

# 2022

## Corporate Governance





# **2022**

# Corporate Governance

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





<b>REPORT ON CORPORATE GOVERNANCE AND ON THE COMPANY'S OWNERSHIP STRUCTURES</b>	<b>5</b>
Introduction	8
Ownership Structures	15
Corporate Governance	24
Annexes	93
 <b>REPORT ON THE COMPENSATION POLICY AND ON COMPENSATION PAID IN 2022</b>	 <b>106</b>
1. Introduction	109
2. Section One	111
3. Section Two	123
Motions	130

The Report on Corporate Governance and on the Company's Ownership Structure for the year 2021 ("Governance Report" or "Report"), the Report on the Compensation Policy and on the Fees Paid ("Compensation Report"), the second part of which is reproduced herein, and the By-laws are available on Edison's website at the following address ([www.edison.it](http://www.edison.it) - Our Company - Governance - Governance - Bylaws and Corporate Governance Report).





# Report on Corporate Governance and on the Company's Ownership Structure

(Approved by Edison's Board of Directors of February 15, 2023)



## CONTENTS

<b>Glossary</b>	8
<b>Introduction</b>	8
<b>Issuer Profile</b>	8
<b>Listing of savings shares</b>	11
<b>Governance Structure</b>	11
<b>Adoption of Corporate Governance Codes</b>	14
<b>Ownership structure</b>	15
<b>Structure of the Share Capital</b>	15
Composition	15
Capitalisation of savings shares	15
Rights of the Classes of Shares	15
Powers to Carry out Capital Increases and Authorisations to Purchase Treasury Shares	16
Restrictions on Transfers of Shares, Ownership Limitations and Acceptability Clauses	16
<b>Stock Ownership</b>	17
Shareholders with Significant Equity Interests	17
Special Controlling Rights	17
Mechanism for the Exercise of Voting Rights Within an Employee Stock Ownership Plan	17
Voting Right Restrictions	17
Agreements Deemed Significant Pursuant to Art. 122 of the TUF	17
Change of Control Clauses	17
Controlling Entity and Management and Coordination Authority	20
<b>Other Information</b>	21
Provisions Applicable to the Composition and Activities of the Board of Directors and Its Committees and to the Election, Replacement and Indemnities of Directors	21
Provisions Applicable to the Composition, Activities, Election and Replacement of the Board of Statutory Auditors	22
Diversity Policies	22
Provisions Applicable to the Activities of the Shareholders' Meeting and Relevant Rights of Shareholders	22
Provisions Applicable to Amendments to the By-laws	22
Exceptions to Disclosure Requirements	22
Main Characteristics of the Internal Control and Risk Management System in Relation to the Financial Reporting Process	23
<b>Corporate governance</b>	24
<b>Board of Directors</b>	24
Role	24
Election of Directors	29
Composition	31
Function	34
Chairman and Executive Directors	39
Secretary to the Board of Directors	40
Independent Directors	41
Lead Independent Director	42
Self-assessment by the Board of Directors and Its Committees	43
<b>Internal Committees of the Board of Directors</b>	44
<b>Related-party Procedure - Related-Party Transactions Committee</b>	45
Related-party Procedure	45
Related Party Transactions Committee	46



<b>Compensation of Directors - Compensation Committee</b>	48
Compensation of Directors and Top Management	48
Compensation Committee	51
<b>Control and Risk Committee</b>	51
Attribution and operation of the Control and Risk Committee	51
Appointment and Activities Performed by the Control and Risk Committee	54
<b>Internal Control and Risk Management System - Control and Risk Committee</b>	54
Elements that characterise the Internal Control System	55
Elements that characterise the Risk Management System	60
Financial Statement Reporting: Internal Control and Risk Management System in relation to the Financial Reporting Process	62
Non-Financial Disclosure: Internal Control and Risk Management System in relation to the Non-Financial Reporting Process	66
Parties involved	66
Control and Risk Committee	72
Independent Auditors	76
Board of Statutory Auditors	78
Coordination Among the Parties Involved with the Internal Control and Risk Management System	83
<b>Management of corporate information</b>	83
<b>Relations with shareholders and stakeholders</b>	86
<b>Shareholders' Meetings</b>	87
Convocation	87
Function	87
Activities and Attributions of the Special Meeting of Savings Shareholders	88
Right to Attend Shareholders' Meetings	88
Holding Shareholders' Meetings	88
Meeting of Savings Shareholders	89
Additional Shareholders' Rights and Methods of Exercise	89
<b>Additional Corporate Governance Practices</b>	90
<b>Changes since the Close of the Reporting Year</b>	90
<b>Considerations on the letter of January 25, 2023 of the Chairman of the Corporate Governance Committee</b>	90
<b>Annexes</b>	93
Summary table of recommendations applied or non-applied with justification (Comply or Explain)	94
<b>Board of Directors</b>	95
Overview of the Structure of the Board of Directors and Board Committees	95
Posts held by Directors at December 31, 2022	96
<i>Curricula</i> of the Directors in Office at December 31, 2022	97
<b>Board of Statutory Auditors</b>	103
Overview of the Structure of the Board of Statutory Auditors	103
Posts held by Statutory Auditors at December 31, 2022	103
<i>Curricula</i> of the Statutory Auditors in Office at December 31, 2022	104

## Glossary

**CG Code:** the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.

**Corporate Governance Committee:** the Italian Committee for the Corporate Governance of Listed Companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.

**Issuer:** the securities issuer to which the Report refers.

**231 Model:** the organisational model pursuant to Italian Legislative Decree no. 231/2001 aiming to prevent the perpetration of the unlawful acts referred to in the corresponding Decree and, consequently, shield the Company from administrative liability.

**Consob Issuers' Regulation:** the Regulation issued by Consob with Resolution no. 11971 of May 14, 1999 (as subsequently amended) on issuers.

**Consob's Related-Party Regulation:** the Regulation issued by Consob with Resolution no. 17221 of March 12, 2010 (as subsequently amended) concerning related party transactions.

**Governance Report:** the report on corporate governance and corporate ownership structures that companies are required to prepare and publish pursuant to Article 123-*bis* of the Consolidated Law on Finance.

**Compensation Report:** the Report on the Compensation Policy and on the Fees Paid that companies are required to prepare and publish pursuant to Article 123-*ter* of the Consolidated Law on Finance and 84-*quater* Consob Issuers' Regulation.

**Company subject to Concentrated Ownership:** a company in which one or more shareholders participating in a shareholders' agreement hold, directly or indirectly (through subsidiaries, trustees or intermediaries), the majority of the votes exercisable at an ordinary shareholders' meeting.

**Large Company:** a company whose capitalisation exceeded 1 billion euros on the last trading day of each of the previous three calendar years.

**Consolidated Law on Finance/TUF:** Legislative Decree no. 58 of February 24, 1998.

## Introduction

### Issuer profile

Edison is the oldest energy company in Europe and one of the leading energy companies operating in the sector. It was established in 1883 and its activities, after numerous and well-structured operations involving several companies over more than a century, merged into the current Company in 2002.

Edison's mission is to be a responsible energy operator and a leader in the sustainable energy transition.

Sustainable development is a key element in Edison's business model, as the creation of value depends on the ability to combine economic objectives with the evaluation of environmental and social requirements, and generating long-lasting value for all of Edison's shareholders and relevant stakeholders.

Edison's strategy is developed along three lines:

- renewable sources and flexibility: significant development of the production of energy from renewable sources (mainly photovoltaic and wind power, increasing capacity by 2030 from 2 to 5 GW), supported by new, very high efficiency gas-fuelled generation, which is essential to phase out coal, integrate production from renewable sources and ensure the adequacy and stability of the national electrical network. To complement the set of instruments that enable flexible solutions, the development of electricity storage plants is planned, which includes hydro pumping and battery accumulation systems. The goal is to reach 40% from renewable sources within its production mix by 2030, reducing specific emissions of the power generation fleet to less than 230 g CO<sub>2</sub>/kWh;
- customers and value-added services, sale of electricity, gas and efficient and innovative energy and environmental services, capable of ensuring the decarbonisation of customers. Proposals are developed through digital or circular solutions in order to improve the competitiveness, efficiency and environmental impact of industrial customers and administrations and improve the quality of life of local households and communities;
- gas activities in support of the energy transition and safety of the national energy system: management of storage activities and the various long-term import contracts for the supply of natural gas, including liquid gas (**Liquefied Natural Gas**) from extensively diversified sources, with the aim of achieving a gradual replacement of natural gas with green gas - biogas and hydrogen. Promotion of innovative uses of natural gas through the development of small-scale LNG infrastructure to reduce the environmental impact of heavy duty and maritime transport.

All of this by activating partnerships with specialised suppliers, using innovative, digital and sustainable technologies, the development of which is also promoted in the internal activities of the Research, Development and Technological Innovation Department, the Business Innovation Department and the Digital Department, and enhancing professional and distinctive skills of the human capital in the corporate ecosystem, in compliance with the principles of inclusion, enhancement and equal opportunities.

Edison and the Group it belongs to operate therefore in the following business areas:

- production of electricity with a highly efficient and diversified set of power plants, comprising thermoelectric, hydroelectric, wind and solar plants;
- import and sale of electricity and gas in the wholesale markets, in Italy and Greece;
- diversified gas supply and management of its storage and distribution, development of gas transport infrastructure;
- energy management of power and gas portfolios;
- sale of electricity and gas and value added services to all market segments (industry, SME and retail);
- provision of large-scale energy and environmental services for different markets (industrial, tertiary, business and public administration) and sustainable mobility, including the use of liquefied gas (Small Scale LNG).

The Group is still present, but only marginally, in the hydrocarbon production sector, having sold between 2019 and early 2021, in line with its strategies, almost all of its assets in the sector and expecting in 2023 the execution of the sale contract, signed in 2022, of its stake in the Algerian Reggane concession concerning natural gas extraction.



The Group's activities are mainly carried out in Italy with a presence also in other European countries, mainly Spain, Poland and Greece and - limited to its participation in the Reggane concession - in the Mediterranean basin.

At December 31, 2022, the Group included 80 subsidiaries (59 in Italy); 5 foreign companies under joint control and 21 affiliated companies (16 in Italy).

## Listing of savings shares

It should be pointed out that Edison, even though only its savings shares are traded on the Euronext Milan market (**EXM**), as its common shares were delisted on September 10, 2012 for the reasons laid out below, continues to be subject to the legal requirements applicable to "companies with shares traded on a regulated market" and, consequently, retains the status of a "listed issuer" pursuant to national laws in force.

In connection with this, the Company elected to continue, on a voluntary basis, following the Corporate Governance Code promoted, among other things, by Borsa Italiana Spa (**Borsa Italiana**), in the manner described later in this Governance Report.

Please recall that in 2012 Edison was controlled, with a 61% interest in the common share capital, by Transalpina di Energia Srl (**Tde Srl**), jointly owned by WGRM Holding 4 Spa (**WGRM**, a wholly owned subsidiary of Électricité de France SA (**EdF**) and Delmi Srl (**Delmi**, a 51% subsidiary of A2A Spa), and that MNTC Holding Srl (**MNTC**, also a wholly owned subsidiary of EdF) owned 19.4% of Edison's common share capital. Following the purchase from Delmi on May 24 of that year by WGRM of the remaining 50% interest in Tde Srl, the latter launched a tender offer, pursuant to arts. 102 and 106, paragraph 1, of the TUF, for the Edison common shares not held by companies of the EdF Group (the **Mandatory Offer**), in fulfilment of an obligation it had undertaken jointly with WGRM and MNTC. Subsequently, Tde Srl offered to purchase, pursuant to art. 108, paragraph 1 of the TUF, the remaining common shares of Edison from the shareholders other than the companies of the EdF Group (the **Purchase Obligation**). At the end of the above-mentioned process, EdF was thus the holder, through Tde Srl and MNTC, of a 99.5% interest in Edison's common share capital.

Due to the outcome of the Mandatory Offer and in fulfilment of the Purchase Obligation mentioned above, Borsa Italiana, by means of Resolution No. 7544 of August 7, 2012, then delisted the Edison common shares from the Telematic Stock Market (the **MTA**), effective September 10, 2012.

For the sake of complete disclosure, please also keep in mind that, subsequent to the delisting of the common shares, in accordance with the provisions of art. 6 of Edison's By-laws, the Company proceeded, during the period from November 2 to November 30, 2012, with the voluntary conversion of the savings shares into common shares, based on a ratio of 1 common share for each savings share held (**Voluntary Conversion**), which ended with the conversion of 437,573 shares out of a total 110,592,420 savings shares originally outstanding. At the end of the Voluntary Conversion period, the savings shares continued to be traded on the MTA, which thereafter flowed into the EXM, as stated above.

Subsequently, in 2013, following a series of corporate transactions that involved MNTC, TdE Srl and WGRM, the Edison shares owned by the EdF Group were concentrated at WGRM, first through the demerger of the latter, of MNTC and then, effective as of January 1, 2014, the absorption of TdE Srl by said WGRM, with WGRM changing its name to that of the absorbed company and relocating its registered office from Turin to Milan (**TdE**).

Please note that Edison's By-laws, as amended since April 2013, take into account the different rules applicable to common shares and savings shares and their holders, in relation to the different trading system for the two categories of shares.

It should be noted that the listing, and thus the stock market capitalisation of solely savings shares is not relevant for the purposes of Edison's qualification as a Small and Medium Enterprise (**SME**) pursuant to art. 1, paragraph 1, letter *w-quater*.1 of the TUF given that, as set out in the methodological note published by Consob on the matter, the group of SMEs includes solely companies with registered office in Italy, with (at least) common shares admitted to trading on the EXM.

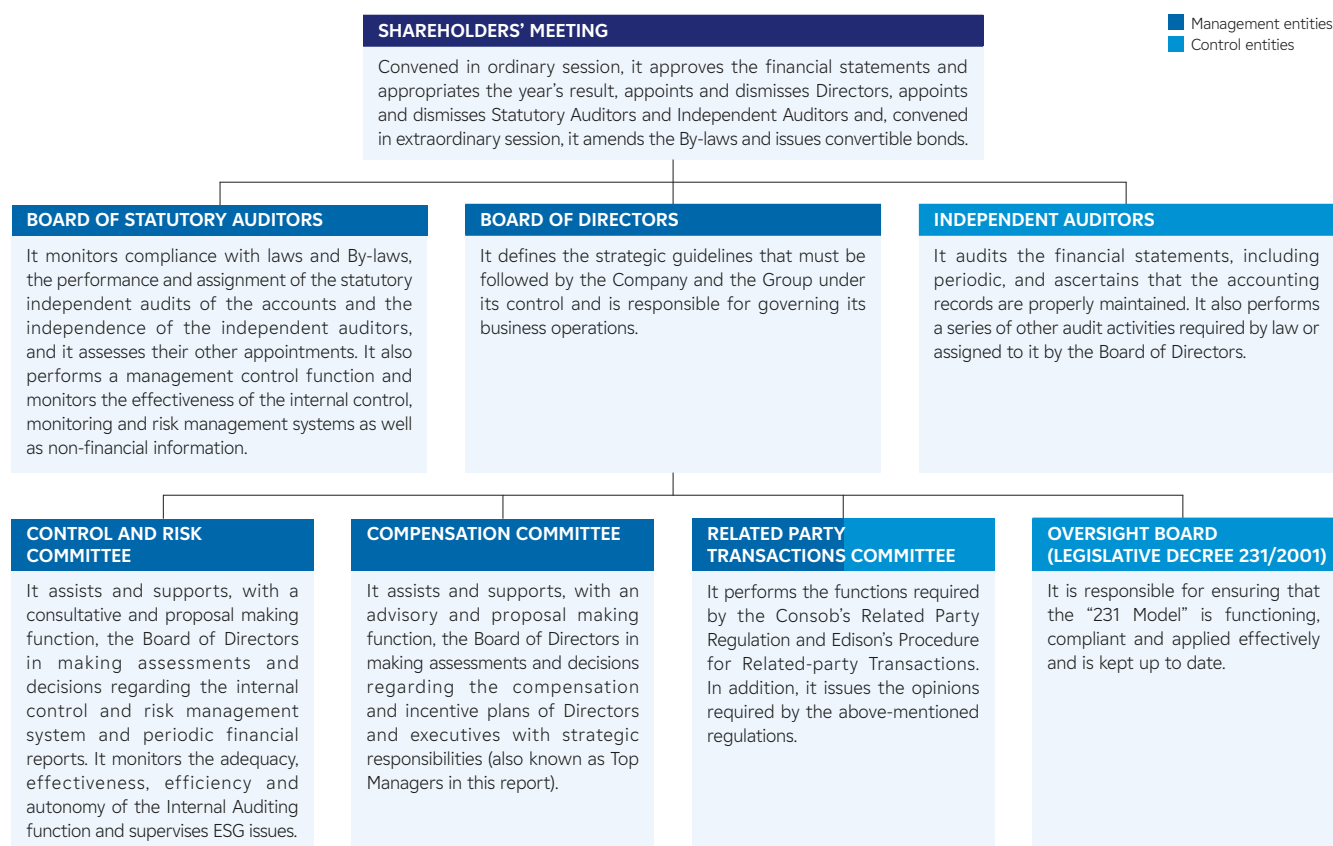
Based on the criteria set forth in the CG Code, Edison meets the definition of a "Company subject to Concentrated Ownership" because its controlling shareholder (TdE) holds a majority of the votes that can be exercised at the ordinary Shareholders' Meeting, but does not meet the definition of a "Large Company" because the capitalisation of its savings shares, the only class of shares authorised for trading in a regulated market, does not meet the threshold required for such status. The CG Code application flexibility options permitted for Companies subject to Concentrated Ownership other than Large Companies, exercised by the Board of Directors, are specified in the section entitled "Adoption and Observance of the Corporate Governance Code".

## Governance structure

### Edison's governance

The corporate governance structure of Edison, an Italian company, defined by the By-laws, is based on the traditional organisational model which provides for the distinction of the roles and responsibilities between the administration body and the control body, and is composed of the following bodies: Shareholders' Meeting, Board of Directors (which also operates through the Chief Executive Officer and is assisted by the Committees established within said Board), the Board of Statutory Auditors, the Independent Auditors and the 231 Oversight Board. In addition to those listed above, governance entities include the Special Meeting of Savings Shareholders and the common category representative.

The illustration that follows provides an overview of Edison's governance model.



Governance is integrated by the business organisation and implemented through the managerial structure, which is divided into divisional organisational structures for the management of the various business areas, which ensure the development and operational management of the portfolio of activities assigned, and divisional organisational structures for the management of common transversal corporate activities and processes, which ensure direction, coordination, control, specialist support and services to the business structures/operating companies and the management of the related operational risks.

