with the launch of the **Edison World Platform** in 2017, which proposed an unlimited assistance service against unexpected events (Edison Casa Relax) and a flexible, customisable Smart Home solution (Edison Smart Living) to promote energy savings, a theme that also drove the launch of the offering tied to the sale of boilers (MyComfort) and photovoltaic plants (MySun).

In addition, the **acquisition of Assistenza Casa**, which took place in March 2017, enabled Edison to sell new services for the resolution of small faults in residential systems and ordinary and extraordinary maintenance operations.

As from January 1, 2017, for disputes in the electricity and natural gas sectors, the customer and prosumer can try to resolve the problem with their operator, using settlement, which is a mandatory step before going before a judge, if necessary.

	Unit of measurement	2015	2016	2017
<b>Electricity service disconnections (GRI Standard EU27)</b>				
<b>"Disconnected" customers</b>	<b>no.</b>	<b>41,499</b>	<b>9,807</b>	<b>8,193</b>
<b>Broken down by length of time between disconnection and payment</b>				
< 48h	no.	8,037	5,359	6,254
48h - 1 week	no.	19,130	7,767	663
1 week - 1 month	no.	12,282	1,347	893
1 month - 1 year	no.	2,050	693	383
> 1 year	no.	-	-	-
<b>Broken down by length of time between payment and reconnection</b>				
< 48h	no.	40,797	9,026	8,044
48h - 1 week	no.	1,483	148	95
> 1 week	no.	236	71	54
<b>Complaint Index (GRI Standard 418-1)</b>				
Electricity services	%	1.07	0.88	0.65
Natural gas services	%	1.07	1.19	0.84
<b>Monthly average data</b>	<b>%</b>	<b>1.10</b>	<b>0.82</b>	<b>0.74</b>
<b>Monetary value of fines for non-compliance with laws or regulations regarding the supply and use of services (GRI Standard 471-3)</b>				
Monetary value of fines in electricity operations	Euro	82,000	1,725,000	350,000
Monetary value of fines in natural gas operations	Euro	-	-	0
<b>Total</b>	<b>Euro</b>	<b>82,000</b>	<b>1,725,000</b>	<b>350,000</b>

## COMMUNITY RELATIONS

Edison is aware of its own role as a responsible player, attentive to the needs of the communities, and develops projects that promote the adoption of sustainable lifestyles and solutions.

As such, the main fields in which Edison is active are those of **entrepreneurship and social innovation, of inclusion and of sustainable development education**.

The Company's approach is focused on the creation of shared value on the territory, in which the tangible and intangible assets of the Company are made available to the community to address collective requirements.

### Main connected risks

For Edison, the main risk tied to relations with the communities and territories, read in light of the material issues, is the **reputational risk**, which derives from the negative reputation of third parties (customers, business partners, counterparties, shareholders, investors, authorities) and which may negatively influence the Company's ability to maintain and/or expand the customer base in addition to maintaining the supply sources. On the contrary, Edison views positively the opportunities tied to its business citizenship and promotes long-term relations through projects in favour of territorial stakeholders.

### Protective policies on the issue

Edison has adopted a policy and an internal process **for the planning, authorisation and management of sponsorships, association contributions and donations** aimed at defining the decision-making process for the assignment of the sponsorships, of contributions and of donations in favour of third parties. In particular, it intends to define the steps of planning, approving and authorising the expense and the related monitoring of this type of commitment, with the goal of focusing the use of the economic resources employed with respect to the strategic priorities of the Company and contributing to an effective control of this type of investment.

Use of different forms of support in favour of specific initiatives and/or organisations must be characterised by an accurate **search for consistency between the strategic guidelines defined for the various types of corporate businesses and the needs for territorial, national or international support**, where Edison operates.

The approach then comprises a process that starts from the sharing, between the Comex and the process owners (External Relations & Communication Department and Institutional Affairs Department), of the **strategic intervention priorities**, to define, quantify and collect the different initiatives between the various corporate Divisions, Business Units and Departments.

The proposals are then evaluated by the **Sponsorships - Contributions - Donations Steering Committee**, the body identified to support the decision-making action exercised by the Comex, aimed at steering the approval of the corporate Masterplan dedicated to Sponsorships, to Association Contributions and to Donations, and consistently to monitor the related expense and overall effectiveness.

