



Sustainability Policy

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Scope and target

Edison intends to lead Italy's energy transition and build a sustainable energy future, working to support energy security, doing its part in protecting the planet, improving the quality of people's life and acting as a guide for their customers, suppliers, communities, and territories.

The company is committed to the **sustainable energy transition**, which is taking shape through the development of low-carbon energies and green gases, the promotion of the production and use of renewable energies and flexibility solutions, support to residential, industrial and public administration customers in efficiency-boosting, decarbonisation and sustainable mobility efforts, with a view to ensuring security of supply and competitiveness.

Furthermore, on the basis of a principle of technological neutrality aimed at decarbonisation, Edison firmly believes in a **socially responsible transition**, which is put into practice by promoting sustainable energy spending and combating energy poverty, developing and updating people's skills, responsibly managing its supply chain, respecting human rights in all their forms and contributing to social innovation, including through the EOS - Edison Orizzonte Sociale Foundation.

For Edison, **sustainability is the set of choices and behaviours that enable the company to pursue its corporate purpose while also ensuring long-term profitability and competitiveness and also taking into consideration the interests of all stakeholders.**

As a **responsible operator**, Edison considers sustainable success and **ESG (Environmental, Social and Governance)** criteria to be fundamental levers for **value creation** in the medium to long term and crucial elements in taking strategic and **operational decisions**. The company works towards the continuous **integration** of sustainability principles within the corporate structure and the business model, as well as in day-to-day activities.

The purpose of this Sustainability Policy is to communicate, both within the Company and to its stakeholders, the **fundamental principles** and Edison's commitment to **environmental, social and governance issues**, in full consistency with the principles and values of the Company's Code of Ethics and the policies impacting Sustainability. It also expresses the company's will to identify, assess and, if needed, remedy **negative impacts**, scale up and increase the effectiveness of actions with a **positive impact**, manage **risks** and seize **opportunities** connected with **relevant sustainability issues along the value chain**.

The Multi-year Sustainability Targets are related to the principles of this Policy. They are reflected in the **Sustainability Plan** and identified in keeping with the reference **SDGs**, the relevant topics as per the Double Materiality Analysis, and the 2030 strategic planning process. The Multi-Year Sustainability Targets are updated periodically and can be traced - both in terms of objectives and actual results - in the annual **Sustainability Report**, a record of the Company's sustainability performance that is made available to its Stakeholders, and are framed within Edison's ambition for **2040** with respect to its three **strategic axes**.

- **sustainable power generation and flexibility**: 90% of power production is decarbonised thanks to renewables and new technologies;
- **security of supply and decarbonised gases**: helped maintain Italy's security of supply (20% market share of the Italian gas demand) by contributing to incorporate renewables into the system and to the decarbonisation of heavy-duty road transport and shipping; progressive transformation of gas portfolio by phasing in decarbonised gas for up to 15% of the total;



- **customers and services:** guiding customers and territories in their electrification and decarbonisation path and providing market leadership in commodity and energy services supply.

The Policy applies to all Divisions, Business Units, Departments, Corporate Functions, Offices, Sites, as well as to all subsidiaries of Edison SpA in Italy and abroad; furthermore, it acts as a guideline and general reference for companies not controlled by Edison, through which Edison operates.

Sustainability governance: roles and responsibilities

A synergy of members Board and of the executive team is responsible for Edison's sustainable development issues, which are discussed and appraised over the course of regular meetings.

Specific sustainability governance responsibilities lie with the **Board of Directors**, which defines strategic guidelines, identifies medium/longterm goals and approves the Sustainability Plan of the Company and the Group in line with the achievement of Sustainable Success, also with regard to ESG matters and the relative business model.

The **CEO** is entrusted with a number of specific powers in the realm of sustainability, including proposing to the Board of Directors the sustainability strategy and targets and the Sustainability Plan, as well as monitoring/ controlling its implementation once approved, overseeing ESG performance reporting and disclosure, promoting dialogue and engagement with the relevant stakeholders and adopting the Sustainability Policy.

The **Control, Risks and Sustainability Committee** plays an investigative and propositional role vis-à-vis the Board of Directors with regard to the Internal Control and Risk Management System, including as regards ESG issues, and periodic financial and non-financial reporting.