The essential elements of the business organisation consist of:

- the 5 Business Divisions: *Gas Assets*, which deals with the development and management of gas infrastructures; *Power Assets*, which is entrusted with the development and management of the power generation portfolio; *Gas & Power Portfolio Management & Optimisation*, which is entrusted with the management of the portfolio of gas-LNG import contracts, gas logistics and energy management activities of the power and gas portfolio; *Gas & Power Market*, which is entrusted with the management of the portfolio of commercial gas and electricity activities and sales, including value-added services, on the business and retail end markets; *Energy & Environmental Services Market*, which is entrusted with the management of activities relating to the energy and environmental services sector, and 8 cross-company and support Divisions (*Finance*; *Legal & Corporate Affairs*; *Human Resources & ICT*; *External Relations & Communication*; *Strategy, Corporate Development & Innovation*; *Institutional Affairs, Regulatory & Climate Change*; *Engineering*; *Sustainability*). The Divisions are in turn organised into Business Units and Departments, each responsible for managing important and homogeneous business areas or areas that provide support and services to the business areas;



- the Executive Committee (**Comex**), established in 2012, the composition of which was changed over time due to changes in the organisational structure, led by the Chief Executive Officer and comprised of the managers of the Divisions representing the main business areas, which provides support for the activities of the Chief Executive Officer in identifying the Group's action and development policies and assessing the main initiatives. This body includes the managers of the 5 Business Divisions and the managers of the 8 cross-company and support Divisions;
- management committees to support top management in the management of specific and relevant decision-making processes and/or particular issues, including the Commitments and Investments Committee, the Risk Committee, the Audit and Ethics Committee, the Advisory Committee, the Sponsorship-Contribution-Donations Steering Committee, and the Advisory People Development Committee;
- the Sustainability Management Committee, established late 2022, made up of the members of the Comex, as well as the Head of the Health Safety Environment & Quality System function, the Head of the Procurement Department, the Director of the Eos Foundation and the Director of Corporate Affairs & Governance, the latter in their role of coordinating governance processes, with investigative, propositional and implementation functions, to support the Chief Executive Officer in the management and implementation of ESG topics;
- the Code of Ethics, the specific models, protocol and management systems concerning the matters governed by Legislative Decrees No. 231/2001 and No. 262/2005, regarding the protection of privacy and health, occupational and environmental safety, subject to systematic updates to take into account the evolution of regulations and the changes in the Group's organisational structure, internal operating procedures, the proxy system and internal and external delegations of authority;
- the Internal Auditing Department, which reports directly to the Board of Directors, provides support and liaison services for the activities of the 231 Oversight Board and, at the operational level, is coordinated by the General Counsel Department, to which the Board of Directors assigned responsibility for facilitating interaction by the Internal Auditing Department with the Board of Directors, the Board of Statutory Auditors and the 231 Oversight Board.

Neither Edison nor its strategically relevant subsidiaries are subject to non-Italian laws that may affect their governance structure. Two companies, one Italian and one foreign, are subject to the unbundling regulations for the business regarding the transmission and storage of gas.

## Sustainability governance

With specific regard to issues relating to sustainability, for several years the Company has focused its efforts on long-term economic growth, which is also able to enhance the reference social and environmental context.

In pursuit of these objectives, the Company has implemented, also through the adoption of a specific procedure, a form of governance that systematizes the interaction of various bodies dedicated to the supervision and management of social and environmental topics.

In addition, in terms of transparency, starting from 2017, in line with the EU provisions incorporated into the Italian legal system with Legislative Decree No. 254 of December 30, 2016, Edison has also prepared a Non-Financial Disclosure (**NFD**) which is an integral part of the financial statements documentation.

In this regard, please recall that starting from 2004 Edison was one of the first companies in Italy to prepare a Sustainability Report on a voluntary basis, which it subjected to a voluntary audit by the Independent Auditors. The NFD relating to the year 2022 was approved by the Board of Directors at its meeting on February 15, 2023.

For more details, refer to the NFD, available on Edison's website ([www.edison.it](http://www.edison.it) - The Company - Sustainability).

## Adoption and Observance of the Corporate Governance Code

As explained in the Issuer Profile, even though only savings shares continue to be listed on the EXM, Edison continues to comply, on a voluntary basis, with the CG Code. Since its listing in December 2002, Edison has operated in line with what was previously implemented by its publicly traded subsidiary Montedison, which was absorbed in 2002, and had followed the code since 1998.

As a result, the Company's system of corporate governance, which is the set of standards and behaviour guidelines deployed to ensure the efficient and transparent functioning of its corporate governance and internal control systems, was thus over time substantially consistent with the recommendations of the CG Code and was revised from time to time to reflect amendments to it, the most recent of which took place in 2021, with the limited, irrelevant exceptions that will be explained further on. The CG Code is posted on Borsa Italiana's website (<https://www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.htm>).

The summary table of the principles and the recommendations applied or not applied with the related reason is annexed to this Report.

In evaluating the level of compliance with the CG Code, account has been taken of the indications provided over time by the Corporate Governance Committee. As regards the specific point, please also make reference to the section "Considerations on the Letter of January 25, 2023, of the Chairman of the Corporate Governance Committee".

Edison falls, under the CG Code, within the definition of a Company subject to Concentrated Ownership but not within that of a Large Company. Despite this, the Board of Directors has used only two of the flexibility options allowed for companies subject to concentrated ownership that are not large, namely: the possibility of not establishing an Appointments Committee and not adopting Succession Plans, believing instead that it is appropriate to comply with:

(a) the following 4 recommendations intended for Large Companies:

- approximately one-third of the members of the administrative body are independent;
- the independent Directors meet at least once a year in the absence of the other Directors to consider matters deemed of interest with respect to the functioning of the Board of Directors and the management of the company;
- the maximum number of positions that may be held by an individual Director has been specified;
- the Control and Risk Committee has been established;

(b) the following 2 recommendations for companies other than those with Concentrated Ownership:

- the board self-assessment is conducted annually;
- when the Board of Directors is re-elected, it provides guidelines to the Shareholders' Meeting on its optimal composition.

The Governance Report, as well as the Compensation Report, incorporate an illustration of the corporate governance structure reviewed by the Board of Directors on February 15, 2023. It also lists, as they apply, the recommendations of the CG Code that the Company chose not to implement, explains the reasons why and describes any alternative conduct adopted. These reports also provide the disclosures required by the laws and regulations that apply to corporate governance and the compensation of Directors, executives with strategic responsibilities (also known as **Top Managers** in this report) and the Board of Statutory Auditors.

# Ownership structure

## Structure of the share capital

### Composition

Edison's capital structure as of February 15, 2023, equal to Euro 4,736,117,250.00, is as follows:

#### STRUCTURE OF THE SHARE CAPITAL

	No. of shares	Percentage of the share capital	Listed
Ordinary shares (nominal value 1 euro)	4,626,557,357	97.69%	No
Savings shares (nominal value 1 euro) ISIN IT0003372205	109,559,893	2.31%	Yes Euronext Milan

The composition of the share capital is unchanged from December 31, 2022.

No financial instruments that convey the right to acquire newly issued shares through subscription are outstanding.

No options awarded to Group employees that convey the right to purchase Edison shares at pre-set prices (Stock Option Plans) are outstanding and, consequently, no capital increases earmarked for such purpose were carried out.

### Capitalisation of savings shares

The market capitalisation of Edison savings shares, as the average of the daily capitalisations calculated with reference to the official price, recorded in 2022, was 155,480,895 euros, up 17.4% compared to the average of the same prices in 2021.

### Rights of the Classes of Shares

The common shares, revoked from listing since September 10, 2012, are registered shares, convey the right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings, in accordance with the applicable provisions of the law and the By-laws, and provide their holders with any additional administrative and property rights attributed to voting shares pursuant to law.

The savings shares, traded on the EXM since December 02, 2002, can be either bearer or registered shares, as the holder may choose, except for shares held by Directors, Statutory Auditors and the General Manager, if one is appointed, which must be registered shares. They do not convey the right to vote at the company's Ordinary and Extraordinary Shareholders' Meetings. Pursuant to the By-laws, they convey the benefits and have the characteristics that are listed below in addition to those provided pursuant to law:

- A reduction in the share capital to absorb losses does not cause the par value of savings shares to decrease, except for the amount in excess of the aggregate par value of the other shares.
- The expenses incurred to protect the common interests of savings shareholders shall be defrayed through the use of a fund of up to 25,000.00 euros per year established by a resolution approved by a Special Shareholders' Meeting.



- If the savings shares are delisted, they will retain all of the rights attributed to them under the Bylaws and may be converted into common shares according to the terms and conditions determined by a Shareholders' Meeting, which must be held within two months from the date of delisting.
- The remainder of the earnings shown in the duly approved financial statements, after allocating at least 5% to the statutory reserve, which must be set aside until the reserve reaches one-fifth of the share capital, are distributed to the savings shares up to an amount that may not be greater than 5% of their par value. If in a given fiscal year the savings shares receive a dividend that is less than the above-mentioned amount, the difference will be brought forward and added to the preferred dividend over the following four years;
- If no dividend is distributed to the savings shares for five consecutive years, these shares can be converted one for one into common shares, upon a simple request by the shareholder, during the period from January 1 to March 31 of the sixth year.
- Any remaining earnings that the Shareholders' Meeting decides to distribute are allocated to all of the shares such that the savings shares receive a total dividend that is greater than the dividend paid to the common shares by 3% of their par value.
- If reserves are distributed, the savings shares have the same rights as the other shares.
- However, if the Company has no earnings in a given year, the benefits listed above with regard to earning allocation may be provided by the Shareholders' Meeting through a resolution approving the distribution of reserves.
- Upon dissolution of the Company, the savings shareholders take precedence in the redemption of the share capital up to the full par value of their shares.
- Resolutions to issue new savings shares with the same features as the savings shares outstanding, whether by way of a capital increase or through the conversion of shares of another class, do not require the approval of the holders of savings shares convened in Special Meetings.

In view of the articulation of the asset rights of the savings shares, the Board of Directors did not see the need to supplement them further.

Lastly, for the sake of complete disclosure, please note that, as stated in the paragraph on "Listing of savings shares", in the event of delisting of the common shares, upon a simple request by the shareholder, the savings shares could have been converted one-for-one into common shares in accordance with the terms and conditions determined by Board of Directors and communicated to the market. More specifically, it is worth mentioning that the Voluntary Conversion option was available during the month of November 2012 and, consequently, this option provided under the By-laws may no longer be exercised.

In the event of a share capital increase, holders of common and savings shares are entitled to receive a prorated number of rights to acquire newly issued shares of the same class or, lacking such shares or for any difference, shares of another class.

## **Powers to Carry out Capital Increases and Authorisations to Purchase Treasury Shares**

The Board of Directors has not been granted the power to increase the Company's share capital, as allowed under art. 2443 of the Italian Civil Code, nor is it authorised to purchase treasury shares.

## **Restrictions on Transfers of Shares, Ownership Limitations and Acceptability Clauses**

The Company By-laws contain no restrictions of the right to transfer shares, no ownership limitations and no acceptability clauses.

## Stock ownership

### Shareholders with Significant Equity Interests

The table that follows, which is based on the data in the Shareholder Register and reflects communications received pursuant to law and other information available as of February 15, 2023, shows that there is no party, other than the EdF Group, that holds, directly or indirectly (including through third parties, nominees and subsidiaries), an interest greater than 3% of the voting stock (**Significant Equity Interests**).

A breakdown of the interest held by EdF in Edison's common share capital is as follows:

	Common shares	% of common share capital	% of total share capital
TdE Spa (formerly WGRM) <sup>(1)</sup>	4,602,160,785	99.47	97.17
<b>Total for the EdF Group</b>	<b>4,602,160,785</b>	<b>99.47</b>	<b>97.17</b>

1. A wholly owned subsidiary of EdF International Sas, which, in turn, is a wholly owned subsidiary of EdF, and subject to its management and coordination authority. EdF is controlled by the French Government.

A list of shareholders with Significant Equity Interests is available on the Company website ([www.edison.it](http://www.edison.it) - Investor Relations - Stocks - Share capital and shareholders) and on the Consob website ([www.consob.it](http://www.consob.it)).

### Special Controlling Rights

No securities that convey special controlling rights have been issued or are outstanding.

### Mechanism for the Exercise of Voting Rights Within an Employee Stock Ownership Plan

There are no employee stock ownership plans.

### Voting Right Restrictions

The By-laws contain no provisions restricting the exercise of voting rights.

### Agreements Deemed Significant Pursuant to Art. 122 of the TUF

To the best of the Company's knowledge, there are no agreements deemed significant pursuant to art. 122 of the TUF.

### Change of Control Clauses

Information about significant agreements executed by Edison or its subsidiaries who are parties to the Agreements at December 31, 2022, as defined in Article 93 of the TUF, that could become enforceable or could be subject to change or cancellation in the event of a change in Edison's control is provided below.

### Financing Facilities

A change of control over Edison could have a material impact in the following cases:

- A loan agreement for 250 million euros, provided to Edison in December 2010 by the European Investment Bank (EIB) to finance the conversion of some gas fields owned by Edison Stoccaggio Spa into underground gas storage facilities (see the Notes to the separate and consolidated financial statements). If the EIB were to reasonably believe that a change of control over Edison had occurred or was about to occur, such event could justify a request for early repayment of the credit line.
- A loan agreement for 150 million euros signed on November 9, 2017 by Edison and the EIB to finance the construction and commissioning of five new onshore wind power plants and the complete rebuilding and commissioning of three existing onshore wind power plants, for a total capacity of roughly 165 MW, owned by Edison Rinnovabili Spa. The same clause of the above EIB loan agreement applies (see the Notes to the separate and consolidated financial statements).
- A loan agreement of 150 million euros, signed on June 15, 2020 between Edison and the EIB, intended to finance the project for the construction and operation of a 770 MW thermoelectric power plant with combined cycle gas turbine (CCGT) owned by Edison, situated in the Marghera Levante district. The same clause of the above-specified EIB loan agreements applies (see the Notes to the separate and consolidated financial statements).
- A loan agreement of 300 million euros, signed on June 26/29, 2020, between Edison and the EIB, intended for the development, construction and operation of a series of onshore wind farms, photovoltaic solar plants, as well as a hydroelectric plant, with a total capacity of roughly 455 MW, owned by Edison or Edison Group companies, to be built in Italy in the 2020-2023 period. The same clause of the above-specified EIB loan agreements applies (see the Notes to the separate and consolidated financial statements).
- A *Contrat cadre de gestion de trésorerie* (GBP – EUR – USD) executed on April 1, 2015 by Edison and EdF. Should Edison cease to be a “subsidiary” of EdF, the agreement shall be automatically cancelled, effective as of the date of change in Edison’s status, and Edison shall immediately repay the sums it received by EdF and any other amounts owed pursuant to the contract (see Notes to the separate and consolidated financial statements).
- A *Contrat de financement Ligne de crédit* of 250 million euros, dated April 29, 2021 between Edison and EdF, subsequently amended on June 28, 2022 to increase the amount available by an additional 250 million euros and on September 19/21, 2022 to increase the amount available by an additional 100 million euros (total available as at December 31, 2022: 600 million euros). Should Edison cease to be a “subsidiary” of EdF, the agreement shall be automatically cancelled, effective as of the date of change in Edison’s status, and Edison shall immediately repay the sums it received from EdF and any other amounts owed pursuant to the contract. Should the controlling interest that EdF holds in Edison directly or indirectly decrease to less than 80% of the capital and/or voting rights of Edison, EdF will have the right to demand the early repayment of any amounts already loaned and the payment of any other amounts owed pursuant to the contract (see Notes to the separate and consolidated financial statements).

## Commercial Agreements

- Contract between Edison Next S.p.A. (formerly Fenice S.p.A.) and FCA Group Purchasing s.c.r.l., signed on January 24, 2019 for the provision of energy services for FCA’s industrial sites in Italy. FCA will have the right to terminate all or part of the contract due to the sale by Edison Next of a business operation to a third party not controlled by or affiliated with Edison and/or EdF, as well as on verification of an event that jointly involves the transfer of control of Edison Next by both Edison and EdF, unless such sale or transfer is carried out for the advantage of any company controlled by or affiliated with Edison or EdF.



- Contract between Edison Next S.p.A. and CNH Industrial Italia S.p.A., signed on January 24, 2019 for the provision of energy services for CNH's industrial sites in Italy and Spain. CNH Industrial will have the right to terminate all or part of the contract due to the sale by Edison Next of a business operation to a third party not controlled by or affiliated with Edison and/or EdF, as well as on verification of an event that jointly involves the transfer of control of Edison Next by both Edison and EdF, unless such sale or transfer is carried out for the advantage of any company controlled by or affiliated with Edison or EdF.
- Long-term gas import contract signed with Sonatrach (investee of the Algerian State) in 2006, whose term was extended in 2019, which makes provision, in the event of a change of control of Edison, for Sonatrach's right to withdraw with no compensation obligation.

It is expected that a change in the parties that exercise control over Edison could have a material impact on the agreements listed below, if it resulted in a significant downgrading of Edison's credit rating:

- gas transmission contract, with annual renewal by Edison, signed with Snam Rete Gas Spa: in order to maintain access to the transmission infrastructures, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one-third of the maximum annual consideration payable for transmission capacity;
- gas balancing contract, with annual renewal by Edison, signed with Snam Rete Gas Spa: in this case, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to the market value of 3 days of customer consumption (around 60 Mcm/day in total in the winter considering the current portfolio);
- gas storage contract, with annual renewal by Edison, signed with Stogit Spa: in order to maintain access to the storage facilities, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one-third of the maximum annual consideration payable for storage capacity;
- gas storage contract, with annual renewal by Edison, signed with Italgas Storage: in order to maintain access to the storage facilities, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one-third of the maximum annual consideration payable for storage capacity;
- gas storage contract, with annual renewal by Edison, signed with Edison Stoccaggio Spa: in order to maintain access to the storage facilities, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one-third of the maximum annual consideration payable for storage capacity;
- regasification contract executed with Terminale GNL Adriatico Srl on May 2, 2005 for a term of 25 years counting from the date of the first LNG delivery to the terminal (November 2, 2009): in order to maintain access to the transmission infrastructure, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one third of the annual fee payable, increased by one third of the network fee due;
- regasification contract executed with Terminale GNL Adriatico S.r.l. relative to the calendar years 2023-2024-2025: in order to maintain access to the transmission infrastructure, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one third of the annual fee payable, increased by one third of the network fee due;
- regasification contract executed with GNL Italia S.p.A. relative to thermal year 2023/2024: in this case, in order to maintain access to the transmission infrastructure, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to 36% of the annual fee payable, increased by the network fee due;
- foreign transport contracts signed in 2019 with TTPC and Transmed, for the transportation of Algerian gas from the Algerian-Tunisian border to the Italian border: in said case, Edison would be obligated, to maintain access to transport infrastructures, to issue a bank guarantee enforceable on sight for an amount to date of approximately 4 million euros;

- a long-term gas import contract signed with AGSC (a consortium owned by Azerbaijan's state-owned company, Socar) for the import of gas from Azerbaijan: in this case, Edison would be obliged, in order to avoid contract termination, to provide an adequate guarantee, if the guarantee were provided by a Group company subject to the change of control of Edison. It should be noted in this regard that, by virtue of Edison's current rating, a bank guarantee in the amount of 180 days of supply has already been issued at AGSC's request in 2022;
- transportation contract between Edison and ICGB, signed on October 10, 2019 for the transportation of natural gas on the IGB pipeline: in this case, Edison would be obliged, in order to maintain access to the infrastructure, to issue a bank guarantee upon request by ICGB.

### **Tender Offer Regulations**

Insofar as Tender Offers are concerned, in view of the fact that Edison's common shares are no longer listed, the Company By-laws provide no exceptions to the provisions of the passivity rule referred to in art. 104, paragraphs 1 and 1-bis, of the TUF and none of the neutralisation rules set forth in art. 104-bis, paragraphs 2 and 3, of the TUF have been introduced.

### **Controlling Entity and Management and Coordination Authority**

EdF acquired control of the Company, pursuant to the definition provided in art. 93 of the TUF, effective May 24, 2012.