The Comex is responsible for validating the Masterplan of sponsorship and contribution proposals and approving it.

The Steering Committee is also responsible for **monitoring the effectiveness** of the comprehensive initiatives activated, providing the necessary flows of information to the Comex.

### Activities and results from operations

Care for communities manifests itself through two-way communication and partnership with all stakeholders and with the national associations active in the reference territories for the development of shared projects.

To do this, in 2017, Edison initiated numerous project tied to **entrepreneurship and social innovation, to social inclusion and to education for development and the culture of sustainability**. Edison's total contribution in the form of economic investments and sponsorships for communities amounts to 3.5 million euros<sup>2</sup>.

---

2. Values updated as at June 30, 2017.

Among them, a new edition of the **Edison Pulse prize**, the contest that rewards the most innovative ideas in the Energy, Smart Home and Consumer categories and that, for 2017, also included a prize dedicated to Post-Earthquake Reconstruction, dedicated to entrepreneurial ideas and to social innovation in the areas of Central Italy affected by the earthquake of 2016 and for prevention work in connection to seismic events. This initiative is a part of a comprehensive program of interventions in favour of the communities of these territories, which identifies the evolution of Edison's approach, ever more oriented to the construction of durable relations and to co-designing. The entrepreneurial idea that won the prize in this field is **Edilmag**, the first online platform that, upon payment of an annual subscription, allows users to share the equipment that construction firms have in their inventories and that they can thus rent out to third parties. On the occasion of the earthquake in Central Italy, Edilmag has become one of the interlocutors of the Italian Civil Protection Agency, for which it made available free access to the platform in order to rapidly identify the necessary equipment to intervene in emergencies.

With regard to **social inclusion**, 2017 was the tenth anniversary of the "**Freedom Rugby**" project, created by AS Rugby Milan and by the Penal Institute for Minors Cesare Beccaria of Milan with Edison's support. The "Rugby Bol" project successfully continues in the penitentiary of Bollate, along with the other social inclusion activities the club is carrying out to introduce vulnerable children and boys to rugby.

The company has also started an activity with the Novate Mezzola middle school for **environmental education** - focusing on biodiversity - within the broader project launched last autumn with the inauguration of the "Tracciolino" tourist route, a 10 km trail built in the Thirties that Edison lent for use, free of charge, to the Valchiavenna Mountain Community and to the Verceia and Novate Mezzola municipalities, and that was the subject of major requalification work financed by the Lombardy Regional Government and carried out by the local authorities.

In December 2017, Edison presented to the Local Communities of Valchiavenna and Valtellina the cardioprotection system it will donate to the Town Administrations and to the offices of the Province and UTR (Regional Mountain Territorial Office) of Sondrio. The initiative, an integral part of Edison's, "**Power for the heart**" project, is managed in collaboration with the AREU, the regional emergency unit, and will bring nine municipalities in the province of Sondrio, where the Company operates with its own facilities, into the network of sites with lifesaving cardiology equipment thanks to the donation of 11 Automated External Defibrillator (AED) life-saving devices. Edison will also train the workers appointed to manage emergencies outside hospitals and use of the AEDs, through training centres recognised and accredited by Volunteer bodies, such as the Italian Red Cross.

Edison also supported the program on the inclusion and **integration of the Egyptian and Arab community** of the Egyptian Museum in Turin, promoted through a series of events including the evening entitled "*Io sono il benvenuto*" ("I am welcome"), for which the Museum was opened in the evening, free of charge and with initiatives dedicated to the issue of refugees. This issue was also addressed through support to the activities of the **Sant'Egidio Community** directed at the promotion of "**humanitarian corridors**".

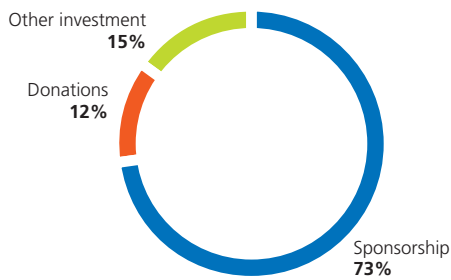
The fight against wasting resources characterised, for this year as well, the **volunteer activities** of Edison, which, for example, renewed its support to the **Siticibo** project of the Food Bank, directed at the redistribution of excess portions from the company cafeteria to soup kitchens.