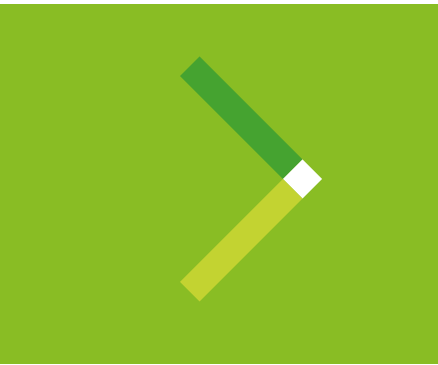
The **Sustainability** Division provides the CEO and the Board with current and prospective contextual elements underlying decisions and develops sustainability at corporate level, while promoting internal inclusion, and coordinating the divisions' suggestions and initiatives for sustainability-related processes and projects, including through dedicated teams, in the regions where the Company operates. It also supports the Sustainability Management Committee in managing relations with the company's stakeholders.

In the light of the key contribution of the Finance activities to the attainment of Edison's ESG targets, the **Finance Division**, in association with the Sustainability Division, integrates the ESG issues into the assessment of investments and the management of risks from a double materiality perspective, with a focus on the Taxonomy metrics and on the attainment of the SDGs. Furthermore, it provides help with Sustainable Finance initiatives.

In the pursuit of the goal of making sustainability more widespread, the Sustainability and Finance Divisions avail themselves of the **Sustainability Network** and of the **Finance-Sustainability Council** consisting of focal points from the different business functions.

The **Sustainability Management Committee**, (consisting of the members of the Executive Committee and the heads of the Health Safety Environment & Quality, Procurement, EOS Foundation, Environmental Remediation, Corporate





Affairs & Governance Functions/Departments) supports the Chief Executive Officer and, in coordination with the Sustainability Division, performs investigative and implementation functions on ESG issues.

Working alongside the CEO and the Sustainability Division is the **Stakeholder Advisory Board (SAB)**, a committee with a three-year term of office, made up of members external to the company representing different categories of stakeholders, with a view to supporting the company in identifying the most important sustainability issues amongst those deemed material, and making recommendations and suggestions on positioning, strategies and developments of the company concerning sustainability issues .

The **EOS - Edison Orizzonte Sociale Foundation** focuses its efforts on civil society, culture, and the third sector, and benefits from the active involvement of colleagues in voluntary work and projects. It promotes initiatives on sustainability issues from a Corporate Social Responsibility perspective in the contexts and areas where the company operates.

Regulatory framework of reference

The Sustainability Policy has been drafted in line with Edison's current corporate policies and with sustainability best practices in the areas of finance and investments, and specifically:

- Code of Ethics
- Organisation, Management and Control models as provided for by Legislative Decree N. 231/01
- Anti-Corruption guidelines
- Integrity Check guidelines
- Anti-Fraud policy
- Whistleblowing policy
- Health and Safety, Environmental, Quality, and Sustainable Energy Policy
- Diversity & Inclusion Policy
- Sustainable procurement policy
- Biodiversity Policy
- Human rights protection policy
- Policy on interest representation
- Policy on the relations with territories and local communities
- Suppliers' code of conduct

Furthermore, Edison bases its actions in the realm of sustainability around the current health and safety regulation provisions and the following frameworks:

- Ten principles of the UN Global Compact
- Agenda 2030 for Sustainable Development and its Sustainable Development Goals (SDGs)
- Task Force on Climate-Related Financial Disclosures - TCFD
- Kunming-Montreal Global Biodiversity Framework
- Corporate Sustainability Reporting Directive (CSRD) and relevant EU Regulation 2023/2772 (legislative decree 125/2024)¹
- EU Regulation 2020/852 EU Taxonomy and amendments
- Corporate Sustainability Due Diligence Directive (CSDDD)
- EU Directive 2024/825 (Green Claims)

¹ Delegated act of the European Commission which defines the European Sustainability Reporting Standards (ESRS)





- Legislative Decree 152/2006 and amendments
- Legislative Decree 81/2008 and amendments
- Commercial Codes of Conduct for the electricity market and for the gas market and related Integrated Texts on the Quality of Commodity Sales Services
- OECD Guidelines for multinational companies on responsible business conduct
- Universal Declaration of Human Rights
- Fundamental Conventions of the International Labour Organisation (ILO)
- BREF (BAT – Best Available Techniques – Reference documents)

The ISO 14001, ISO 45001, UNI 37001 Anti-Corruption and SA8000 Social Responsibility management systems that Edison adopts in full or in relevant areas of its activities are considered good practices and tools for defining, protecting and monitoring environmental and Health and Safety issues.