Neither EdF nor TdE (formerly WGRM), which is the company that holds a direct interest in Edison, exercised management and coordination authority over Edison in 2022, as in previous years. This is because, on the one hand, despite control continuing to be held in 2022 by EdF, TdE is a mere holding company with no organisational structure and, on the other hand, Edison, even after EdF took control, has maintained and continues to maintain its characteristics of management and organisational autonomy substantially unchanged. This is because Edison actually has a well-structured corporate organisation that performs all of the Company's activities and functions; it has its own distinct strategic and financial planning process, within which its Board of Directors approves the budget and the Medium-term Plan; and it has the ability to make proposals regarding the implementation and evolution of the business. Because of its geographical location and the technical and professional characteristics and qualities of its management and its corporate organisation, Edison, also in 2022, continued to carry out EdF gas portfolio management and coordination activities for the EdF Group. Consequently, in 2022, no acts, facts or circumstances concerning or affecting the Company's operations that would make Edison and its subsidiaries subject to management and coordination by EdF and TdE were verified.

Based on its management autonomy, and availing itself of said organisation, and consistent with the strategic guidelines defined independently by its Board of Directors, Edison has increasingly focused its activities in the area of electric power generation, also in 2022, with a focus on renewable sources, with the acquisition of two concession-holders for 66 MW installed wind power capacity, notwithstanding the importance of thermoelectric generation. This is in addition to the strengthening, commenced in 2016 with the acquisition of control of Fenice Spa (renamed Edison Next Spa in 2022), and which continued with acquisitions of additional corporate shareholdings in subsequent years, most recently, in 2022, of Citelum Italia S.r.l. (renamed Edison Next Government S.r.l.) of the portfolio of energy services to end customers, including the public administration, and of the down-stream portfolio with the acquisition of Gas Natural Vendita Italia SpA in 2018, later incorporated into Edison Energia and of Gaxa SpA in 2022; thanks to said initiatives, Edison consolidated its market positioning in the reference competitive scenarios. Furthermore, with regard to the hydrocarbons operations, the rationalisation of the Exploration & Production portfolio, commenced in 2018, and the sale in 2020 of the subsidiary Edison E&P was followed in 2021 by the sale of Edison Norge AS, and, in 2022, the start of the sale of the

equity investment held in the Reggane concession, in implementation of the business decision of Edison's Board of Directors on July 3, 2019 to divest this business, which is becoming less and less synergistic and complementary with the core business adopted by the Company (in line with the trend confirmed by similar disposal processes involving the main European energy operators), and with a capital-intensive approach that is less and less compatible with Edison's policy of allocating its financial resources to the development of the above-mentioned areas of its business. This decision was counterbalanced by the choice of the progressive diversification of gas supply channels through long-term contracts. In this last area, and more generally in the mid-stream gas sector, moreover, Edison's own skills have long been acknowledged in the market.

Edison, again based on the capabilities of its corporate organisation, exercises management and coordination activities over virtually all of the Italian companies controlled directly or indirectly through its subsidiary Edison Next Spa, which in turn exercises management and coordination activities over its subsidiaries in the energy efficiency sector.

## Other information

### Provisions Applicable to the Composition and Activities of the Board of Directors and Its Committees and to the Election, Replacement and Indemnity of Directors

The composition and activities of the Board of Directors are governed by the following articles of the By-laws: 14 (Board of Directors), 16 (Corporate Officers - Committees), 17 (Powers), 18 (Convening, meetings and resolutions of the Board of Directors). Please see the information provided in the corresponding sections of this Report.

Information about the composition and operating mechanisms of the Committees of the Board of Directors is provided in the above-mentioned art. 16 of the By-laws and in the section of this Report entitled "Internal Committees of the Board of Directors."

The election and replacement of Directors are governed by the above-mentioned art. 14 (Board of Directors) of the By-laws. Additional information is provided below in the section of this Report entitled "Election of Directors."

As mentioned in previous Reports on Corporate Governance, please note that, due to the delisting of the common shares, effective April 4, 2013, the provisions of the By-laws that required and governed the filing of slates of candidates for the election of members of the Board of Directors were deleted and those concerning the replacement, for any reason, of Directors while they are still in office were simplified. This action was taken in part in response to an interpretative clarification provided by the Consob, as adopted in art. 144-ter of the Consob Issuers' Regulations, according to which the provisions of the TUF concerning the election of members of the Board of Directors and the control entity are applicable only to companies *"with shares that actually have the opportunity of contributing to the election of management and control entities, which do not include savings shares"*.

On that occasion, some provisions regarding the activities of the Board of Directors were also amended.

As concerns the severance indemnities of Directors in the event of resignation, dismissal without just cause or termination following a takeover bid, please refer to the section of the Compensation Report entitled "Benefits and Indemnities".

## Provisions Applicable to the Composition, Activities, Election and Replacement of the Board of Statutory Auditors

The composition and activities of the Board of Statutory Auditors, as well as the election and replacement of Statutory Auditors are governed by art. 22 (Board of Statutory Auditors) of the By-laws. Please see the information provided in the corresponding sections of this Report. Please note that the above-mentioned article was amended, most recently effective April 4, 2013, because, due to the delisting of the common shares, the provisions of the By-laws that require and govern the filing of slates of candidates for the election of members of the Board of Statutory Auditors were deleted and those concerning the replacement of Statutory Auditors while they are still in office were amended. This action was taken in part in response to the above-mentioned interpretative clarification provided by the Consob.

## Diversity Policies

With regard to diversity policies applied in relation to the composition of the Board of Directors and the Board of Statutory Auditors, reference should be made to the section "Diversity criteria and policies" for the Board of Directors, and to the section "Composition, independence and professionalism" for the Board of Statutory Auditors, respectively, of this Report.

## Provisions Applicable to the Activities of the Shareholders' Meeting and Relevant Rights of Shareholders

The process of convening and holding Shareholders' Meetings and the relevant rights of shareholders are governed by Title III of the By-laws. Refer to the details in the corresponding sections of the section "Shareholders' Meetings".

Please note that certain articles contained in the above-mentioned Title III were amended, most recently effective April 4, 2013, to take into account the different rules applicable to the common and savings shares, with respect to the different trading status of the two classes of shares, following the delisting of just the common shares.

## Provisions Applicable to Amendments to the By-laws

The By-laws may be amended by a resolution adopted by an Extraordinary Shareholders' Meeting and, limited to amendments required to comply with statutory regulations, by the Board of Directors, as allowed pursuant to art. 17 of the By-laws.

The By-laws currently in effect have been published on the Company website, at the address [www.edison.it](http://www.edison.it) - Company - Governance - Governance - By-laws.

## Exceptions to Disclosure Requirements

Some time ago, the Company elected to no longer comply with the requirement to publish an information memorandum in connection with material transactions involving acquisitions, divestments, capital increases through asset conveyances, mergers and demergers.

In light of the changes in the reference legislative framework, the Company decided, in line with the best practices followed by other companies with listed financial instruments and in continuity with the legislation previously in effect, that it will continue to abide by the choice made since 2016 to publish quarterly financial information on a consolidated basis, in addition to its annual and semi-annual financial reports. With respect to the past, this information is now more concise and more focused on business trends. In any event, it is still published within the same terms as those set forth by the old rules, i.e., by the forty-fifth day subsequent to the end of the quarter.



In addition, following the practice adopted by almost all listed companies, starting from 2020 Edison only prepares the consolidated semiannual financial report.

### **Main Characteristics of the Internal Control and Risk Management System in Relation to the Financial Reporting Process**

For details on the main features of the Internal Control and Risk Management System in relation to the financial reporting process, reference should be made to the “Internal control and risk management system – Control and Risk Committee” section of this Report.

# Corporate governance

## Board of directors

### Role

The Board of Directors is responsible for guiding and monitoring the management of the Company and its Group, defining its strategic guidelines and governance system. Accordingly, the management body enjoys the most ample powers to carry out all actions, including acts of disposition, that it may deem useful for the furtherance of the corporate purpose, the sole exception being those that the law expressly and exclusively reserves for the Shareholders' Meeting.

The Board of Directors pursues the objective of creating value in the medium-long term for the benefit of shareholders. In its actions, the Board of Directors at the same time takes into account the interests of other relevant stakeholders for the Company and the Group, in order to imbue them with the appropriate value (**Sustainable Success**). With regard to dialogue with shareholders and stakeholders, refer to the section "Relations with Shareholders and Stakeholders".

Over time the Board of Directors has seen fit to retain responsibility, and therefore not delegating the tasks to executive Directors, for a series of decisions concerning highly significant issues and transactions, in addition to the powers attributed to it pursuant to law and the By-laws. Without prejudice to the responsibilities described, to ensure a more streamlined and efficient management of the Company, the Board of Directors delegated, in accordance with the conditions specified below, some of its management functions to the Chief Executive Officer, who was also given responsibility for overseeing the functioning of the Internal Control and Risk Management System.

Furthermore, the following three committees, all of which make proposals and provide advice, operated within the framework of the Board of Directors: the Control and Risk Committee, which in February 2023 was renamed the Control, Risk and Sustainability Committee, the Compensation Committee and the Related Party Transactions Committee (the **Board Committees**).

The Board of Directors meets on a regular basis and operates in a fashion that ensures an effective discharge of its duties, including reliance on preparatory work by committees established within the Board itself.

### Definition of Strategies, Examination and Approval of the Plans of the Company

The Board of Directors defines the strategic guidelines, also in respect of ESG profiles, of the Company and the Group consistent with the achievement of sustainable success.

The Board of Directors examines and approves the industrial and financial development plan, which is drawn up on a consolidated basis in accordance with the strategic guidelines it has outlined (the "**Medium-Term Plan**") and periodically monitors its implementation.

In this area, the Board of Directors has been paying special attention for years to Edison's environmental and social responsibility profiles and has recently launched a series of activities designed to systematically link the Company's governance and development with its sustainability objectives, in view of the active role played by Edison as a leader in the energy transition.

Sustainability objectives, as also referring to the United Nations 2030 Agenda, are an increasingly integral part of the Group's strategic objectives and follow a structured identification, approval and verification process.

The Board also approves, making revisions and additions as deemed appropriate and consistent with the defined strategic objectives, the Sustainability Plan that includes the associated short-medium term ESG objectives, whose level of achievement is measured through specific KPIs, and updated annually. These objectives are linked to the following areas: (i) climate action, (ii) protection and restoration of natural capital and landscapes, (iii) development of human capital, inclusion and diversity, and (iv) value for customers, for the local area and for sustainable economic development. These objectives were last updated and supplemented by the Board of Directors on December 07, 2021, in conjunction with the approval of the 2022 budget and the 2023-24 MTP.

A brief explanation of the strategies defined by the Board of Directors can be found in the section "Issuer Profile".

The Board of Directors approved the 2023 budget and the 2024-2026 Medium-Term Plan, integrated with the Sustainability Plan, at a meeting held on December 07, 2022, after having shared, in a previous meeting, the assumptions of the scenario of the prices of the reference commodities of the Group (oil, electric power, natural gas and CO<sub>2</sub>), macroeconomic variables, as well as changes in demand for electric power and natural gas and the generation plants, in addition to the regulatory and development assumptions of the business, together with the strategic objectives also in terms of sustainable development, evaluating the associated opportunities and risks.

The Budget and Medium-Term Plan were then updated at the Board of Directors' meeting of February 15, 2023 to take into account changes in certain assumptions.

Alongside these documents, the Board of Directors performs an annual validation of the matrix result of the analysis materiality, relating to sustainability topics to be taken as a reference when drafting the year's NFD. For 2022, the materiality matrix was approved at the meeting of the Board of Directors on October 26, 2022.

The Medium-Term Plan, the Sustainability Plan and the budget are drawn up by the corporate structures in charge of this, previously examined by the Comex and subjected to specific assessment by the Control and Risk Committee, also from the point of view of sustainability which, if necessary, formulates its observations to the Board of Directors, since, at present, the Board of Directors has not deemed it appropriate to set up an additional internal Board Committee in charge of this, considering the preliminary procedure conducted by the Chief Executive Officer with the support of the managerial committees and the preliminary examination by the Control and Risk Committee for the aspects within its competence to be sufficient.

The Board of Directors also annually validates, for the purpose of the impairment tests applied to the financial statements, the economic development assumptions and the projections incorporated into the industrial plan used in that regard. With regard to the 2022 budget, this sharing was carried out at the meeting of February 15, 2023.

### **Monitoring of Plan Implementation, Assessment of the Overall Operating Performance and Reporting by Delegated Entities**

The Board of Directors periodically examines management performance, primarily by approving, as required by the CG Code and applicable regulatory provisions, the half-year and annual financial statements, and the quarterly financial statements as of March 31 and September 30.

It has also been an established practice of the Board of Directors to compare quarterly actual and planned results, as listed in the approved budget, usually when financial statements are approved and therefore, in 2022 at the meetings held on February 16, May 3, July 26 and October 26. On those occasions, special attention is paid to a set of economic variables regarding the Group's various areas of business and to the main financial gauges and any differences between "reported" data and projected results are discussed and analysed. A similar review is carried out "on a final basis" with regard to the main investments approved by the Board of Directors, generally at the Board meeting that approves the draft financial statements.

On an annual basis, the Board of Directors also reviews the level of achievement of the activities and initiatives set out in the Medium-Term Plan and functional to the multi-year ESG targets. The review was carried out, with regard to the status of achievement of these targets in 2021, at the Board of Directors' meeting of February 16, 2022 and, with regard to the status of achievement of these targets in 2022, at the meetings of December 07, 2022 and February 15, 2023. Evidence of this is provided in the NFD, to which reference is made.

Moreover, pursuant to law, the CG Code and the By-laws, the officers to whom power has been delegated report to the Board of Directors and the Board of Statutory Auditors at least on a quarterly basis to explain the work performed in the exercise of their powers. In addition, the Chief Executive Officer has been following for some time the specific practice of including in the Agenda of each meeting of the Board of Directors, irrespective of the time that elapsed from the previous meeting, a report by the CEO on the work he performed and on major transactions executed by the Company and its subsidiaries that did not require the prior approval of the Board of Directors. As a rule, these reports are supported by a series of memoranda and presentations that are sent to the Directors and the Board of Statutory Auditors together with the Agenda for each scheduled meeting of the Board of Directors.

### **Definition of the Guidelines of the Internal Control and Risk Management System, Assessment of its Adequacy and Effectiveness; Definition of the Type and Level of Risks Compatible With the Issuer's Strategic Objectives**

With regard to the role of the Board of Directors in defining the guidelines of the Internal Control and Risk Management System, as well as in assessing its adequacy and effectiveness, and in defining the type and level of risk compatible with strategic objectives, reference should be made to the section "Internal Control and Risk Management System - Control and Risk Committee".

### **Definition of Corporate Governance and the Group's Structure**

The Board of Directors has jurisdiction over defining corporate governance and the Group's structure.

Due primarily to Edison's shareholder structure, the Board of Directors did not deem it necessary to develop proposals for a different corporate governance system, believing that:

- the traditional organisational model adopted by Edison is adequate and already functional to the company's needs because said model identifies with sufficient precision the tasks and responsibilities of the management and control bodies;
- the Board of Directors operates efficiently, as shown by the outcome of the latest self-assessment, the paragraph on which should be referred to;
- the information and conduct obligations to which the Company is subject, given the presence of savings shares traded in the EXM, ensure that all shareholders are provided with transparent company management in line with best practices.

In terms of organisation, in 2022, as already mentioned in the "Governance Structure" section, taking into account the increasing importance that environmental and climate topics are assuming,



Edison has defined a Sustainability Governance, so as to organise more organically the activities and responsibilities of the various parties involved. In this context, the support activities to the Board of Directors carried out by the Control and Risk Committee have been better defined and, as of the end of 2022, the Sustainability Management Committee has been established, whose composition is indicated in the section "Governance Structure - Edison's Governance".

With regard to the organizational changes that have affected the Finance Division, refer to the paragraph "Financial Statement Reporting: Internal Control and Risk Management System in Relation to the Financial Reporting Process", and with regard to the organizational changes that have affected the risk management, refer to the paragraph "Other Parties Involved within the Company".

In addition, in 2022, the Board of Directors approved a series of corporate streamlining and simplification initiatives and of organizational integrations of recently acquired companies that mainly involved the renewable energy sector, the energy and environmental services sector and the commercial sector.

### **Assessment of the Effectiveness of the Organisational, Administrative and Accounting Structure, with Special Emphasis on the Internal Control and Risk Management System**

The Board of Directors reviews and assesses periodically -usually in connection with the approval of the annual and semiannual financial report, but also based on preparatory activities carried out by the Control and Risk Committee (which in this area relies on the reviews performed and the results produced by the Internal Auditing Department and the Risk Office) and reviews performed by the Board of Statutory Auditors- the effectiveness of the Company's organizational, administrative and accounting system, with special emphasis on the Internal Control and Risk Management System.

The assessment of the organisational, administrative and accounting structure, which covered both Edison and all of its subsidiaries, was carried out for 2021 at the meeting held on February 16, 2022 and for 2022, at the meeting held on February 15, 2023. On these occasions, the Board of Directors confirmed that the organisational, administrative and accounting structure, taking into account the activities carried out by the Company and the relative risks and the organizational changes implemented during the year, is adequate in light of the nature and size of the Company and enables it to promptly identify any business crises and the loss of business continuity.

Additional assessments were then performed in connection with the validation of specific corporate reorganisation activities.

With regard to specific assessments of the Internal Control and Risk Management System, please refer to the section "Internal Control and Risk Management System - Control and Risk Committee".

### **Approval of Material Transactions Executed by the Company and Its Subsidiaries**

In addition to the foregoing, based on the provisions of the Bylaws and the resolution adopted by the Board of Directors, most recently on March 31, 2022, the Board of Directors, in addition to those attributions that are reserved for the Board pursuant to law or specific internal procedures and cannot be delegated to individual Directors, has sole jurisdiction over the particularly significant matters listed below:

- a) reduction of the Company's share capital when an eligible party request redemption of its shares;
- b) decisions concerning the approval of the business plan and budget;
- c) opening or closing Edison secondary headquarters and relocation of the registered office within Italy;

- d) designation of the Directors authorised to represent the Company;
- e) amendments to the Company By-laws to comply with statutory requirements;
- f) mergers and demergers in the situations referred to in art. 2505 and 2505-*bis* of the Italian Civil Code and those referred to in art. 2506-*ter* of the Italian Civil Code;
- g) bond placements;
- h) contracts to sell and buy gas with a duration of more than 36 months, when the quantities of gas equivalent involved are greater than 10 TWh/y for each contract;
- i) contracts to sell and buy electric power with a duration of more than 36 months, when the quantities involved are greater than 5 TWh/y for each contract;
- l) contracts to sell and buy other energy commodities, steam, crude oil and its derivatives, coal, securities representative of Green Certificates, energy efficiency certificates, guarantees of origin, CO<sub>2</sub> emissions rights and other similar securities or rights with a duration of more than 36 months, when the amount involved is greater than 150 million euros (or equivalent amount in another currency) for each contract;
- m) contracts to buy or acts of disposition of property (other than the assets specifically mentioned in other letters), commercial and industrial agreements, contracts for the provision of services and, in general, any other agreement or contract involving goods or services necessary to carry out the Company's operating activities involving an amount greater than 200 million euros (or equivalent amount in another currency) for each contract or agreement;
- n) granting, receiving or repaying ahead of schedule financing facilities, assumption of debt and other banking and financial contracts of any type involving an amount greater than 200 million euros (or equivalent amount in another currency) for each contract;
- o) contracts involving financial instruments traded in the money market and financial derivatives that may or may not hedge foreign exchange, interest rate and commodity price risks involving an amount greater than 200 million euros (or equivalent amount in another currency) for each contract;
- p) contracts involving investment (other than those listed in letter q) below) involving an amount greater than 50 million euros (or equivalent amount in another currency) for each contract;
- q) contracts involving purchases, acquisitions under any title and in any form (e.g., in connection with a capital increase or the establishment of a company), conveyances or other disposals (in whole or in part, in any form and under any title, including without any limitation the establishment or granting of pledges, encumbrances, restrictions, beneficial interest rights or other third-party rights) of securities, equity interests and ownership stakes in companies, enterprises and other entities, companies and business units involving an amount greater than 50 million euros (or equivalent amount in another currency) for each contract;
- r) granting, or releasing encumbrances, pledges, collateral and personal guarantees, other guarantees or similar rights on tangible and intangible assets (different from encumbrances, pledges, guarantees or rights set forth in other letters) involving an amount greater than 200 million euros (or equivalent amount in another currency) for each transaction;
- s) related-party transactions that qualify as "Highly Material Transactions" in accordance with the Procedure Governing Related-party Transactions approved by the Board of Directors on December 3, 2010, as amended;
- t) any other contract or transaction not expressly mentioned in the preceding letters that entails expense commitments greater than 50 million euros (or equivalent amount in another currency) for each contract or transaction.