To share the internal competencies and to spread the culture of sustainability, Edison decided to work alongside some **operators of the cultural sector** to outline **guidelines directed at the sustainability** of the related productions. These players pass on meanings and messages addressed to different segments of civil society and express the identity of local community and the relationship with them and with the other institutions of the territory.

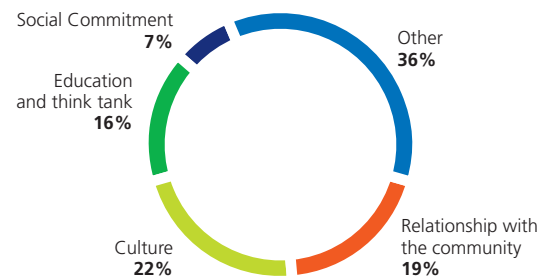
In particular, the collaboration with the **Turin and Piedmont Film Commission** continues and in 2017 it was accompanied by the activity with **Fondazione Teatro Stabile of Turin**.

The Company also promotes the **creation of competencies in the territories** where it operates and, in partnership with the Milan Polytechnic, it supported a research project with doctorate at the American University in Cairo, Egypt. The purpose of the project is to analyse the Egyptian electrical system, model its possible developments and understand how different scenarios may impact the country's productive system and direct and indirect CO2 emissions associated with it. In 2017, the first phase of creating the model for predicting and defining the possible scenarios of the electrical mix out to 2040 was completed.

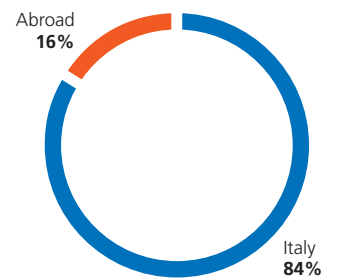
### Investment in the community



### Areas of activities



### Geographical area



# RESPECT FOR HUMAN RIGHTS

## RELEVANCE FOR EDISON'S ACTIVITIES

For Edison, **safeguarding human rights** is an important matter, as it emerged in particular in the latest revision of the materiality analysis. This question is partly **connected to other material aspects** discussed in the present statement, including the issues tied to the health and safety of Edison's own employees and suppliers and to the fight against corruption, to which reference is made for the assessment of the policies applied and of the results obtained; in part **it has its own specific character**, tied in particular to Edison's activities and interests in contexts outside Italy, and especially in Egypt.

Edison, therefore, within its own **Code of Ethics**, strives to ensure that, within the scope of its own activities, **the rights set out by the "Universal Declaration of Human Rights" are guaranteed in the different Countries where it operates.**

Edison recognises as tied to its own activities the human rights connected to the personal sphere, work-related rights and the right to live in a healthy environment, and it intends to safeguard them in all the Countries and contexts where it is present.

## POLICIES, ACTIVITIES AND RESULTS FROM OPERATIONS

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

- discussing it within the **Code of Ethics**;
- by signing the **10 principles of the UN Global Compact**;
- referencing it specifically also in the principles of the **Sustainability Policy** currently being published;
- through the **Whistleblowing Policy**, the Company makes available an on-line platform to report violations of the Code of Ethics: there have been no reports in the last three years.

Furthermore, Edison is negotiating to reach an agreement with the trade unions on a global level on CSR that will reinforce the issue of human rights. According to this agreement, subsequent steps of operational implementation will be developed with a monitoring system inspired by the UN "UN Guiding Principles on Business & Human Rights" framework.

Edison undertakes to report the progress of these activities in subsequent statements.