The axes of sustainability for Edison

The Sustainability Policy is based on a set of axes that reflect the Group's culture and goals and that are outlined in the yearly Sustainability Report:



Climate Action: action against climate change with a view to promoting decarbonisation



Natural capital and landscape: preservation and protection of the natural capital and landscape



Human capital and inclusion: developing human capital and promoting diversity and inclusion



Value for customers, territories, and sustainable economic development: creation of value for customers and territories and promotion of sustainable economic development



Cross-cutting issues: prerequisites and enabling factors: business ethics, respect for human rights, sustainability in governance, sustainability in finance and investments, innovation and digitalisation, stakeholder dialogue and engagement along the value chain.





Climate action



Edison's **climate action and fight against Climate Change**, inspired by **SDG 13**, are two-fold: on the one hand, they translate into **mitigating** the environmental impacts of its activities on the climate -through the development and management of production systems with reduced greenhouse gas emissions, as well as offering the most efficient solutions and technologies to its customers aimed at energy optimization and the progressive decarbonization of consumption in a process of support throughout the ecological transition); on the other hand, they consist in **adapting** to the adverse effects of climate change –by assessing the short, medium, and long-term physical climate and transition risks, developing an Adaptation Plan and adopting measures to prevent or minimise the current and expected impacts on people, activities, and physical environment, ensuring that infrastructures are resilient and guaranteeing the continuity of business.)

The commitment to **clean and affordable energy** defined in **SDG 7** drives Edison towards cost-effective, reliable and sustainable systems with continuous investments in increasingly efficient production technologies with a reduced environmental impact, supported by research and innovation in the best available technologies.

Therefore, in terms of **climate action - ESRS E1** Edison pledges to:

- **produce low-carbon energy** with renewables and new decarbonisation and generation technologies (CO2 capture and new nuclear);
- **expand the green gas supply chain** and encourage the gradual decarbonisation of the gas portfolio;
- **promote energy efficiency** and **decarbonisation** solutions for their customers;
- monitor and progressively **reduce direct and indirect greenhouse gas emissions**.



Natural capital and landscape



Recognizing the vital value that **ecosystems** have for the well-being of communities and for the balance of the entire planet, and in line with **SDG 15**, Edison **respects and protects nature** through a proactive approach that translates not only into compliance with current environmental regulations, but also into the following pledges:

Pollution - ESRS E2

- **preserving** the **air, water and soil matrices** by means of preventative measures, monitoring and control schemes in line with current legislation, actions aimed at avoiding and reducing pollutant loads while minimising their impacts
- **reducing** the use of **hazardous chemicals** as much as possible, **phasing them out** where applicable, and limiting **accidents and emergency situations**.





Water and marine resources - ESRS E3

- **manage water resources within its industrial processes efficiently** - where possible minimising water withdrawals by aiming to increase the recovery rate and choosing low-impact technologies - with an emphasis on consumption in its activities in water-risk and/or water-stressed areas;
- **using**, where agreed with relevant stakeholders, **management plans** for the hydropower sector, also respecting the principle of multiple use of water resources.

Biodiversity and ecosystems - ESRS E4

As set out in a dedicated policy (to which you may refer):

- **respecting and protecting biodiversity and ecosystems** by acting in accordance with the mitigation hierarchy in the project lifecycle and promoting nature-based environmental mitigation and enhancement solutions (NBS);
- **contributing** to the **regeneration** of its legacy **territories**;
- **developing its plants in keeping with the territory’s landscape, perceptual and cultural values**;
- **limiting deforestation** associated with the construction of new assets and, where residual impacts are present, compensating through Natural Capital activities.

Use of resources and circular economy - ESRS E5

- **managing resources responsibly from** procurement to use (maximising their efficiency through optimal life-cycle management and adopting solutions that reduce the negative externalities associated with their activities), and balancing resource inflows and outflows sustainably (energy, water, soil and excavated rocks)
- **preventing and containing waste** production by promoting recycling and/or upcycling in favour of process optimisation
- **promoting** and progressively expanding, where applicable, the use of **secondary raw materials** as an alternative to virgin raw materials, thus limiting the environmental impact in its operations and along the entire value chain.



Human capital and inclusion



In line with **SDGS 5 and 8**, Edison considers human capital to be a key element of its social responsibility as well as decisive for the creation of long-term value, even more so at a time of great transformation in the energy industry.

Therefore, as outlined in the dedicated policies, to which you may refer, Edison pledges, **for its own workforce - ESRS S1**, to:

- **ensure health and safety salute** in the workplace;
- **promote** the well-being of employee, including a good work-life balance;
- **boost** constantly **high levels of employability**, support and enhance the internal growth of the workforce and their skill set;





- **promote** an **inclusive, fair and stimulating workplace** and **combating** all forms of **discrimination**;
- be fully aware of **human rights and protect them** all along the value chain.