At the above-mentioned meeting of March 31, 2022, the Board of Directors again confirmed the criteria for identifying highly material transactions executed by subsidiaries that would require its prior approval, initially identified at the meeting of October 26, 2012, where it specified that, when transactions are carried out by a subsidiary, the transactions that, if carried out by Edison, would be outside the jurisdiction of Edison's Chief Executive Officer, require the prior approval of Edison's Board of Directors.

As explained in previous Reports on Corporate Governance, in view of the number of and the activities carried out by the subsidiaries, the Board of Directors did not establish any qualitative/quantitative criteria for the identification of the most significant subsidiaries: this requirement thus applies to all subsidiaries, with only those operating in functional unbundling mode being excluded.

In the course of 2022, the Board of Directors approved two major transactions implemented by subsidiaries, as well as various corporate reorganisation transactions within the Group.

### **Adoption of a Procedure for Managing Corporate Information**

The Board of Directors, acting upon a proposal by the Chief Executive Officer, adopted a procedure for managing corporate information entitled "Internal handling and external communication of confidential and insider information concerning Edison and its financial instruments," which is described in greater detail in the section entitled "Management of corporate information".

### **Adoption of a Procedure and a Protocol to Manage Transactions with Related Parties**

The Board of Directors approved, at the proposal of the Chief Executive Officer, an internal procedure called "Procedure governing related-party transactions" in December 2010, in implementation of the provisions set out by Consob in its Related-party Regulation, which came into force on January 1, 2011 (**Related-Party Procedure**). The procedure was amended on several occasions, most recently, after receiving the favourable opinion of the Related Party Transactions Committee, in June 2021 to take into account the new provisions made by Consob in December 2020 to the above-mentioned Regulation. At the proposal of the 231 Oversight Board, the Board of Directors also approved a protocol, since 2008 an integral part of the 231 Model, called "Protocol to manage transactions with related parties". The main provisions of the Related-party Procedure were subsequently incorporated into this protocol (**Related-Party Protocol**). This Protocol was also updated in 2021 to take into account the changes introduced in Consob's Related-party Regulation as implemented in the Related-party Procedure. On the contents of this procedure and this protocol, as well as on the role of the Related Party Transactions Committee, reference should be made to the sections "Directors' interests and related-party transactions" and "Related-Party Procedure - Related Party Transactions Committee".

### **Election of Directors**

Under the By-laws that went into effect on April 4, 2013, amended for the reasons specified in the "Listing of savings shares" section, the number of Directors can vary from a minimum of five to a maximum of thirteen members, and there are no list voting appointment mechanisms.

According to the By-laws, Directors are appointed for a maximum term of three years and are eligible for re-election, and there are no mechanisms for staggered expirations in the term of office of individual Directors.

The By-laws then provide that the composition of the Board of Directors must comply with the criteria laid out in the applicable provisions on gender balance and the minimum number of independent Directors, without indicating any additional requirements with respect to those set forth by the law and regulatory provisions, nor does it provide for specific professional or independence requirements taken from the CG Code, or specific professional characteristics for the Directors.

The provisions of the By-laws require that nominations, complete with the documents required pursuant to laws and regulations, be filed at the Company's head office by the deadline and in the manner stated in the meeting notice or, absent such information, filed directly at the Shareholders' Meeting.

The nomination of each Director must be accompanied by: information disclosing the identity of the parties filing the nominations; professional curricula of each candidate, listing any management and control posts held at any other companies and indicating whether a candidate qualifies as an independent Director pursuant to both the TUF and the CG Code; affidavits by which the candidates attest that there are no issues that would make them incompatible or unelectable or would cause them to be removed from office, that they meet the requirements for election as Directors pursuant to current laws and the By-laws and that they accept the office and potential nomination.

As a Company subject to Concentrated Ownership, Edison's Board of Directors has decided not to set up an Appointments Committee and, insofar as it is concerned, directly ensures that the Director appointment and succession process is transparent and functional to achieving an optimal composition of the administrative body, also in compliance with the principles of the CG Code.

With regard to the appointment of the administrative body in office in 2022, the outgoing Board of Directors, as already carried out during previous appointments, provided some indications concerning its size and composition, also with regard to managerial and professional figures. This is in the wake of the results of the self-assessment and in accordance with the recommendations of the CG Code. In fact, in its explanatory report to the Shareholders' Meeting of March 31, 2022, it suggested that, in determining the composition of the Board of Directors to be elected, account should be taken of the fact that the Board of Directors should be represented, as was the case for previous mandates, by the different business sectors that make up the Company, and the main professional and managerial skills necessary for the good management of the company, with characteristics also focussed on innovation and that can help contribute towards Edison's mission of being a responsible energy operator and becoming a leader in the sustainable energy transition. The Board also recommended that it continue to ensure that the various Board Committees contain individuals characterised by the specific professional skills required by the CG Code, such as adequate experience in accounting and financial matters, and/or risk management and/or compensation policies.

The Board of Directors, with the same modalities, recommended the appointment of an adequate number of Directors possessing the independence requirements necessary pursuant to law and the CG Code, i.e., at least three.

On the subject of gender balance, the Board of Directors reminded shareholders of the provisions of the relevant laws in force concerning the weight of at least two-fifths, so as to ensure the least representative gender component.

In addition, the Board of Directors suggested diversifying the composition of the Board of Directors also by age, nationality and seniority in office, also referring to the indications contained in the Board of Directors' Guidelines of Operation adopted in 2021 on the subject of accumulation of offices.

The controlling shareholder complied with the instructions given.

TdE nominations for election to the Board of Directors and the office of Chairman have been disclosed to the market and, together with the relevant documents, were published<sup>1</sup> as soon as they were received from TdE, the controlling shareholder, on March 21, 2022. In this circumstance, the Company also published the proposals received on the same date from TdE regarding the term of office and compensation of Directors, taking into account, and consistent with, the indications contained in the 2021 Compensation Report.

At that time, TdE held 99.47% of the voting share capital.

1. Via the "eMarketSDIR" circuit and at the authorised "e-MarketStorage" storage mechanism, as well as on the Company's website ([www.edison.it](http://www.edison.it) - The Company - Governance - Shareholders' Meeting - Archive - Shareholders' Meeting of March 31, 2022 Documentation).



With regard to the issues mentioned above, all of the Directors elected by the Shareholders' Meeting on March 31, 2022, which increased the number of Directors from nine to ten, were nominated by TdE, the controlling shareholder.

With respect to changes in the composition of the Board of Directors subsequent to its appointment by the Shareholders' Meeting on March 31, 2022, please refer to the following Section "Composition".

The Shareholders' Meeting set the term of office of the current Board of Directors at three financial years and therefore, all Directors will expire with the Shareholders' Meeting to approve the 2024 financial statements, as there are no different terms, except for the Director co-opted during the year, who will expire with the Shareholders' Meeting to approve the 2022 financial statements.

Edison is not required to adopt succession plans for executive directors as it is a Company subject to concentrated Ownership. On the reasons why succession plans have not been adopted, please refer to the relevant point in the Compensation Report, under section "Structure, composition and development of the compensation policy in 2022".

## Composition

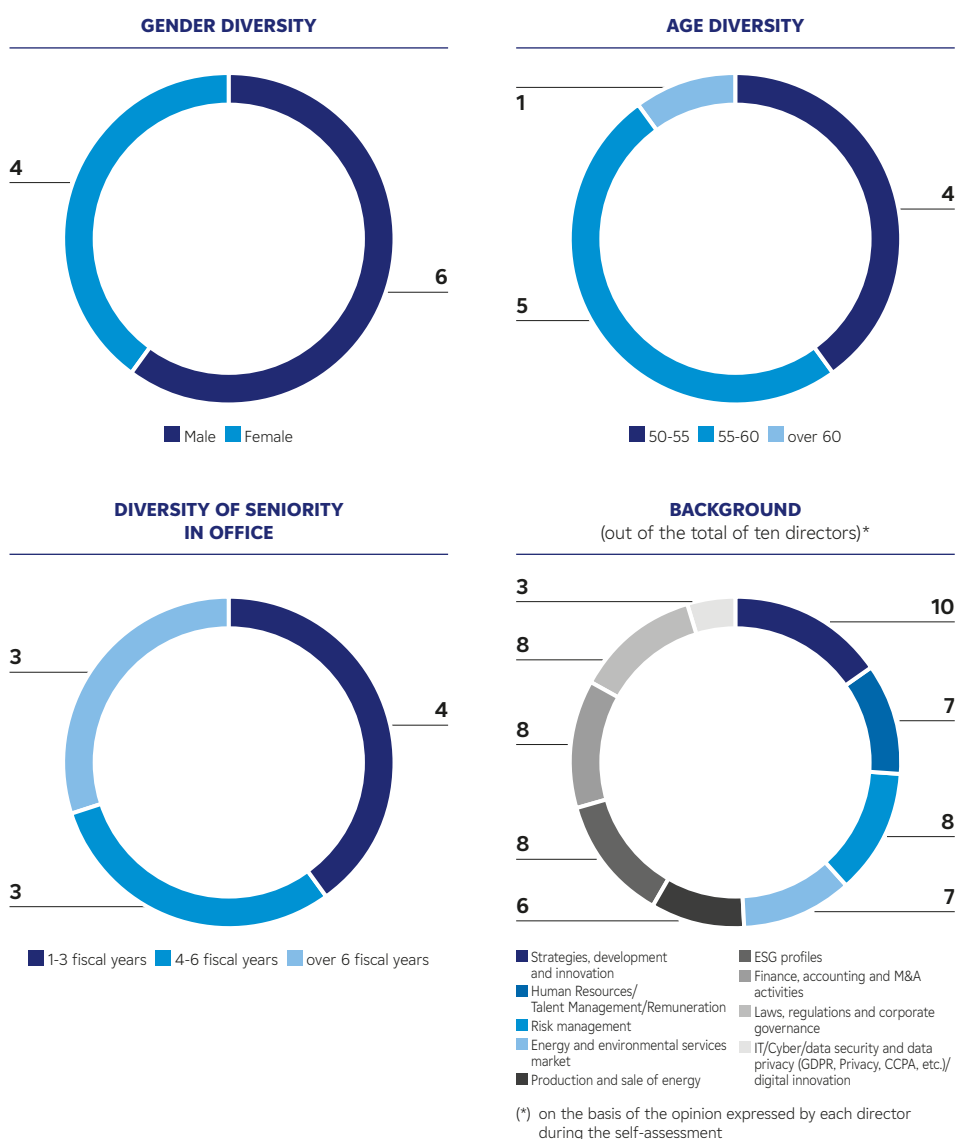
The Board of Directors in office consists of ten Directors (six men and four women), nine of whom are non-executive, three of whom are also independent, other than the Chairman of the Board of Directors.

### Changes in positions and responsibilities

Following the appointment of the Board of Directors due to the expiry of the term of office by the Shareholders' Meeting in 2022, there was a turnover as Jean-Bernard Lévy resigned as a Director with effect from December 07, 2022. On the same date, the Board of Directors co-opted Luc Rémont into the position.

The number and composition of the Board of Directors are unchanged as of the date of approval of this Report (February 15, 2023).

All the Directors in office were found to have adequate skills and professionalism in relation to the tasks they were called upon to perform and the responsibilities they assumed, also as members of the Board Committees. Specifically, their respective backgrounds include expertise in such areas as law, economics, finance, and organisational management, as well as subjects more specifically applicable to the businesses pursued by the Company and the Group. The personal and professional qualifications of the Directors in office as of December 31, 2022 are shown in the curricula attached to this Report. In particular, the number and skills of the non-executive Directors are such as to ensure that they have a significant influence on the adoption of board resolutions and to guarantee effective monitoring of management. With regard to the assessment of the weight of the independent Directors, please refer to the relative section on "Independent Directors".



## Diversity Criteria and Policies

With regard to diversity policies in relation to the composition of the administrative body, the Board of Directors believes this issue to have been addressed as:

- the law contains adequate regulations on gender balance;
- more generally, the composition of the Board of Directors is adequately diversified also in terms of age, educational and professional background, nationality and seniority in office, as can be seen in the CVs of the Directors in office.

Also in light of this, the Board of Directors did not consider it necessary to formalise the approval of such policy preferring, as specified in the “Election of Directors” section, to provide indications in its report to the Shareholders’ Meeting called to resolve on the appointment of the Directors.

Moreover, the company has defined general policies and systems for the development and management of people, whose implementation and updating process is supervised by the CEO with the support of the Advisory People Development Committee and carries out specific inclusion and diversity programs, reporting the main performance trends in the NFD.

The following Directors were in office at December 31, 2022 (and they continue to be in office at February 15, 2023):

Name, characteristics and post held	Date when last elected	Date when first elected <sup>(*)</sup>
<b>Marc Benayoun</b> Chairman Non-executive Director	Confirmed as Director and Chairman by the Shareholders' Meeting of March 31, 2022	Board of Directors meeting of December 8, 2015 that also appointed him Chief Executive Officer effective January 1, 2016. He maintained the post of Chief Executive Officer until June 30, 2019. Confirmed as Director by the Shareholders' Meeting on April 2, 2019. Appointed Chairman of the Board of Directors effective from July 1, 2019
<b>Nicola Monti</b> Chief Executive Officer Executive Director Non-executive Director from June 19 to June 30, 2019	Confirmed as Director by the Shareholders' Meeting of March 31, 2022 and as Chief Executive Officer by the Board of Directors on the same date	Co-opted Director by the Board of Directors of June 19, 2019, which, effective July 1, 2019, appointed him Chief Executive Officer. Confirmed as Director by the Shareholders' Meeting of April 28, 2020 and as Chief Executive Officer by the Board of Directors on the same date
<b>Béatrice Bigois</b> Non-executive Director Member of the Control and Risk Committee	Shareholders' Meeting of March 31, 2022	Board of Directors of June 4, 2012
<b>Paolo Di Benedetto</b> Non-executive independent Director Lead independent director Chairman of the Related Party Transactions Committee and Compensation Committee and member of the Control and Risk Committee and the Oversight Board		Shareholders' Meeting of March 22, 2013
<b>Fabio Gallia</b> Non-executive independent Director Chairman of the Control and Risk Committee and member of the Related Party Transactions Committee		Shareholders' Meeting of April 2, 2019
<b>Angela Gamba</b> Non-executive independent Director and member of the Related Party Transactions Committee, the Compensation Committee and the Oversight Board		Shareholders' Meeting of April 28, 2020
<b>Xavier Girre</b> Non-executive Director		Shareholders' Meeting of April 2, 2019
<b>Nelly Recrosio</b> Non-executive Director		-
<b>Florence Schreiber</b> Non-executive Director Member of the Compensation Committee		Shareholders' Meeting of April 28, 2020
<b>Luc Rémont</b> Non-executive Director		Board of Directors of December 7, 2022 -

(\*) If different from the date of last appointment.

The following Directors served on the Board earlier in 2022:

Name, characteristics and post held	Date when last elected	Date when first elected <sup>(*)</sup>
<b>Jean-Bernard Lévy</b> Non-executive Director	Shareholders' Meeting of March 31, 2022	Board of Directors of December 12, 2014. Elected Chairman by said Board. Shareholders' Meeting of April 2, 2019. Also confirmed as the Chairman by the same Shareholders' Meeting. Chairman until June 30, 2019

(\*) If different from the date of last appointment.

## Function

### Guidelines of operation

At its meeting of May 11, 2021, the Board of Directors adopted guidelines for the operation of the Board of Directors and the Board Committees, which, in addition to recalling the main duties of the Board of Directors and the individual Directors, revised the rules of operation of the above-mentioned bodies, so as to consolidate the practices followed and incorporate the instructions laid out in the CG Code (**Guidelines of Operation**).

The Guidelines of Operation replaced the "Information Guide for Directors", which had been prepared by the Company for some time and summarised the main statutory, regulatory and self-regulatory provisions concerning the Board of Directors and the various Board Committees.

The Guidelines of Operation, amended by a decision taken on February 15, 2023 to take sustainability issues into account in a more organic manner, were organised in the following chapters:

#### *Role of the Board of Directors*

The link between the responsibilities of the Board of Directors, the definition of strategies and the pursuit of Sustainable Success, understood as the "*objective that guides the action of the board and that is substantiated by the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company*", has been more strongly emphasised.

#### *Company governance system*

The powers of the Board of Directors have been more systematically defined with regard to Group governance and the Internal Control and Risk Management System, including with respect to ESG profiles, as well as the administrative and accounting system.

#### *Appointment and Composition of the Board of Directors*

The various provisions of the relevant legislation and By-laws have been reproduced, specifying - as required by the CG Code - the qualitative criteria for assessing the independence of a Director. On the basis of the decision approved by the Board of Directors, no specific quantitative criteria were identified, for the reasons specified in the "Independent Directors" section, to which reference should be made.

#### *Rules of Operation of the Board of Directors*

The provisions of the By-laws and the practices followed by the Company regarding the operation of the Board of Directors, the management of confidential information, the taking of minutes at meetings and the powers of the Chief Executive Officer were incorporated. At the same time, as suggested by the CG Code, the role and functions of the Chairman and those of the Secretary to the Board of Directors were defined in a more detailed manner, as specified in greater detail in the section "Meetings, Directors' reports and minute-taking". In this context, the requirement to send documentation to the Board of Directors at least 5 days before the meeting date has also been confirmed, with the specifications set out below in the above-mentioned section.

The manner in which the Board of Directors and Board Committee self-assessment process will be carried out has also been defined. The periodicity is established by the Board of Directors itself. The practice of entrusting the process to the independent Directors, with the faculty to seek the assistance of an independent consultant, and reserving the assessment of the results to the Board of Directors was thus formalised, also for the purpose of identifying actions for implementing the suggestions and indications emerging from the process.

### ***Rules of Operation of the Board Committees***

The rules of operation of the Compensation Committee and the Control and Risk Committee were made more uniform, while taking into account the specific characteristics and responsibilities of each. Specifically, for both of these committees, deadlines for the prior submission of documentation have been established (two days). In addition, the responsibilities of the Control and Risk Committee have been more systematically defined, distinguishing between activities relating to the Internal Control and Risk Management System; Financial Communication; and Non-Financial Communication. Further refinements were made in February 2023 with regard to its ESG competence. As of the date of these latest changes, the Committee was therefore renamed the Control, Risk and Sustainability Committee. The responsibilities of the Compensation Committee were also reformulated in 2021 to be more in line, in terms of wording, with the indications of the CG Code.

On the other hand, the rules of operation of the Related Party Transactions Committee were revised, and also adapted to the Guidelines of Operation, during the June 2021 adaptation of the Related-Party Procedure to the new provisions of Consob's Related-Party Regulation.

### **Directors' actions, time availability and maximum number of offices**

Edison's Directors act and deliberate with full knowledge of the issues at hand and independently.