# APPENDIX

## GRI CORRELATION TABLE

### General disclosure

GRI Standard	Disclosure	Page
<b>GRI 102: General disclosure</b>		
<b>Organizational profile</b>	102-1 Name of the organization	Cover
	102-2 Activities, brands, products, and services	6-9
	102-3 Location of headquarters	Back cover
	102-5 Ownership and legal form	6
	102-6 Markets served	7
	102-8 Information on employees and other workers	23; 26; 28
	102-9 Supply chain	9
	102-10 Significant changes to the organization and its supply chain	4-5
	102-11 Precautionary Principle or approach	13
	EU2 Net energy produced	7
EU3 Number of residential, industrial, institutional and commercial customers	8	
<b>Ethics and integrity</b>	102-16 Values, principles, standards, and norms of behavior	9-10;12
<b>Governance</b>	102-18 Governance structure	12
	102-26 Role of highest governance body in setting purpose, values, and strategy	12
	102-32 Highest governance body's role in sustainability reporting	12
<b>Stakeholder engagement</b>	102-41 Collective bargaining agreements	24
	102-42 Identifying and selecting stakeholders	4-5
	102-43 Approach to stakeholder engagement	11
	102-44 Key topics and concerns raised	11
<b>Reporting practice</b>	102-46 Defining report content and topic Boundaries	4-5
	102-47 List of material topics	11
	102-48 Restatements of information	4-5
	102-49 Changes in reporting	4-5
	102-50 Reporting period	4-5
	102-53 Contact point for questions regarding the report	Back cover.
	102-54 Claims of reporting in accordance with the GRI Standards	4-5
	102-55 GRI content index	33-34
102-56 External assurance	38-39	

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page</b>
<b>GRI 205</b>	<b>Anti-corruption</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	14
<b>103-2</b>	The management approach and its components	14
<b>103-3</b>	Evaluation of the management approach	14
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	15
<b>205-3</b>	Confirmed incidents of corruption and actions taken	15
<b>GRI 302</b>	<b>Energy</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	16
<b>103-2</b>	The management approach and its components	18
<b>103-3</b>	Evaluation of the management approach	18
<b>302-1</b>	Energy consumption within the organization	19
<b>302-2</b>	Energy consumption outside of the organization	19
<b>302-5</b>	Reductions in energy requirements of products and services	19
<b>OG3</b>	Energy produced from renewable sources	7
<b>GRI 303</b>	<b>Water</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	16
<b>103-2</b>	The management approach and its components	20
<b>103-3</b>	Evaluation of the management approach	20
<b>303-1</b>	Water withdrawal by source	20
<b>303-3</b>	Water recycled and reused	20
<b>GRI 304</b>	<b>Biodiversity</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	16
<b>103-2</b>	The management approach and its components	21
<b>103-3</b>	Evaluation of the management approach	21
<b>304-2</b>	Significant impacts of activities, products, and services on biodiversity	21
<b>GRI 305</b>	<b>Emissions</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	16
<b>103-2</b>	The management approach and its components	18
<b>103-3</b>	Evaluation of the management approach	18
<b>305-1</b>	Direct (Scope 1) GHG emissions	19
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	19
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	19
<b>305-4</b>	GHG emissions intensity	19
<b>305-7</b>	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	19
<b>OG6</b>	Volume of flared and vented hydrocarbon	19
<b>GRI 306</b>	<b>Effluents and Waste</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	16
<b>103-2</b>	The management approach and its components	20
<b>103-3</b>	Evaluation of the management approach	20
<b>306-1</b>	Water discharge by quality and destination	20

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page</b>
<b>GRI 401</b>	<b>Employment</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	24
<b>103-2</b>	The management approach and its components	26
<b>103-3</b>	Evaluation of the management approach	26
<b>401-3</b>	Parental leave	26
<b>GRI 403</b>	<b>Occupational Health and Safety</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	16
<b>103-2</b>	The management approach and its components	21-22
<b>103-3</b>	Evaluation of the management approach	21-22
<b>403-2</b>	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	23
<b>EU17</b>	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	23
<b>GRI 404</b>	<b>Training and Education</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	24
<b>103-2</b>	The management approach and its components	24-25
<b>103-3</b>	Evaluation of the management approach	24-25
<b>404-1</b>	Average hours of training per year per employee	25
<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	25
<b>GRI 405</b>	<b>Diversity and Equal Opportunity</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	24
<b>103-2</b>	The management approach and its components	27
<b>103-3</b>	Evaluation of the management approach	27
<b>405-1</b>	Diversity of governance bodies and employees	28
<b>405-2</b>	Ratio of basic salary and remuneration of women to men	28
<b>GRI 413</b>	<b>Local Communities</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	29
<b>103-2</b>	The management approach and its components	31-32
<b>103-3</b>	Evaluation of the management approach	31-32
<b>GRI 417</b>	<b>Marketing and Labeling</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	29
<b>103-2</b>	The management approach and its components	29-30
<b>103-3</b>	Evaluation of the management approach	29-30
<b>417-3</b>	Incidents of non-compliance concerning marketing communications	30
	<b>Access</b>	
<b>103-1</b>	Explanation of the material topic and its Boundary	29
<b>103-2</b>	The management approach and its components	29-30
<b>103-3</b>	Evaluation of the management approach	29-30
<b>EU27</b>	Disconnections due to non-payment	30