Value for customers, territories and sustainable economic development



Customer proximity, central to Edison's vision of sustainability, takes shape in the relationship of trust established through transparency, fairness and reliability that continues in a long-term partnership with the territories and the local communities aimed at creating economic and social development, in line with **SDGs 8, 9, 11 e 12**.

Edison strives to **create value for customers and territories as well as sustainable economic development**, thus committing to the following (as outlined in the dedicated policies, to which you may refer):

Supply chain - ESRS S2

- **manage the supply chain sustainably** by increasingly embedding ESG criteria (including with a risk-based approach) into its procurement processes, starting with qualification;
- **implement due diligence** on human rights and the environment in its value chain, including by applying the Suppliers' Code of Conduct;
- **support** suppliers in **enhancing their ESG profile**, raise their awareness and provide training on sustainable procurement issues (e.g. Sustainable Procurement Academy) and also to cultivate dialogue and involvement of suppliers as partners with whom to jointly attain sustainability targets.

Communities and territories - ESRS S3

- Diversifying sources in order to ensure maximum **reliability and continuity** of supply and to contribute to the country's **energy security**;
- **Starting an Exchange with local stakeholders** in order to understand - and satisfy, if possible, by co-designing solutions- their expectations, create trust, promote sustainable development that produces added value;
- **Promote energy culture in communities**, by means of training and awareness-raising initiatives or of widespread collective self-consumption or Energy Communities.

Customers and end users - ESRS S4

- **Protecting customers and end users**, in compliance with current Codes of Conduct, both external and internal to the company, by providing affordable, high-quality, value added services;
- **preventing and managing cybercrime risks** that may affect the availability of services and business processes (e.g., disruption of electricity production, blocking of energy efficiency services), or breach of the privacy of customers' personal data;





- **guaranteeing quality standards and compliance with long-term contracts** through a permanent control system on the performance of the actions and/or services provided, constant monitoring of customer satisfaction, the quality of technical-commercial relations, the results of public interest established by managing the related operational risk;
- **supporting customers and territories in their ecological transition and decarbonisation path**, by providing sustainable products and services (including electricity and green services, gas offset through CO2 credits), in line with sustainability targets and the growing environmental awareness of customers and end users;
- **supporting the most vulnerable** residential users through concrete actions (e.g. tailor-made instalment plans for their customers, adhesion to initiatives to fight energy poverty for consumers).



**Cross-cutting issues:
prerequisites and
enabling factors**

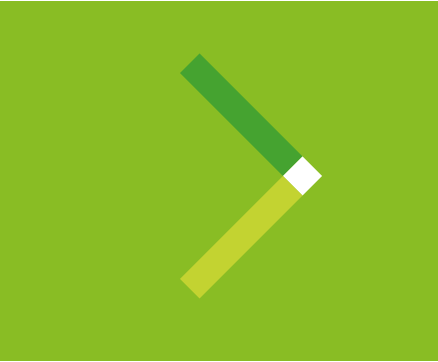


Edison's sustainable action is based on the core principles that govern the performance of all activities, which are considered **pre-requisites and enabling factors**, such as **business ethics**, respect for **human rights**, **sustainability in governance**, **sustainability in finance and investments**, **innovation and digitalisation including through research, dialogue and stakeholder engagement along the entire value chain**.

In particular, as far as **business conduct - ESRS G1** is concerned, Edison pledges to:

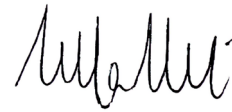
- make processes increasingly efficient in order to **avoid delays in supplier payments**, with a view to mitigating the financial challenges to which SMEs in particular are exposed in their business relations with larger companies;
- **guaranteeing ethics** in the management of business and corporate activities, **transparency and integrity** in all its actions and relations with stakeholders and combating all forms of **fraud and corruption**;
- - **exercise interest representation in a transparent and responsible** manner and in accordance with international conventions, acting fairly and honestly in the process of obtaining information, avoiding undue pressure or inappropriate behaviour, in compliance with the values of integrity and responsibility.



**Communication, review, and document updates**

Edison is committed to ensuring the broadest possible dissemination of its Sustainability Policy and initiatives among all stakeholders in the value chain, particularly through proprietary communication channels, such as corporate Intranet and Internet websites or the Group's social media presence, as well as through behaviours inside and outside the company. The policy will be periodically updated by the Sustainability Division, taking into account the evolution of the regulatory framework and the evidence concerning environmental, social, and governance issues along the value chain that will emerge from corporate guidelines.

27 September 2024



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