Each Director, taking into account the composition and professional competencies present within the Board of Directors, devotes to the diligent discharge of their duties the necessary amount of time, also considering the work they perform on Board Committees.

In order to enable the Directors to devote the necessary time to the performance of their tasks and adequate availability to discharge their duties effectively, in the Guidelines of Operation the Board of Directors formalised the recommendation, expressed in the past when the Directors were appointed, that no Director should hold more than five posts as Director or Statutory Auditor at companies listed in regulated markets (including abroad), in financial, banking and insurance companies or companies of significant size that are not part of the group to which Edison belongs.

Without prejudice to the conviction that the assessment of this aspect is first and foremost the responsibility of the shareholders when appointing the Directors and, subsequently, of the individual Director when accepting the appointment, also taking into account any participation in Board Committees, the Board of Directors indeed deemed it preferable to provide objective elements for this assessment, although the CG Code's recommendation on this point only concerns Large Companies. In the list of companies to be included in the limit of 5, financial, banking and insurance companies have also been retained, regardless of size, due to the relevance of the business sector in and of itself. In addition, the following guidance was provided: (i) in relation to a total number of 5, the posts in listed companies should not exceed 3; (ii) companies whose shareholders' equity exceeds 3 billion euros or whose consolidated turnover is greater than 5 billion euros are considered of significant size.

All Directors appointed have complied with this recommendation. The table annexed to this Report lists the posts held as Director or Statutory Auditor by Directors in office at December 31, 2022, showing those held in EdF Group companies.

With regard to non-compete obligations, we wish to point out that the Shareholders' Meeting (which under the By-laws if appropriate has the authority to activate such obligations when electing Directors, should it deem it necessary) did not avail itself of this right and that, in the course of the year, the Board of Directors, based on the information obtained each year, did not uncover any issues worthy of the attention by the Shareholders' Meeting.



### **Directors' interests and related-party transactions**

Rules of conduct have been established in the Related-Party Protocol to govern the position of Directors who have an interest, including potential and not necessarily in conflict, in the transaction to be carried out by the Company, and to be submitted to the Board of Directors for approval.

In particular, the Related-Party Protocol refers to the provisions of art. 2391 of the Italian Civil Code, according to which, if the transaction is subject to the prior approval of the Board of Directors, the Director concerned must disclose the existence of the interest (even if not in conflict with that of the Company), its nature, terms, origin and extent. If it is the Chief Executive Officer, he/she shall refrain from carrying out the transaction and submit it to the Board of Directors for prior approval. Once the interest is reported by the Director, the Board of Directors must assess whether the transaction is in any case of interest and expedient for the company, expressing the reasons.

In addition, the Related-Party Protocol, in the version updated in 2021, as well as the above-mentioned Related-Party Procedure, establishes that the Directors called upon to decide on a related-party transaction submitted to the Board of Directors "involved in the transaction", i.e., Directors who have an interest in the transaction on their own behalf or on behalf of third parties in conflict with that of the Company, are required to disclose the existence of such interest, clearly and exhaustively representing the grounds of the interest. This information is recorded in the minutes and such Directors are required to abstain from voting. The Related-Party Protocol specifies that the assessment concerning the existence (or otherwise) of such conflict of interest, whether actual or potential, is up to the discretion of each Director, without prejudice to the fact that - in the event of interpretation doubts - the Director may ask for details and/or clarifications from the Edison company functions responsible for the transaction to be approved.

With regard to further aspects concerning the regulation on Related-party Transactions, reference should be made to the section "Related-Party Procedure - Related Party Transactions Committee".

### **Meetings, Directors' reports and minute-taking**

Pursuant to the By-laws, the Chairman or the Chief Executive Officer have the power to convene meetings of the Board of Directors and define the meeting's Agenda.

Meetings of the Board of Directors may also be convened by the Board of Statutory Auditors or by individual Statutory Auditors, with notice given to the Chairman of the Board of Directors. They may also be convened at the request of at least two Directors. These options were never used during the year.

The notice of the meeting must be given by means of a written communication, which must be sent at least five days ahead of the date set for the meeting, or at least two days ahead in urgent cases.

Meetings are chaired by the Chairman of the Board of Directors or, should he be absent or unavailable, by another Director designated by the Board of Directors, who guides the meeting progress and coordinates its activities. In such cases, the Chief Executive Officer usually chairs the Meeting.

In order to facilitate the attendance of Directors, meetings of the Board of Directors may be held via teleconferencing or video-conferencing, provided all participants can be identified and

are able to follow the proceedings, participate in real time in the discussion of the items on the agenda and receive, transmit and review documents. During 2022 this method of participation was often used.

A meeting of the Board of Directors is validly convened when a majority of the Directors in office are in attendance and it adopts resolutions by a favourable vote of the majority of the Directors in attendance, with abstaining Directors excluded from the count.

As already mentioned, the Guidelines of Operation have formalised in greater detail the role of the Chairman and the Secretary to the Board of Directors in the organisation of Board meetings, particularly with regard to: procedures for defining the agenda; compliance with deadlines for sending documentation in advance; adequacy of documentation supporting decisions; participation of managers to illustrate relevant issues; minute-taking at meetings; coordination between the activities of the Board Committees and those of the Board.

The Guidelines of Operation specifically require the agenda to specify the items to be discussed in detail, indicating which matters the Directors are being asked to decide upon.

Consolidating the practice followed, the Guidelines of Operation also state that documentation must be sent five days prior to the date of the Board meeting, with the exception of urgent meetings, for which the deadline coincides with that for sending the meeting notice (two days), or in the event of justified operational requirements. In the latter circumstance, a comprehensive discussion of the topic must be ensured. However, the submission of documentation requiring the prior review and/or opinion of a Board Committee may be deferred with respect to the above deadline, at the latest, until the day of the meeting of such Committee.

As a rule, and as also took place in 2022, the documentation (always available also either in English or French, depending on the nationality of the Directors sitting on the Board) is sent concurrently with the meeting notice.

In order to streamline the organisation of the documents concerning meetings of the Board of Directors, the Company has been providing for some years a "shared work area" through the adoption of a specific electronic portal dedicated to the management of these documents, which has reduced transmission, consultation and filing time and increased speed and security for accessing documents reserved for the Board of Directors, thereby optimising the process. The documents concerning each meeting are instantaneously filed, independently of the date individual documents are sent, based on the order in which items are listed on the agenda and are always kept available on-line, facilitating their subsequent consultation. Access to the portal, which is managed by an organisational unit headed by the Secretary to the Board of Directors, is protected with personal usernames and passwords.

The Guidelines of Operation also require the meeting minutes to describe the progress of the discussion, illustrate the proposals made and the relative justifications, specify the documentation previously sent on each item on the agenda and any additional documentation distributed or made available during the meeting and the parties taking part that described the topic, as well as the resolutions passed with an indication of any abstaining or dissenting Directors.

During 2022, the documents were sent at least five days in advance of the date of the meeting. Only for the meeting held immediately after the appointment of the administrative body by the Shareholders' Meeting of March 31, 2022, they were sent informally two days in advance.

During 2022 the Chairman, in agreement with the Chief Executive Officer, the latter as the person directly responsible for the activities/operations submitted to the Board of Directors,

and the person authorised by the By-laws to convene the Board of Directors, and with the support of the Secretary to the Board of Directors, oversaw the conduct of the meetings and coordinated the work of the Board of Directors, ensuring:

- adequate meeting frequency;
- the proper wording of the agenda and minute-taking;
- the suitability of the pre-meeting information, contained in documents that are usually supplemented by explanatory notes or summary presentations, which also contain resolution proposals, as possibly supplemented during the meeting, and the in-depth analyses carried out during the meeting, also with the presence of Company managers, to enable the Directors to act in an informed manner;
- the coordination of the activities of the Board Committees with those of the Board of Directors.

The Board of Directors determined during the 2022 self-assessment that the methods and timing with which these documents were made available during the year were appropriate, and that the information provided before the meetings, as supplemented during the course of the meetings, was adequate and exhaustive.

As in the previous year, the Chairman, in agreement with the Chief Executive Officer, held two induction sessions in 2022, conducted, *inter alia*, by the directors of the businesses involved, the first of which was devoted to new technologies for nuclear energy production and its possible role in the energy transition, and the second to the duties and responsibilities of Directors with regard to ESG topics and Edison's management of them. In-depth analyses on the specific matters, some of which reported by said Directors as part of the self-assessment performed with reference to 2021 were also discussed at the meeting of the administrative body and, in particular, concerned: the development of the renewable energy production sector; the strategy for the prevention and management of the cyber risk; the prevention and fight against corruption; the examination of the main investments made and future ones, focusing on the consistency with the strategic guidelines and the Group's development lines.

During 2022, in conjunction with a meeting of the Board of Directors, a visit was also held to a production site, attended by the Director of the Engineering Division.

In 2022, the Board of Directors met seven times, with each meeting lasting an average of about two hours and fifteen minutes. The average attendance of Directors at Board meetings was 86.96%. A breakdown is provided below:

<b>DIRECTORS IN 2022</b>	<b>Number of Board of Directors meeting attended in 2022</b>	<b>Percentage</b>
<i>In office at December 31, 2022</i>		
Marc Benayoun	7 of 7	100
Nicola Monti	7 of 7	100
Béatrice Bigois	6 of 7	86
Paolo Di Benedetto	7 of 7	100
Fabio Gallia	7 of 7	100
Angela Gamba	7 of 7	100
Xavier Girre	5 of 7	71
Nelly Recrosio	6 of 6	100
Luc Rémont	1 of 1	100
Florence Schreiber	5 of 7	71
<i>Left post in 2022</i>		
Jean-Bernard Lévy	2 of 6	33

The attendance of meetings of the Board of Directors by Statutory Auditors in 2022 is shown in a table provided in the section of this Report entitled "Board of Statutory Auditors."

The General Counsel attended all meetings of the Board of Directors. Moreover, the managers who are members of Comex and the managers of the main business areas were invited to illustrate the operations falling under their direct management responsibility, not only to allow for further analysis of the issues on which the Board was asked to express an opinion, but also to make them easier for the Directors to understand. Specifically, the meetings were attended: systematically by the Chief Financial Officer, as in his capacity as the Corporate Accounting Documents Officer and, for the topics under their responsibility, the manager of Tax & Accounting, in his capacity as the Corporate Accounting Documents Officer, the manager of Human Resources & ICT, the manager of Power Assets, the manager of M&A and Divestments, the manager of Engineering, the manager of Gas Assets; the manager of Energy & Environmental Services Market; the manager of Gas & Power Portfolio Management & Optimization; the manager of Sustainability; the Risk Officer and the manager of Information & Communication Technology.

A calendar of meetings of the Board of Directors scheduled for the following year to review annual and interim results is communicated annually to Borsa Italiana, usually in December, and posted on the Company website ([www.edison.it](http://www.edison.it) - Company - Investor Relations - Financial calendar). The calendar for 2023 was published on December 23, 2022 and the Company confirmed the established practice of convening a meeting of the Board of Directors in February to approve the financial statements. Five more meetings have been scheduled for 2023, in addition to the one already held on February 15.

## Chairman and Executive Directors

Pursuant to the By-laws and unless pre-empted by the Shareholders' Meeting, the Board of Directors has the right to select its Chairman. It can also delegate its powers to one of its members and appoint an Executive Committee and other committees with specific functions, defining their tasks, powers and rules of operation.

Pursuant to the By-laws, the Chairman and the Chief Executive Officer are the Company's legal representatives before third parties and in judicial proceedings.

The Shareholders' Meeting of March 31, 2022 confirmed Marc Benayoun as Chairman, who had already held the position since July 01, 2019.

The Board of Directors, in accordance with the recommendations of the CG Code and consistent with past practice, again chose not to provide the Chairman with operational authority or a specific role in the development of business strategies, but gave him jurisdiction over institutional, guidance and control issues. With regard to the role assigned to the Chairman regarding the functioning of the Board of Directors and induction initiatives, please refer to the section entitled "Meetings, Directors' reports and minute-taking".

The current CEO Nicola Monti was confirmed in the role by the Board of Directors meeting held immediately after the Shareholders' Meeting to appoint the administrative body on March 31, 2022. Nicola Monti has held this position since July 01, 2019. Nicola Monti does not serve as a Director at other companies outside the EdF Group.

The Board of Directors gave to Chief Executive Officer the most ample powers to manage the Company. Consequently, acting without the support of an additional signatory, he can carry out any actions that are consistent with the corporate purpose, subject to statutory limitations and excluding those transactions that, as stated in the section of this Report entitled "Role" of

the Board of Directors, the applicable laws and resolutions adopted by the Board of Directors have placed under the Board's sole jurisdiction.

The powers granted to the Chief Executive Officer have remained unchanged in content since June 2012, except for the temporary raising of the limits on certain financial transactions, given the context of extreme volatility in commodity prices and the related impact on the Company's operations. Since February 2007, the Board of Directors has also appointed the Chief Executive Officer to oversee the functionality of the internal control system, handling, among other things, the identification of the main business risks and verifying the adequacy, effectiveness and efficiency of the system, as explained in more detail in the section on the "Internal Control and Risk Management System - Control and Risk Committee". Since 2012, this assignment has been broadened to include risk management. In addition, as part of the implementation of the Guidelines of Operation with regard to ESG profiles in February 2023, some of the CEO's responsibilities in the area of sustainability were more analytically articulated.

Therefore, based on the foregoing considerations, only the Company's Chief Executive Officer qualifies as an Executive Director according to the CG Code and consequently, is the Company's most senior manager.

The Chief Executive Officer reported on the exercise of his delegated authority at all of the 7 Board meetings held in 2022.

## Secretary to the Board of Directors

At its first meeting following its appointment, the Board of Directors elects a secretary to the Board of Directors.

In the Guidelines of Operation of the Board of Directors, the Secretary appointment procedures previously followed were formalised and the Secretary's professionalism requirements and duties were specified.

With regard to the professional requirements, it was established that the Secretary to the Board of Directors should be chosen from amongst people who meet the requirements for enrolment in the register of lawyers or chartered accountants and accounting experts or notaries, who are not in any of the situations referred to in art. 2382 of the Italian Civil Code, and who have at least three years of specific experience in the exercise of the same function or responsibility for legal and/or corporate affairs at listed companies or their subsidiaries of significant size.

The Secretary to the Board of Directors remains in office until the natural end of the term of the Board that appoints him/her, unless determined otherwise by the Board.

The Secretary to the Board of Directors is regularly invited to the meetings of the Board Committees in which he/she does not serve as secretary.

The Secretary to the Board of Directors has the following duties:

- supporting the Chairman and the Chief Executive Officer in organising the activities of the Board of Directors and in carrying out the tasks referred to in the section entitled "Meetings, Directors' reports and minute-taking";
- preparing the meetings of the Board of Directors, the Shareholders' Meeting and the Board Committee meetings in which he/she acts as secretary and ensuring the coordination of activities between the Board Committees and the Board of Directors;
- overseeing the drafting of minutes at Board of Directors meetings and finalising their preparation in a timely manner to ensure that they can be sent to the Directors with the required timing;



- managing the book of resolutions and meetings of the Board of Directors and the Shareholders' Meeting;
- supporting the Board of Directors in the preparation of the Governance Report;
- supporting the independent Directors during the Board's self-assessment process.

The Guidelines of Operation provide that the Secretary to the Board of Directors shall provide impartial assistance and advice to the Board of Directors on all matters relevant to the proper functioning of the corporate governance system.

The current Board Secretary is Lucrezia Geraci, who was confirmed by the Board at its March 31, 2022 meeting. During 2022, the Board Secretary regularly performed the duties assigned. Lucrezia Geraci was also confirmed by said Board of Directors' meeting, as secretary of the Related Party Transactions Committee and the Compensation Committee, so as to ensure the necessary coordination of their activities with those of the Board of Directors.

## Independent Directors

The current Board of Directors includes three Directors who meet statutory independence requirements and qualify as independent in accordance with the guidelines provided by the CG Code: Paolo Di Benedetto, Fabio Gallia and Angela Gamba.

These are the same persons who also held the title of independent Director in the Board of Directors that ceased to exist at the Shareholders' Meeting of March 31, 2022.

Therefore, the percentage weight of independent Directors on the Board currently in office is equal to approximately one third of the total number of Directors, as recommended for Large Companies (although Edison does not come under this category) subject to Concentrated Ownership. This facilitated the diverse composition of the various Board Committees. Moreover, the variety of professional training and work experience, together with the fact that they belong to different "job" families and have consolidated experience in top management positions, including as Directors, makes it possible to consider that the independent Directors are adequate in terms of both numbers and skills for Edison's needs and the functioning of the Board of Directors and of the Board Committees.

In accordance with the procedure adopted by the Board of Directors to verify the independence of Directors, Directors must declare their eligibility to qualify as independent Directors when the nominations of candidates are filed and when they accept their nomination, and their credentials are verified by the Board of Directors at the first meeting held after their nomination as well as annually. The results of this process are disclosed to the market.

An independent Director must, actually, undertake to promptly inform the Board of Directors of any situation that could undermine his or her ability to meet the independence requirement. On the other hand, a commitment to remain independent while in office and, should that not be the case, to resign is not required. In this area, in view of the fact that the independence requirements of the Italian Civil Code do not exactly match those of the CG Code and the circumstance that the verification process is based in part on elements of a discretionary nature, the Board of Directors preferred to avoid the adoption of automatisms and base the decision on assessments by the Board of Directors based on additional available evidence. The Board of Directors in any event annual renews, upon approving the Report on Corporate Governance, the request for credentials from the Directors concerned, asking them to confirm that they meet the requirements of the applicable law and the CG Code. The Board of Directors and the Board of Statutory Auditors, respectively, verify the truthfulness of the affidavits and ascertain whether the above-mentioned requirements and procedure are being properly applied. The examination is conducted on the basis of both the definition of independent Director by the CG Code and that provided by the TUF.

Since the introduction of independence criteria in the CG Code, the Board has also decided not to set a priori quantitative thresholds for the purpose of assessing the requirement, considering that the information requested from independent Directors at the time of accepting the office, with the completion of an analytical questionnaire when signing the independence statement (which is required to be updated at least once a year), is sufficiently detailed to allow the Board to make the appropriate assessments. The Board confirmed said position most recently at the time of approval of the Guidelines of Operation, which in any event provided a more structured explanation of the qualitative criteria to be applied in the assessment. In fact, in assessing the relevance of additional compensation or commercial, financial or professional relationships, the emphasis was not on the absolute monetary amount, but on the nature and purpose of the relationship and/or office with respect to the Company.

With regard to the Board of Directors currently in office, a review of compliance with the independence requirements was performed after its election, at the Board meeting of March 31, 2022, with the results of the review conducted on February 15, 2023 at the meeting held to approve the Report on Corporate Governance for 2022, being communicated to the market on the same day.

With regard to independent Director Paolo di Benedetto's uninterrupted tenure for more than nine financial years, the Board of Directors has determined that the non-application of the maximum tenure requirement would not compromise his independence due to (i) in general, his ethical and professional qualities, expertise and standing; (ii) in fact, his in-depth knowledge of, and experience with, Edison and his past performance in the office, including as a member of the Board Committees, and his relative autonomy and objectivity of judgement demonstrated over time.

The Board of Statutory Auditors reports to the Board of Directors the findings of the reviews it performed during the year and discloses them in its Report to the Shareholders' Meeting, which should be consulted for additional information.

During 2022, on the sidelines of the two induction sessions commented on in the section "Meetings, Directors' reports and minute-taking", the independent Directors discussed issues concerning Edison's development and the critical issues arising from the energy crisis fuelled by the war between Russia and Ukraine.