# EXTERNAL ASSURANCE



Deloitte & Touche S.p.A.  
Via Tortona, 25  
20144 Milano  
Italia

Tel: +39 02 83322111  
Fax: +39 02 83322112  
www.deloitte.it

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND OF ART. 5 OF CONSOB REGULATION N. 20267

### To the Board of Directors of EDISON S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Edison S.p.A. and subsidiaries (the "Group") as of December 31, 2017 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on February 14, 2018 (hereinafter the "NFS").

### Directors' and Board of Statutory Auditors' responsibility on the Consolidated Non-Financial Statement

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), with reference to the selection of GRI Standards. The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for identifying and managing the risks generated or undertaken by the Group. The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, compliance with the provisions set out in the Decree.

### Auditors' Independence and quality check

Our independence is based on the principles of ethics and independence expressed within the Code of Ethics for Professional Accountants (the "Code"), which has been released by the International Ethics Standards Board for Accountants. The Code is based on the principles of integrity, objectivity, competency, confidentiality and professional behaviour. Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and it maintains a system of quality control that includes directives and procedures concerning the compliance to ethics and professional principles and regulations of the applicable laws.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Verona  
Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.  
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1729239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo [www.deloitte.com/about](http://www.deloitte.com/about).

© Deloitte & Touche S.p.A.

**Auditors' responsibility**

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether the report is free from material misstatement. The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree.
3. Understanding of the following matters:
  - o Business management model of the Group's activity, with reference to the management of the topics specified by article 3 of the Decree;
  - o Policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
  - o Main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

With reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 4, letter a) of this report.

4. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Edison S.p.A. and with the employees of Fenice S.p.A., Edison Energy Solutions S.p.A., E2i Energie Speciali S.r.l.. We therefore carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.



In addition, for material information, taking into consideration the Group's activities and characteristics:

- at parent company's level and subsidiaries:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence.
  - b) With regards to quantitative information, we carried out both analytical procedures and limited verifications in to ensure, on a sample basis. the correct aggregation of data.
- for the following subsidiaries, divisions and sites, Rivoli for Fenice S.p.A., Bagnoli di Sopra for Edison Energy Solutions S.p.A., Bologna for E2i Energie Speciali S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

**Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Edison Group as of December 31, 2017 is not prepared, in all material respects, in accordance with article 3 and 4 of the Decree and selected "GRI Standards", as stated in the paragraph "A note on methodology and reading guide" of the NFS.

**Other Matter**

With reference to the year ended December 31, 2016, the Group prepared the Sustainability Report 2016, whose data were used for comparative purposes within the NFS. Deloitte & Touche S.p.A. voluntarily examined the Sustainability Report 2016 in accordance with ISAE 3000 and expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Piergiulio Bizoli**  
Partner

Milan, Italy  
February 20, 2018

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

## Edison Spa

31 Foro Buonaparte  
20121 Milan, Italy

Capital stock 5,377,000,671,00 euros, fully paid  
in Milan - Monza - Brianza - Lodi Company Register  
and Tax I.D. No. 06722600019  
VAT No. 08263330014  
REA Milan No. 1698754  
edison@pec.edison.it

This document is also available on the  
Company website: [www.edison.it](http://www.edison.it)

Editorial coordination  
External Relations and Communications Department

Art direction by  
In Pagina, Saronno (Italy)

Photographs by  
[www.edisonmediacenter.it](http://www.edisonmediacenter.it)

Printed by  
Faenza Printing Industries Srl, Milan (Italy)

Milan, March 2018

This publication was printed on environmentally friendly paper with low impact on the environment.