As in previous year, at the request of the Board of Directors, the independent Directors also carried out the necessary preparation to perform the self-assessment process of the Board of Directors.

Information about the meetings of the Committee established by the Board of Directors to evaluate related-party transactions is provided in the section entitled "Related Party Transactions Committee - Appointment and activities carried out in 2022".

## Lead Independent Director

As of October 2012, following the assumption of control of Edison by EdF, the Board of Directors deemed it appropriate to identify, among the independent Directors, a Lead Independent Director to whom it could entrust the tasks set forth in the CG Code. This decision was taken because, in interpreting the CG Code with a substantive approach, the Board found that the requirements for such an appointment did exist at the time, due to the fact that the Chairman of Edison's Board of Directors also served as EdF's Chairman and General Manager. This choice was maintained over time by the Board even after EdF's *Président-Directeur Général*, while continuing to serve on the Board of Directors, no longer held the position of Chairman of Edison's Board of Directors. The position is currently held by independent Director Paolo Di Benedetto, confirmed in the role by the Board of Directors of March 31, 2022.

During 2022, the Lead Independent Director engaged in exchanges with the other independent Directors to identify the information requirements of the independent Directors deemed to be priorities for presentation to the Chief Executive Officer. The Lead Independent Director also discussed with the Chief Executive Officer issues related to Edison's development, the main initiatives undertaken during the year and the foreseeable evolution of the energy procurement market, taking into account the difficult geopolitical context that characterised the year.

## Self-assessment by the Board of Directors and Its Committees

In continuity with the previous approach, in 2022 the Board of Directors agreed to carry out a self-assessment of the size, composition and functioning of the Board of Directors and its Committees, appointing independent Directors with the assistance of the Secretary to the Board of Directors and the Board structure, as well as with the support of an independent external consultancy firm, identified in Nasdaq Corporate Solutions.

The process was carried out by means of a questionnaire, also reorganised in terms of metrics, with a view to simplification and greater effectiveness. Moreover, considering that the 2022 self-assessment refers to the first year of the Board of Directors' term of office, it was deemed appropriate to allow the directors to express an assessment of their level of skills and indications on the organization and priorities of the work of the Board of Directors.

Afterwards, the questionnaire focused on the key issues for an effective functioning of the Board of Directors with particular reference to: culture and role of the Board of Directors; strategy definition and performance supervision; relations with shareholders and stakeholders; understanding and effectiveness of risk management and the internal control system; sensitivity to ESG issues; knowledge of the sector in which the company operates; effectiveness of induction and self-assessment processes; work organization; role and responsibilities of the Chairman and Chief Executive Officer; size and composition; remuneration; Committees activities.

The Directors felt that the Board was effectively fulfilling its role of strategic direction, with a view to the pursuit of Sustainable Success, and that there was adequate monitoring of the Company's management and risks, including ESG.

The general atmosphere within the Board of Directors was positive and the results showed a strong appreciation for the collaborative relationship established between the Chairman, CEO and the entire Board of Directors, both in formal Board meetings and in informal contacts, as well as for the efficient management of Board work, guaranteed also thanks to the support of the Board Secretariat. The documentation made available to the Board was also assessed as adequate, in terms of quality, accessibility and timing of availability, with some suggestions.

The delegations of powers to the Chief Executive Officer were deemed balanced and the governance structure and practices were deemed functional to the effective management of the Company and the pursuit of its strategies.

The induction and training initiatives implemented by the Company during the year were appreciated and deemed to be of interest.

The remuneration of directors, both non-executive and executive (including the CEO) was deemed in line with the recommendations of the CG Code.

The Directors considered that the size of the Board was adequate and that the skills required to perform the role were adequately represented; furthermore, the Directors noted that overall the Board was characterised by a significant level of professional and human quality, which

fostered the fluidity and fruitfulness of the debate, thanks to the active participation of all its members and the support provided by management.

The composition of the Board Committees was also deemed adequate and sufficiently differentiated, as was the sufficiently clear definition of the tasks and prerogatives of each of them. On this point, the Directors noted that the Committees are able to effectively perform their advisory and propositional role vis-à-vis the Board of Directors and that information flows between the Committees and the Board of Directors are timely and efficient. As for the documentation, it was assessed as complete and of the required quality.

The analysis then led to a series of suggestions and points for reflection useful for improving the action of the Board of Directors and the Committees, the implementation of which was entrusted to the CEO.

The results of the self-assessment were presented to the Board of Directors at a meeting held on February 15, 2023.

## Internal Committees of the Board of Directors

Consistent with the CG Code's recommendations, with the aim of facilitating the activities of the Board of Directors, the Company has established within the framework of its Board the Control and Risk Committee (renamed the Control, Risk and Sustainability Committee in 2023) and the Compensation Committee<sup>1</sup>. In addition to these Committees, there is the Related Party Transactions Committee<sup>2</sup>. As a Company subject to Concentrated Ownership, Edison is not required to follow the recommendation to establish an Appointments Committee, the functions of which as established by the CG Code have been retained by the Board of Directors. Furthermore, an ad hoc internal Board Committee has not been set up to examine the industrial plans, as the Board of Directors deems the insights of the Chief Executive Officer adequate with the support of the managerial committees and the preventive examination carried out, for the aspects of competence, by the Control and Risk Committee.

All committees have at least three members and the activities of each committee are coordinated by a Chairman.

The tasks and rules of operation of each committee are defined in a resolution approved by the Board of Directors and were amended and integrated over time, also by means of a resolution approved by the Board of Directors, usually after an initial review by the affected committee.

Each committee can hold meetings through audio/video-conferencing and relies on the support of the appropriate corporate department. A Secretary of the committee must draw up minutes of each committee meeting. Each committee must provide regular reports to the Board of Directors on the work performed at the earliest available Board meeting.

In the performance of its functions, each committee can access the information and Company organisations it may need to discharge its duties.

The rules of operation of each committee require documentation supporting the activities of each committee to be sent at least two days in advance.

---

1. Both of these Board Committees were set up in December 2002, the date on which Edison shares began trading on the EXM.

2. The Committee was established on January 1, 2011, in compliance with the Consob's Related-party Regulation.

## Related-Party Procedure - Related Party Transactions Committee

### Related-Party Procedure

The Related-Party Procedure, in the version updated to 2021, adopted by the Board of Directors is posted on the Company website ([www.edison.it](http://www.edison.it) - Our Company - Governance - Other regulated information - Related Parties).

The Related-Party Procedure governs the decision-making process and the disclosure rules for transactions carried out by Edison and its subsidiaries with a Related Party.

As required by Consob's Related-Party Regulation, according to the Related-Party Procedure, the Board of Directors has sole jurisdiction over the approval of related-party transactions executed by Edison directly or through its subsidiaries that qualify as Highly Material Transactions.

In order to identify a Highly Material Transaction, the Related-Party Procedure has confirmed the parameters set forth by Consob for the qualification of transactions of this nature. Transactions classified as Highly Material include transactions for amounts that exceed a threshold equal to 5%: (i) of the Company's consolidated shareholders' equity (i.e., as of January 01, 2022, transactions valued at more than 296.7 million euros) or (ii) of total consolidated assets (i.e., as of January 01, 2022, transactions involving assets or liabilities valued at more than 835.4 million euros). These values are halved in case of transactions with EdF and its subsidiaries (Edison's subsidiaries excluded). Transactions that, while they exceed the above-mentioned thresholds, are of a regular nature, in that they are executed under standard market terms (**Regular Transactions**) or carried out with subsidiaries or affiliated companies in which no material interests are involved (**Intercompany Transactions**) do not qualify as Highly Material Transactions.

According to the procedure, when a Highly Material Transaction involves one of the subject matters over which the Shareholders' Meeting has decision-making jurisdiction, the Board of Directors has exclusive jurisdiction over the drafting of the motion that will be submitted to the Shareholders' Meeting.

With regard to the duties assigned by the Related-Party Procedure to the Related Party Transactions Committee, please refer to the section "Attributions and Operation" of the Related Party Transactions Committee.

In order to allow the Board of Directors to adopt its decisions with regard to related parties, the procedure specifies the timing and scope of the flows of information that must be supplied to the Directors with regard to the characteristics of a Transaction, particularly in the case of Highly Material and Less Material Transactions.

The Related-Party Procedure requires that the Directors and Statutory Auditors be provided, on a quarterly basis as a minimum, with information about the implementation of Highly Material and Less Material Related-party Transactions, if the information differs from what was originally communicated, and that, as it has been an established Company practice, the annual financial statements and the interim reports on operations must include a special section for Related-party Transactions.

With the amendments introduced in 2021 with regard to Highly Material Regular Transactions under market or standard conditions, the practice followed by the Company of informing the



Related Party Transactions Committee before implementing the transaction in order to verify, on the basis of the information provided by the Business Unit responsible for the transaction, that the transaction is regular in nature and aligned with market conditions was formalised and governed in more detail. Already previously, transactions with the EdF Group were reviewed by the Related Party Transactions Committee and, if necessary, approved by the Board of Directors when of a significant size, even if regular in nature.

With the changes introduced in 2021, an annual information flow was also introduced towards to the Related Party Transactions Committee (by February of the year following the completion of the transactions) from the Business Units that carried out the individual Highly Material Regular Transactions (included in ordinary management and under market or standard conditions) and Intercompany Transactions (i.e., with subsidiaries and associated companies without significant interests of another related party).

With regard to the obligation to abstain on the part of Directors involved in the related-party transaction, please refer to the section "Directors' interests and related-party transactions".

Transactions with Related Parties executed in 2022 are reviewed in the "Intercompany and Related-party Transactions" section of the separate and consolidated financial statements.

In order to enhance compliance with the Related-Party Procedure by the interested parties, the Related-Party Protocol of the 231 Model establishes specific information flows that must be assured by the managers of the various Company Divisions and Departments and in 2014 introduced an express declaration about compliance, for issues under their jurisdiction also concerning subsidiaries, with the requirements of the Related-Party Procedure applicable to them.

## Related Party Transactions Committee

### Attributions and Operation

The Company's Related-Party Procedure provides that the Related Party Transactions Committee should be appointed by the Board of Directors and be composed of three non-executive and independent Directors.

The Chairman of the committee is appointed, from amongst its members, by the Board of Directors; if the latter does not do so, he is appointed by the committee itself.

The Related Party Transactions Committee carries out the tasks reserved to it by Consob's Related-Party Regulation and established in the Related-Party Procedure, as most recently amended in June 2021. Primarily, the Related Party Transactions Committee is called upon to perform the following functions:

- monitor the preliminary analysis phase of Highly Material Transactions;
- issue opinions on related-party transactions that qualify as Highly Material and Less Material pursuant to the Related-Party Procedure;
- examine transactions that qualify as Regular transactions that exceed the size threshold of Highly Material Transactions;
- verify, according to the timing set out in the Related-Party Procedure, the cases of total or partial exemption from the application of the Procedure, particularly with reference to Highly Material Regular and Intercompany Transactions.

The Related-Party Procedure establishes that if in the specific transaction there is a correlation or relationship on the part of more than one of the committee members such as to impair independence from the counterparty, to be ascertained according to the procedure laid out in the Related-Party Procedure, the opinion is issued by an Alternative, Equivalent Oversight

Entity, activated in the circumstance and the composition of which is defined by the Related-party Procedure.

The Related-Party Procedure also establishes that any member of the Related Party Transactions Committee who may have an interest, directly or on behalf of a third party, in a transaction with a related party must disclose this interest to the other committee members, detailing its nature, timing, origin and scope.

A meeting of the Committee of Independent Directors shall be deemed to have been validly convened when a majority of its members is in attendance, provided that the absent member expressed his consent to the meeting being held. The committee approves resolutions by a majority vote of its members, the abstaining members not being counted, or with the unanimous vote of its members, when a two-member Alternative, Equivalent Oversight Entity is activated. If a member abstains or if the two member of which the Alternative, Equivalent Oversight Entity is comprised cast opposing votes, an independent expert will be asked to render an opinion.

The Committee of Independent Directors may request the support of one or more independent consultants of its choosing, retained at the Company's expense. In the case of Less Material Transactions, expenses may not exceed 350,000 euros. There is no limit for Highly Material Transactions but cost may not be demonstrably unreasonable.

Independent consultants retained to support the committee may be invited to attend committee meetings. The Chairman of the Board of Directors, the Chief Executive Officer and other Company executives or employees may also be invited merely for information purposes. In addition, notice that a committee meeting is being convened must also be given to the Board of Statutory Auditors, whose members have the right to attend those meetings.

The committee may delegate to its Chairman or another committee member the task of becoming involved in the information gathering and negotiation phases of Highly Material Transactions. With regard to these transactions, the delegated committee members have the right to request additional information and make recommendations to the Company's governance bodies or to the parties in charge of the negotiations and the information gathering process.

The committee must be provided with an adequate flow of information regarding the characteristics of the transactions with regard to which it is being asked to render an opinion before its implementation and is required to promptly submit its opinion to the Board of Directors or to the party with decision-making authority. The methods and timing of the above-mentioned information flows are governed by the provisions of the Related-Party Procedure. Notwithstanding the above, at the first Board meeting held after each committee meeting, the Committee Chairman usually informs the Board of Directors of all the activities performed.

In the performance of its work, the committee is supported by the Corporate Affairs & Governance Department, which has established a dedicated support unit.

### **Appointment and activities in 2022**

The current Related Party Transactions Committee was appointed by the Board of Directors on March 31, 2022, on the Chairman's proposal, after the election, on the same date, by the Shareholders' Meeting of the new Board of Directors, and its term of office will end at the natural end of the term of office of the Directors sitting on the committee, and therefore with the Shareholders' Meeting called upon to approve the 2024 financial statements.

It consists of the following three independent Directors: Paolo Di Benedetto (Chairman), Fabio Gallia and Angela Gamba.

The composition is unchanged from the previous committee, as Angela Gamba succeeded the resigning Director Nathalie Tocci, who was initially a member of the body in the previous three-year period, on April 28, 2020.

In 2022, the Related Party Transactions Committee held 10 meetings, to review and assess five "Less Material" transactions pursuant to the Related-Party Procedure, on which it expressed a favourable opinion, and two Highly Material Regular Transactions, to evaluate whether they were effectively "regular" and at arm's length, on which it expressed a favourable opinion.

In 2022, the average attendance of Directors at committee meetings was 100%. A breakdown is provided in the table below. The average length of each meeting was about forty minutes.

### Meetings of Related Party Transactions Committee at December 31, 2022

COMMITTEE MEMBERS	Number of Committee meetings attended in 2022	Percentage
<i>In office at December 31, 2022</i>		
Paolo Di Benedetto	10 of 10	100
Fabio Gallia	10 of 10	100
Angela Gamba	10 of 10	100

In 2022, the documentation was sent to the members of the Committee around 3 days early (on average), compared to the two days specified in the rules of operation, indeed meeting a request that was later highlighted in the outcome of the self-assessment of the relative activities.

As usual, the Committee invited to attend its meeting the General Counsel, the Chief Financial Officer and the managers responsible for the areas concerned by the reviewed transactions, which all attended (the Energy & Environmental Services Market Director, the Human Resources & ICT Director, the Gas & Power Portfolio Management & Optimization Director and some managers of the corresponding divisions). The entire Board of Statutory Auditors took part in all meetings of the Related Party Transactions Committee.

The committee Chairman systematically reported to the Board of Directors on the activities carried out at the meeting immediately following his own.

Minutes of the meetings were regularly taken and the role of secretary was always performed by the Board Secretary.

## Compensation of Directors - Compensation Committee

### Compensation of Directors and Top Management

The compensation of the Directors is determined by the Shareholders' Meeting, while the compensation of the Chairman, the Chief Executive Officer and the Directors who serve on Board Committees is determined by the Board of Directors, upon a proposal or recommendation by the Compensation Committee and based on the input of the Board of Statutory Auditors, in compliance with the Compensation Policy approved by the Shareholders' Meeting.

## Compensation Policy

The Board of Directors prepares a compensation policy regarding the Directors, top managers and, with the specifications indicated in the paragraph "Compensation" of the Board of Statutory Auditors in the Compensation Report, the statutory auditors, which is updated annually, in compliance with the provisions of law and regulations, the CG Code and the suggestions of the Corporate Governance Committee, and is submitted to the Shareholders' Meeting for its binding vote.

The process of drawing up the compensation policy is transparent in that, once it has been drawn up by the Company on the basis of the indications of the CG Code and market review, it is submitted to the Compensation Committee for examination and assessment and then, having consulted, to the extent of its competence, the Board of Statutory Auditors, to the Board of Directors for approval and made public for subsequent acknowledgement and validation by the Shareholders' Meeting.

The compensation policy drawn up by the Board of Directors for 2022 confirmed the principles set forth in the compensation policy for the previous year.

It is functional to the pursuit of sustainable Company growth in the medium/long-term. This is considering that the components underlying variable compensation include not only financial objectives linked to profitability, but also refer to objectives linked to ESG aspects, such as the development of renewable businesses with a reduced environmental impact, and social targets (workers' safety and employees engagement), which are predetermined and measurable, consistent with Edison's strategic guidelines. These objectives, in addition to being the basis for annual variable compensation, are taken into account in the Long Term Incentive (**LTI**) programmes relating to the Chief Executive Officer, top management and managers. All of this is explained in greater detail in the Compensation Reports and the NFD, to which reference should be made.

The policy to be proposed at the next Shareholders' Meeting for Directors and top management is also in line with the principles commented on above, as specified below.

## Executive Directors and Top Managers

The executive director compensation policy calls for:

- a balance between fixed and variable components that is appropriate and consistent with strategic objectives and the risk management policy, taking into account the characteristics of the activities carried out by Edison and the sector in which the Company operates;
- maximum limits on the disbursement of variable components;
- performance targets, to which the payment of the annual and longer-term variable components is linked, which are predetermined and measurable, consistent with strategic objectives that also include non-financial parameters, attributable to ESG profiles, aimed at promoting sustainable Company growth in the medium/long-term;
- the allocation of a variable compensation component linked to medium/long-term objectives, also ESG related, to be paid at the end of the three-year reference period;

all as described in more detail in the Compensation Report in the section "Structure, composition and development of the compensation policy in 2022".

The compensation policy for top managers for 2022 was also defined in compliance with the above-mentioned principles, and took into account the need to have, retain and motivate people with the skills and professionalism required by their role in the Company. In fact, the definition of the policy was based on an examination of trends in compensation practices in the market, particularly with reference to the Company's reference sectors and to companies of similar size.

The overall salary package also includes a welfare programme that the Company is progressively improving and extending to employees of recently acquired companies. Please refer to the "Compensation Policy Framework and Guidelines for 2023" section of the Compensation Report for details.

### **Non-Executive Directors**

The compensation policy provides for non-executive Directors to be granted compensation commensurate with the responsibilities, professionalism and commitment required by the tasks assigned to them within the Board of Directors and the Board Committees, not linked to financial performance targets.

Consistent with these criteria, in addition to fixed annual compensation, they are provided with additional fixed annual compensation if they are members of committees set up within the Board of Directors (different for the roles of Chairman and committee member), as well as an attendance fee for each meeting (of the Board and of the Board Committees of which he/she is a member) in which each Director takes part.

### **Accrual and Disbursement of Compensation**

At the meeting on February 15, 2023, the Board of Directors verified, with the support of the competent corporate structure, and after examination by the Compensation Committee, that the compensation paid and accrued in 2022 by the above-mentioned persons was consistent with the principles and criteria defined by the compensation policy, in light of the results achieved.

### **Indemnities of Directors and Claw Back Clauses**

For information regarding the severance indemnities of Directors in the event of resignation, dismissal or termination following a takeover bid, please refer to the section of the Compensation Report entitled "Benefits and Indemnities".

With regard to the fact that claw back clauses have not been adopted, reference is made to the section of the Compensation Report entitled "Claw back clauses".

### **Board of Statutory Auditors**

The compensation of the Board of Statutory Auditors is established by the Shareholders' Meeting and refers, as required by law, to the entire three-year term of office.

For these reasons and in view of the role played by the body, the Board of Directors preferred not to make specific proposals when appointing the current Board of Statutory Auditors, but only to express qualitative indications to the Shareholders' Meeting, leaving assessments in this regard up to the shareholders.

However, the Board of Directors believes that the compensation approved by the Shareholders' Meeting is commensurate with the responsibilities, professionalism and commitment required by the significance of the role held and the size and industry characteristics of Edison and its position. This is because, in its view, the controlling shareholder Tde, which formulated the relative proposal to the Shareholders' Meeting, followed criteria consistent with the compensation policy submitted to the same Meeting, taking into account the following factors:

- the annual compensation for each standing auditor was established with regard to the significance of the role held and in line with the compensation assigned to the non-executive Directors of the Company, as well as with reference market benchmarks;

- the annual compensation of the Chairman of the Board of Statutory Auditors was increased (also in line with the past) compared to that of the other statutory auditors, in view of the specific functions assigned to him, also by the CG Code, as better specified in the section "Rules of Operation" of the Board of Statutory Auditors;
- the above annual compensation had already been increased during the previous term of office;
- an attendance fee for participation in the meetings of the Board of Statutory Auditors and in meetings of the Board Committees was added to the fixed annual compensation of each standing auditor and the Chairman, in view of the number of meetings and the commitment required of each member in terms of participation.

\*\*\*

For all other detailed information, please refer to the Compensation Report.

## Compensation Committee

### Attributions and Operation

The Compensation Committee consists of three non-executive Directors, the majority of whom are independent, at least one of whom, as required by the CG Code, has adequate knowledge and experience in financial matters or compensation policies.

The Chairman of the Committee is appointed, from amongst its members, by the Board of Directors; if the latter does not do so, the Chairman is appointed by the Committee itself.

The responsibilities assigned by the Board of Directors to the Compensation Committee, as most recently amended in June 2021 to be consistent with the Guidelines of Operation and the CG Code, and as reproduced in the committee's own rules of operation, are as follows:

- to assist the administrative body in drawing up the Compensation Policy, also by making proposals and/or expressing opinions on such policy;
- to formulate proposals or express opinions to the Board of Directors on the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and members of the Board Committees;
- to evaluate the guidelines and criteria concerning the top management's compensation, specifically with regard to executives with strategic responsibilities and the management, proposed by the Company, expressing the corresponding opinion;
- to formulate proposals or express opinions on the definition and breakdown of the objectives (which also include ESG objectives) and performance levels correlated with the short- and medium/long-term variable component for the Directors to whom this component is provided and for the Company's top management and management;
- to monitor the correct application of the compensation policy and verify the achievement of performance targets, consequently expressing to the administrative body proposals and/or final opinions on the variable component on the basis of the results achieved by the Directors to whom this component is provided, and more generally expressing opinions on the level of achievement of the shared corporate objectives assigned to the Company's top management and management;
- to periodically assess the adequacy and overall consistency of the compensation policy for the parties mentioned in the points above, benchmarking it against the market and making recommendations in this area;
- to provide opinions and recommendations for any medium/long-term compensation plans (LTI) for executive Directors, the top management and the management of the Company and the Group;
- to express, even if the conditions set out in art. 13, paragraph 3, letter b) of Consob's Related-party Regulation are not satisfied, in place of the Related Party Transactions Committee, and



in the case of temporary exemptions, in the presence of exceptional circumstances, to the compensation policy approved by the Shareholders' Meeting, its assessments on the issues concerning the compensation of Directors with special roles and other executives with strategic responsibilities subject to Consob's Related-party Regulation, unless the Compensation Committee decides to obtain the opinion from the Related Party Transactions Committee.

The Committee is assisted in the organisation of its meetings by the Secretary of the Board of Directors, who is also appointed secretary of the Committee by the administrative body, as well as the competent corporate functions, in particular the manager of the Human Resources & ICT Division.

The Secretary ensures that minutes are taken at the meetings and the coordination of activities with the Board of Directors.

Committee meetings are convened by the Chairman, are quorate when a majority of the members are present and adopts resolutions with an absolute majority of the attendees.

The manager of Human Resources & ICT is regularly invited to committee meetings.

Other Directors, experts, and, after informing the Chief Executive Officer, managers and employees, may also be invited to attend committee meetings from time to time, in a merely advisory capacity.

The Chairman of the Board of Statutory Auditors and the other Statutory Auditors are regularly invited to the meetings.

The Committee Chairman, with the support of the Secretary, ensures that the documentation on the items on the agenda contains adequate and complete information on the issues to be discussed and is sent at least two days before the date of the meeting.

The Committee Chairman provides the Chairman of the Board of Directors and the Chief Executive Officer with recommendations about items that should be included in the Agenda of Board meetings. At the first Board meeting held after each committee meeting, the Committee Chairman usually communicates to the Board of the Directors the resolutions adopted by the committee, which may take the form of a proposal, regarding assessments and opinions on issues within its jurisdiction.

Even though the Board of Directors did not approve a specific budget, the committee is provided on an ongoing basis with the financial resources it needs to perform the tasks assigned to it.

### **Appointment and activities in 2022**

The current Compensation Committee was appointed by the Board of Directors on March 31, 2022, on the Chairman's proposal, after the election, on the same date, by the Shareholders' Meeting of the new Board of Directors, and its term of office will end at the natural end of the term of office of the Directors sitting on the committee, and therefore with the Shareholders' Meeting called upon to approve the 2024 financial statements.

It consists of the following three non-executive Directors, two of whom are independent: Paolo Di Benedetto (Chairman and independent), Angela Gamba (independent) and Florence Schreiber. The composition is unchanged from that of the previous Committee, as Angela Gamba succeeded the resigning Director Nathalie Tocci on April 28, 2020 and Florence Schreiber succeeded the resigning Director Nicole Verdier-Naves, who were initially members of the body during the previous three-year period.

The composition of the Committee complies with the CG Code's requirement that it be made up only of non-executive Directors, the majority of whom are independent, and that it be chaired by an independent Director other than the Chairman of the Board of Directors.

After examining the expertise of the members constituting the Committee, the Board considered that the professional skills expressed by the appointed Directors enabled it to comply with the CG Code's recommendation regarding the adequate knowledge and experience of its members in financial matters and compensation policies. In this regard, reference should be made to the curricula of the Directors concerned, attached to this Report.

In 2022, the outgoing committee held one meeting. On that occasion, based in part on information provided by the Company, it performed the following activities:

- assessed the actual implementation of the policy for the compensation of Directors and top management for 2021 with respect to what was defined previously, as well as the consistency and accuracy of the actual results regarding the implementation of said policy by the management;
- verified the level of achievement of the reference targets for the variable portion of the compensation for the 2021 reporting year of the Chief Executive Officer, and more in general, the common reference targets for the Company as a whole applicable to top managers and the management;
- evaluated and expressed its general orientation and opinion on the proposed guidelines of the compensation policy for the year 2022 for the Directors, including those holding special offices, the top management and the management, as a useful and preliminary reference for the Shareholders' Meeting and the new management body that would be called upon to implement this policy;
- examined and expressed a favourable opinion on the 2021 Compensation Report.

Subsequently, the newly appointed and reconfirmed Compensation Committee held three meetings. On those occasions, based in part on information provided by the Company, it performed the following activities:

- examined and made proposals for the remuneration of the Chairman, the CEO, the members of the Board Committees and the 231 Oversight Board for the 2022-2024 mandate, also acting, as permitted by the Related Party Procedure, in place of the Related Party Transactions Committee;
- performed a review and provided proposals and recommendation regarding the targets upon which the 2022 MBO for the Chief Executive Officer should be based and regarding the common Company-wide reference targets for top management and the whole of management in general;
- verified the level of achievement of reference objectives set forth in the 2019-2021 Long Term Incentive Plan for the Chief Executive Officer, the top management and, more generally, the management recipients of it;
- confirmed the general compensation policy guidelines already defined by the outgoing Committee, including its favourable opinion with regard to the launch of a new LTI 2022-2024 cycle for the Chief Executive Officer, top management and, more generally, the management recipients of it, defining objectives and related regulations.

Since the start of 2023, the Committee has held one meeting. On this occasion, based in part on information provided by the Company, it performed the following activities:

- assessed the actual implementation of the compensation policy for 2022 for Directors and top management with respect to what was defined previously, as well as the consistency and accuracy of the actual results of the implementation of said policy by the management;
- verified the level of achievement of the reference targets for the variable portion of the compensation for the 2022 reporting year of the Chief Executive Officer, and more in general, the common reference targets for the Company as a whole applicable to top managers and the management;

- evaluated and expressed its general orientation and opinion on the guidelines of the compensation policy relating to the financial year 2023 for top management and management in general, confirming the 2022 compensation policy with regard to directors, including those vested with particular offices, referring to the entire mandate, and expressing an assessment of adequacy and continuity for that of the new Board of Statutory Auditors;
- examined and expressed a favourable opinion on the 2022 Compensation Report.

The committee submitted its recommendations to the Board of Directors for review and approval, insofar as issues under the Board's jurisdiction are concerned, and shared with the Chief Executive Officer any considerations concerning issues under his jurisdiction.

In 2022, the average attendance of Directors at committee meetings was 91.66 %. A breakdown is provided in the table below. The average length of each meeting was about one hour.

### Meetings of the Compensation Committee at December 31, 2022

COMMITTEE MEMBERS	Number of Committee meetings attended in 2022	Percentage
<i>In office at December 31, 2022</i>		
Paolo Di Benedetto	4 of 4	100
Angela Gamba	4 of 4	100
Florence Schreiber	3 of 4	75

With regard to these meetings, the documentation was sent to the members of the committee around 6 days early (on average), compared to the minimum of two days specified in the rules of operation, indeed meeting a request that was later highlighted in the outcome of the 2021 self-assessment of the relative activities.

The entire Board of Statutory Auditors took part in all meetings in FY 2022.

The manager of Human Resources & ICT always attended the above meetings.

No Directors attended the Compensation Committee meetings at which proposals regarding their own compensation were made.

Minutes of the meetings were regularly taken and the role of secretary was always performed by the Board Secretary.

## Internal Control and Risk Management System - Control and Risk Committee

Edison's Internal Control and Risk Management System is a structured and organic set of rules, procedures and organisational structures designed to allow for proper business management consistent with the targets set by the Company, through an adequate process of identifying, measuring, managing and monitoring the main risks, in order to contribute to the Company's Sustainable Success. This system is integrated within the organisational, administrative and accounting structure and, more generally, Edison's system of corporate governance and is based on the CG Code, taking domestic and international models and best practices as a reference (COSO ERM Framework). The Internal Control and Risk Management System permeates every aspect of the Company's operations and involves different parties who perform specific functions and discharge specific responsibilities.

An effective Internal Control and Risk Management System contributes to a company's management that is consistent with the corporate objectives defined by the Board of Directors, and encourages informed decision-making. It goes towards ensuring the safeguarding of the corporate assets, the efficiency and effectiveness of company procedures, the reliability of its financial and non-financial information, its respect for laws and regulations as well as its By-laws and internal procedures.

## Elements that characterise the Internal Control System

### Organisational structure

The essential elements characterising Edison's organisational structure are illustrated in the section "Edison's Governance", to which reference should be made.

The Group's overall organisational structure is defined by a system of Organisational Communications issued by the Chief Executive Officer, consistent with the corporate governance model. These Communications identify the managers who are responsible for the various Divisions, Departments and Business Units. In turn, the managers who are responsible for the various Divisions, Departments and Business Units develop similar Organisational Communications, which, once they are published following a review by the Chief Executive Officer, define the Group's organisation at the operational level. Any employee can access the Organisational Communications on the Company Intranet. With regard to the assessments carried out in this regard by the Board of Directors, please refer to the section "Assessment of the Effectiveness of the Organisational, Administrative and Accounting Structure, with Special Emphasis on the Internal Control and Risk Management System" of the Board of Directors.

### Delegation of power and authority

Executive powers are conveyed to managers through general and/or special powers of attorney that convey powers commensurate with their management responsibilities. The related protocol in the 231 Model defines the guidelines that govern the awarding and revocation of powers of attorney.

### System of corporate operating procedures

In order to ensure that corporate directives are properly implemented and the risks entailed by the achievement of corporate objectives are minimised, Edison adopted a set of procedures that regulate internal processes, governing both activities that are carried out internally by each organisational entity and transactions with other entities.

### Strategic planning, management control and reporting

Edison has adopted a structured planning, management control and reporting system that it uses to define the Company's strategies and objectives and develop its budget and business plan.

### Ethics & Compliance

To fully achieve its mission, Edison has enacted a system of policies and procedures to ensure that all of its business activities are inspired by ethics and compliance. In this context and in line with the Group policy and best practices on Ethics and Compliance as of December 14, 2018, the figures of the Strategic Ethics & Compliance Officer and the Operational Ethics & Compliance Officer were introduced with the responsibility of promoting the guidelines and policies concerning business ethics and company compliance, and supervising the existing system of policies and regulations, encouraging their updating and dissemination within the Company, employee training on the relative content and the monitoring of their application.

As of 2021, as part of the redefinition of the general model for the integrated design and operation of the Ethics and Compliance processes, the two figures have been merged into a single entity - the Ethics & Compliance Officer, who also ensures the sharing of the aforementioned ethics and compliance guidelines and policies in the Audit and Ethics Committee and Comex. The role was assigned to the General Counsel who, for the management of issues concerning the operational implementation of the integrated compliance model, relies on the Ethics & Compliance Corporate Governance function, reporting directly to them.

### **Antitrust Code**

The Company has adopted an Anti-trust Code that sets forth rules of conduct that must be followed to comply with antitrust laws.

### **Health, Safety and the Environment**

Edison has adopted a system of procedures, organisational structures and skills to safeguard the fundamental principles to be followed for the health and safety of its employees, third-party companies operating for it and customers, for the quality of services and processes, operating in full respect of territories, the environment and ecosystems for the protection of biodiversity and habitats, and striving for continuous improvement of company performance at all levels. These procedures define how to identify, within the corporate organisational structure, the responsibilities, processes and resources for the implementation of the company's protection and prevention policy, in compliance with current environmental, energy, quality and health and safety regulations.

### **Human Resources**

In the area of human resources, Edison has adopted an official procedure to recruit and hire employees and to plan and manage employee training and uses a structured, multi-year system to plan for human resource needs. A process to evaluate the performance and professional potential and skills of executives, professionals and newly hired employees with college degrees and formal compensation policies that are defined on a systematic comparison with best practices and on market conditions are also in use.

Edison has been providing training about internal controls for a number of years. The objectives and content of these training programmes are described in a separate section of the Report on Operations, in the paragraph "Training and development", as well as in the NFD. with regard to the diversity policies applied to Edison employees, please refer to section "Diversity criteria and policies".

### **Data Protection**

Since May 2018, Edison's Board of Directors has adopted a New Privacy and Data Protection Management Model (**GDPR**), defining guidelines for the management of operational and compliance activities regarding personal data processing. To coordinate the methods for managing personal data processing and the full implementation of the new legislative context, the Board of Directors created the function of Data Protection Officer (**DPO**) at its meeting in May 2018, entrusting the Chief Executive Officer with the appointment of said person.

### **Information privacy, Cybersecurity and Business Continuity**

Virtually all of Edison's and its subsidiaries' corporate processes are supported by information systems developed with latest-generation technologies and management systems capable of supporting both the activities of the business areas and accounting and financial processes.

The use of these systems is governed by internal procedures that guarantee safety, privacy and correct use. In addition, availability (i.e., the possibility of accessing data when needed) is guaranteed by a highly redundant hardware and software architecture to avoid the single point of failure; privacy (i.e., the availability of data and information only to authorised users) is assured by a segregation of duties implemented in the systems by means of user profiles; security is guaranteed by a hardware and software infrastructure designed specifically with this requirement in mind, which is maintained on an ongoing basis and tested periodically. Since 2020, a project has been underway to transfer all applications 'hosted' since 2017 in the data centre in Noah (France), managed by EdF, to the Amazon Web System cloud. This project, which will ensure greater resilience of the information system and higher levels of availability, will be completed by 2023. Applications are highly integrated in order to minimise any instance of multiple data entries and automate process flows. A portion of the services is provided under outsourcing contracts with top suppliers who are IT industry leaders. These contracts cover all of the tools (periodic reporting, organisation of the service, SLA, penalties) to facilitate management and control by Edison.

#### **Accounting Control Model pursuant to Law No. 262/2005 concerning financial reporting**

Refer to the section of this Report entitled "Financial Statement Reporting and Risk Management and Internal Control System in Relation to the Financial Disclosure Process".

#### **Compliance with other laws and regulations**

The monitoring of the development of and adherence to laws and regulations is overseen by the Legal & Corporate Affairs Division for legal and corporate aspects and by the Institutional Affairs, Regulatory & Climate Change Division for regulatory aspects.

#### **Organisational model pursuant to Legislative Decree 231/2001**

In 2004, Edison and its main subsidiaries have adopted the 231 Model which was adopted following a detailed analysis of the Company's operations to identify activities with a risk potential. The 231 Model includes a series of general principles, rules of conduct, control tools, administrative procedures, training and information programs, and disciplinary systems that are designed to prevent, as much as possible, the occurrence of the above-mentioned crimes. It includes a general section that explains the Model's function and principles, as well as the content of Legislative Decree No. 231/2001 and other main reference statutes, and a section that represents its own core, concerning various procedural and content aspects: adoption, identification of at-risk activities, definition of protocols, characteristics and *modus operandi* of the 231 Oversight Board, information flows, training and information activities, the penalty system and 231 Model updates. The Model is completed by the annexes, which are an integral part of the 231 Model itself: 1) Code of Ethics, the contents of which are summarised below; 2) Protocol to monitor the risk profiles identified in each unit; and 3) Expense Regulations and Guidelines for the management and award of powers of attorney.

The 231 Model provides for the appointment of a 231 Oversight Board (**OB**), by the Board of Directors, consisting of two independent Directors and an external professional, the latter as Chairman. With regard to the activities carried out by the 231 Oversight Board in 2022, please refer to the paragraph "231 Oversight Board".

Even though the law now provides the option of attributing to the Board of Statutory Auditors the functions of the OB, Edison's Board of Directors did not find it appropriate to use this option, due to the special complexity of Edison's organisation and the specific competencies required to perform the tasks assigned to the OB.



Virtually all of the subsidiaries designated as the OB a member of their Board of Statutory Auditors, who, in the case of major subsidiaries, is supported by a qualified external consultant.

All members of the OB must in any case meet the requirements of autonomy, independence and professionalism laid down in the 231 Model and ensure continuity of action in their duties.

The Oversight Boards of Edison and its subsidiaries receive information flows on a regular basis (every six months) from the individuals responsible for the 231 Model's implementation (Unit Officers).

With regards to the activities carried out by the OB in the 2022, refer to section "231 Oversight Board".

The 231 Models of Edison and the subsidiaries are continuously updated in light of specific risk assessment activities in relation to the new types of crime introduced over time into the group of presumed crimes for 231/2001 purposes, as well as in light of organisational changes within the Group. An update to Edison's 231 Model, approved by the Board of Directors at its meeting of December 7, 2022, was carried out in the course of 2022, incorporating the legislative changes that took place between the end of 2021 and the early months of 2022. They relate, in particular, to fraud and counterfeiting of non-cash means of payment, market abuse offences (with the introduction of so-called "secondary insiders"), and offences against cultural and landscape heritage.

An update of the 231 Models of the subsidiaries, based on the work carried out by Edison, is in progress.

Edison's 231 Model is available on the website [www.edison.it](http://www.edison.it) in the Governance section and on the Company intranet.

Training programs about the 231 Model, the Code of Ethics and the Anti-corruption Guidelines continued again in 2022, also through multimedia on-line courses available on the company's e-learning platform, to guarantee sufficiently detailed knowledge of those documents. In particular, a new e-learning module dedicated to updating the 231 Model was made available in 2022, with a specific focus on the most recently introduced offences, and at the same time a reminder of some key concepts of the 231 system. For more details on the content and statistics of the training, please refer to the tables in the NFD.

### Code of Ethics

In September 2003, Edison approved a Code of Ethics that is consistent with best international practices. The Code, which defines the principles and values that are the foundation of corporate ethics and the corresponding rules of conduct and implementation procedures, has become an integral part of the 231 Model. The Code of Ethics, which has been approved by the Group's subsidiaries, is binding with regard to the conduct of all Group associates (Directors, employees and anyone who acts in the Company's name by virtue of special proxies or powers of attorney), i.e., anyone who, for any reason and irrespective of the nature of the contractual relationship, contributes to the achievement of the Company's purposes and objectives. A copy of the Code is provided to all employees and associates of the companies that adopted it. As already stated in previous Reports, the Code of Ethics has undergone periodic revisions and updates, the last of which took place in December 2022 with the insertion of a new section entitled "*Protection of the cultural heritage and landscape*", aimed at outlining Edison's commitment to safeguarding, protecting and preserving said heritage.

The Code of Ethics is available on the website [www.edison.it](http://www.edison.it) in the Governance section and on the Company intranet.

## Anti-corruption guidelines

In May 2015, Edison's Board of Directors, in view of the strategic choices made by the Company in recent years, which caused the Group to increase its activities outside Italy, and considering the efforts being made by national and international institutions to avert and prevent corruption crimes, adopted the "Anti-corruption Guidelines". These guidelines play a key role within the broader policy pursued by the Group to stress and further emphasise its firm position of absolute rejection and opposition for any type of corruptive conduct, also in the case of activities carried out in foreign countries. The compliance programme thus developed, which insofar as Italy is concerned complements the 231 Model, is aimed at providing all Edison employees and associates, as well as all those who contribute to the achievement of the Company's purposes and objectives, with a systematic framework of the existing principles and rules that must be complied with at all times to prevent the occurrence of corruptive episodes in the areas of operating activity deemed to be most at risk. The corporate governance bodies of Italian and foreign subsidiaries independently adopt the "Anti-corruption Guidelines" and promptly ensure their timely dissemination and implementation. The "Anti-Corruption Guidelines" have also been subject to periodic revisions and updates, the last of which took place in December 2022, to take into account certain changes to references, both regulatory and organisational, that have occurred in the meantime.

The Anti-Corruption Guidelines, as in general all documents related to Model 231, are available to Edison employees on the Company's website in the Governance section and on the Company intranet.

## Whistleblowing System

Edison provides employees, business partners, suppliers and other entities from outside the company organisation with the possibility of reporting, including anonymously, through various channels, including, from 2016, through a dedicated on-line platform, available on the Company's website and on the Company intranet.

The Whistleblowing Policy, published on the company website, governs the methods of sending, receiving, managing and processing the reports received, as well as the entities involved in the preliminary investigation activity, in respect of the protection of the whistleblower and the reported person.

The Whistleblowing Policy was most recently revised in 2018 to take account of the changes introduced by Law no. 179 of November 30, 2017 (*"Provisions for the protection of authors of reports of crimes or irregularities which they have become aware of as part of a public or private employment relationship"*) which, with reference to the private sector, made provision, through amendments to art. 6 of Legislative Decree no. 231 of 2001, for the protection of the employee or associate who reports illicit conduct or violations of the entity's organisation and management model, as well as the preparation (i) of one or more channels that allow reports to be sent, at least one of which is suitable to guarantee - using computerised methods - the confidentiality of the identity of the whistleblower in the management of the reporting and (ii) and disciplinary sanctions against those who violate the whistleblower protection measures. This Policy will be subject to further revision in accordance with the changes resulting from the recent approval, in December 2022, of the legislative decree implementing the EU Directive 2019/1937 (better known as the Whistleblowing Directive).

## Elements that characterise the Risk Management System

### Enterprise Risk Management (ERM)

With respect to risk management, Edison has developed an integrated risk management model in accordance with the international principles of Enterprise Risk Management (**ERM**), the Committee of Sponsoring Organisation (**COSO**) framework specifically, so that it has a systematic approach to identify the Company's priority risks, pre-emptively assess their potential negative effects and take appropriate actions to mitigate them. In 2021, the model was updated to be aligned with the new COSO, which considers not only short- to medium-term risk elements, but also long-term industrial and strategic targets, also ESG-related.

The risk mapping and risk scoring methodology that Edison has adopted assigns a relevance index to each risk based on an assessment of its overall impact, probability of occurrence and level of control, and Edison's Corporate Risk Model, on which this methodology is based and that has been developed in accordance with best industry and international practices, places within an integrated framework the different types of risks that characterize the business in which the Group operates:

- *risks related to the external environment*, depending on market conditions, the competitive environment within which the Group operates and changes in the political, legislative and regulatory framework;
- *operational risks*, related to business processes, structures and management systems, in particular with regard to production and marketing activities;
- *strategic risks*, which are related to the definition and implementation of the company's strategic guidelines.

More specifically, with the coordination of the Risk Office, the managers of the various company departments map and assess risks within their scope of activity through a risk self-assessment process, also with respect to the reference ESG profiles, and provide an initial indication of the mitigating actions associated with those risks.

The results of this process are then consolidated at the central level into a mapping system in which risks are prioritized based on the scores assigned to them and aggregated, so as to facilitate the coordination of mitigation plans within the framework of an integrated risk management approach. The ERM process is closely linked with the medium/long-term planning process with the aim of associating the Group's overall risk profile with the projected profitability resulting from the medium/long-term planning processes.

As part of the ERM process, increasing attention is paid to ESG risks, with a focus on environmental risks, including climate change risks, social risks, including human rights risks, and related mitigation actions. The process of integrating ESG risks within the corporate risk mapping has been strengthened and refined in recent years, also with regard to the best international reference standards. Consequently, these risks are becoming part of the risk mapping update process, allowing for its better identification and management.

The results produced by the ERM and risk self-assessment process are communicated at scheduled intervals at meetings of the Control and Risk Committee and the Board Directors and are used by the Internal Auditing Department as a source of information for the preparation of specific risk-based audit plans.

The updated risk mapping is normally submitted to the Board of Directors at the meeting in which it approves the budget for the following year. The Board, on the basis of this analysis, then defines the nature and level of risk compatible with the strategic objectives of the Company and the Group, including in its evaluations also those elements that may be relevant in view of their sustainability in the medium-long term.

The main risks and uncertainties affecting Edison and its subsidiaries are discussed in a separate chapter of the Report on Operations and in the notes to the consolidated financial statements, which should be referred to for the details, along with, in respect of risks relevant to ESG profiles, the NFD.

### Commodity Price Risk

The Edison Group is exposed to the risk of fluctuations in the prices of all of the energy commodities that it handles, which affect the Group both directly and indirectly through indexing mechanisms contained in pricing formulas.

In 2006, consistent with best industry practices, the Company, based on a favourable opinion by the Control and Risk Committee, approved an Energy Risk Policy that defines the objectives and guidelines of the Group's risk management policy with regard to Group commodity activities. These objectives concern minimising the uncertainties associated with the volatility of energy markets, reducing the variation in the Group's economic-financial results for subsequent years as a result of the volatility of energy commodity prices, stabilising the cash flows generated by the physical and contractual assets included in the Group's portfolio in order to ensure the achievement of long-term strategic objectives, and protecting the value of the assets in the portfolio.

With regard to the risk tied to fluctuations in the prices of the energy commodities it uses, the derivative products and the related foreign exchange risk, the Group adopted a governance structure that includes the following:

- (i) the approval of the Group's overall risk limits by Edison's Board of Directors, as well as the approval of the main risk mitigation strategies through a specific mandate to the Chief Executive Officer in order to keep market risk exposure within the approved limits;
- (ii) the establishment of a Managerial Risk Committee, comprised of the Chief Executive Officer, the Chief Financial Officer, the Risk Officer, and the Directors of the Operating Divisions responsible for managing the aforesaid risks, with the task of supervising, at least once a month, the levels of risk assumed with respect to the limits approved by the Board and proposing appropriate hedging strategies in the event that the approved limits are exceeded;
- (iii) separation of the organisation responsible for measuring and controlling risk exposure and defining risk- hedging strategies, which is centralised at Edison under the supervision of its Chief Financial Officer, from financial market transactions, centralised within the Gas & Power Portfolio Management & Optimisation Division for commodity transactions and at the Finance & Treasury Department for foreign currency transactions.

### Foreign Exchange Risk

The Group's operations in currencies other than the euro expose the Company to changes in exchange rates and require it to manage currency procurement policies as a strategic factor, thus making exchange rate risk an important component of Edison's economic management choices.

The guidelines concerning the governance and strategies to mitigate the foreign exchange risk generated by business activities are set forth in a specific policy, which describe the foreign exchange risk management objectives depending on the different nature of the risk in question.

The company adopts a centralized type of management model, through which the Parent Company is able to constantly safeguard the Group's economic and financial equilibrium by constantly monitoring exposures and implementing appropriate hedging and foreign exchange procurement strategies designed for risk mitigation purposes.

## Credit Risk

The activities performed by the Edison Group in the various businesses in which it operates, by their very nature, expose the company to credit risk.

Credit risk means the risk of loss or diminution in the value of the credit position due to the possibility that the counterparty will not fulfil its contractual obligations in the manner and/or on time or suffers a significant deterioration in creditworthiness.

To ensure that value creation is sustainable over the long term, the Edison Group has adopted strategies, governance tools and policies aimed at managing and controlling credit risk, with the main objective of ensuring that exposure to this risk does not compromise the Group's financial and development objectives.

As already reported in the previous Governance Reports, in relation to credit risk management, the Company has adopted a Credit Risk Policy, which was most recently updated in 2019.

For further details on risk management, please refer to the "Risks and Uncertainties" section of the Report on Operations.

## Financial Statement Reporting: Internal Control and Risk Management System in relation to the Financial Reporting Process

Financial reporting plays a pivotal role in establishing and consolidating solid and constructive relationships between the company and its stakeholders, making a significant contribution, together with business performances, to the creation of value for shareholders.

Edison, being aware of the significance of financial reporting, developed an internal control system aimed at ensuring the credibility, accuracy, reliability and timeliness of financial information, with respect both to internal entities and the market.

In order to foster efficient coordination and exchange of information between the Parent Company and the subsidiaries and ensure the correct construction of the separate and consolidated financial statements, the Group adopted, and constantly updates an adequate set of rules and documents. Specifically, this set of rules includes the Group's accounting principles, administrative and accounting procedures, guidelines, the fast closing procedure, operating instructions, accounting manuals and accounts plan and, in addition, a financial reporting control system based on the provisions of law 262.

## The Corporate Accounting Documents Officer

Because Edison is an Italian company with savings shares traded on an Italian regulated market, it is required to appoint a Corporate Accounting Documents Officer (**Documents Officer**), who, pursuant to law, has specific attributions, responsibilities and certification and declaration obligations. Pursuant to the By-laws, the Documents Officer must be selected by the Board of Directors, based on a prior opinion from the Board of Statutory Auditors, as per mandatory requirements, among executives with proven multi-year experience in the fields of administration, finance and/or control at companies listed on regulated markets. On October 26, 2012, the Board of Directors decided to entrust this assignment jointly to the Accounting & Tax Manager (Roberto Buccelli) and to the Chief Financial Officer (Ronany Lory, succeeded starting April 01, 2022 to Didier Calvez). The Board of Statutory Auditors rendered a favourable opinion with regard to these appointments. The Chief Executive Officer, being duly authorised by the Board of Directors, provided each one of the above-mentioned parties with all necessary

operating authority, as well as an adequate budget and a consistent organisational structure. The respective compensation packages were defined consistent with the compensation policies for Group managers, taking into account the general guidelines reviewed by the Compensation Committee. More specifically, the incentive mechanisms for these managers are consistent with the tasks entrusted to them.

In accordance with statutory requirements, the Documents Officers are responsible for the internal control system insofar as it applies to financial reporting. Consequently, they define the administrative and accounting procedures needed to ensure that adequate controls are applied in the preparation of periodic financial reports and any other financial communication and, in a special report annexed to the statutory financial statements, the semi-annual financial statements and the consolidated financial statements, certify, together with the Chief Executive Officer, that the above-mentioned procedures were effectively applied.

### Accounting Control Model pursuant to Law No. 262/2005

The guidelines that must be followed within the Edison Group in terms of the obligations entailed by art. 154-*bis* of the TUF with regard to the preparation of corporate accounting documents and the corresponding certification requirements are defined in the Model pursuant to Law No. 262/2005 (**262 Model**).

Indeed, following the enactment of Law No. 262/2005 on the protection of investments, Edison upgraded, when appropriate, the accounting procedures it uses to prepare financial disclosures and defined the governance rules for the 262 Accounting Control Model it developed, as well as the rules to manage on an ongoing basis regular audits and certifications of the adequacy and effective operation of the 262 Model it developed and assigned responsibilities within its organisation.

In particular, the 262 Model, through its own “Accounting Control Model Regulation,”:

- defines the roles and responsibilities of the Organizational Units involved for various reasons. Specifically, on mandate of the Documents Officers, the Compliance Accounting & Tax Function of the Accounting & Tax Department is responsible for deploying and concretely implementing, the activities needed to guarantee the effectiveness of the accounting control system;
- defines the operating methods that should be used to carry out the activities to comply with the abovementioned statutory requirements;
- provides support to the Documents Officers and the Chief Executive Officer in the issuance of the attestations and declarations required pursuant to law by requiring that the managers of the Company's Operating Units and the CEOs/Chairmen of companies that do not fall within purview of Edison's oversight and control use the relevant internal communication process to provide an internal attestation of the completeness of the information and that the accounting control system established pursuant to Law No. 262/2005 is functioning effectively;
- assigns testing activities to the Internal Auditing Department;
- formally identifies specific managers of Divisions/ Departments/Business Units/Functions and specific operational officials who serve as “focal points”, in order to effectively implement the above.

More specifically, the internal accounting control system outlined in the Edison 262 Model rests on the following characterising elements:

- a body of corporate procedures governing the preparation and disclosure of financial information including, but not limited to, the Group Accounting Manual, a procedure for the preparation of period reports called “fast-closing” procedure (inspired by best international



practices, which is updated monthly and defines in detail the roles and responsibilities of company Divisions/Departments, the support systems, the reporting details and the process deadlines), operating financial statement instructions, reporting procedures, accounting calendars, etc.;

- a process carried out under the supervision of the Documents Officers and in concert with the Chief Executive Officer to map the main risks related to accounting information and the key controls to monitor the identified risks (administrative/accounting risk assessment). The risk assessment process is performed every year;
- for each relevant area/accounting information, the formalization of accounting processes and flows that are deemed critical and related control activities through special control matrices that describe for each process (or accounting flow) that has been identified as critical and/or sensitive the standard control activities (key controls) and the relevant operating unit officers responsible for implementing the 262 Model. These controls are validated and, if necessary, updated on a quarterly basis;
- designation of a specific company function, identified as the Compliance Accounting & Tax Function of the Accounting & Tax Department, responsible, with the support of the organisational units, for reviewing and updating on a regular basis the body of Group accounting procedures;
- a process involving activities to assess periodically the adequacy and actual implementation of the 262 Model and the identified key controls. The assessment is broken down into two levels: a) self- assessment by the organisational units, carried out by each organisational unit officer with regard to the processes/flows under his jurisdiction; b) independent assessment performed, through testing, by the Internal Auditing Department. The audit plan is reviewed by the Control and Risk Committee and approved by the Board of Directors;
- a process of documentation and internal communication, carried out by managers of company Divisions/Departments/Business Units/Functions and by the Chief Executive Officers/Chairmen of the companies that do not fall within the scope of Edison's oversight and control or of companies that adopt specific accounting procedures;
- a process to provide the market with a formal attestation that the accounting control system pursuant to Law No. 262/2005 is functioning correctly.

Model 262 is subject to systematic updating and adjustment. In particular, it is structured to take account of changes in the scope of companies, businesses and significant organizational changes. Furthermore, since 2017 it has been closely correlated with the Group Tax Control Framework (TCF), a tool for managing tax risk management activities, and for controlling tax risk.

In the last months of 2022, the Framework 262 update project was launched, in order to incorporate the innovations deriving from the organizational evolution of the Finance Division, which, as substantial changes, saw the integration of the Finance Operations organizational unit into the Accounting & Tax Department and the creation of four Business Finance Departments within the Divisions (which report jointly to the Divisional Director and the CFO):

- Power assets;
- Gas & Power Portfolio Management & Optimization Division and Gas Assets;
- Gas & Power Market;
- Energy & Environmental Services Market.

In summary, the new Business Finance Departments are entrusted with the following responsibilities:

- planning and control, performance analysis and economic-financial and management reporting of the Division;
- investment evaluation and control at Division level;
- support to the Division's business units for economic-financial and risk assessments in the phase of: binding commercial offers, participation in tenders and extraordinary transactions;
- first level assessment of the economic value of exposure to commodity risks.

This structure, together with the control system, allows for greater effectiveness and pervasiveness of the Group's financial reporting control system.

### **Tax Control Framework**

Edison has a Tax Policy which sets out the basic principles and guidelines of its tax strategy and is a means of dissemination, with the aim of ensuring the correct and timely compliance with tax obligations and more generally the compliance with tax regulations, and to ensure the correct and efficient management of the Group's taxation system. To this end, the Group has adopted and implemented a Tax Control Framework (**TCF**) which is part of the broader Internal Control and Risk Management System, consisting of a system for detecting, managing and monitoring tax risks in relation to the activities falling within the processes managed by the various business areas. The Tax Control Framework, developed in synergy and integration with the pre-existing Model 262, is based on the following key features:

- a process for identifying the main tax risks potentially applicable to company processes (risk assessment);
- a body of corporate regulations relating to the management of tax-relevant processes and a set of Risk & Control Matrices which describe the tax risks potentially applicable to corporate processes and the existing control mechanisms to mitigate the risk. These controls are validated and, if necessary, updated on a quarterly basis;
- a system of information flows between Edison's Accounting & Tax Department and the Group's Organizational Units;
- a process of periodic assessment of the adequacy and effective application of the identified TCF controls. In line with the monitoring process carried out as part of the 262 Model, also for the TCF the assessment is divided into two levels: a) self-assessment of the organizational units, conducted by the manager of each organizational unit in relation to the processes and flows of competence; b) independent evaluation, ensured by carrying out tests by the Internal Audit Department.

It should also be noted that at the end of December 2022, Edison submitted to the Revenue Agency the request to adhere to the Collaborative Compliance regime pursuant to the provisions of Legislative Decree No. 128/2015, as authorised by the Board of Directors during the same month of December. Admission to the scheme will take place following a review by the Agency of the adequacy and compliance with the required standards of the Tax Control Framework system adopted and implemented and will develop over the coming months.

The scheme allows, on the one hand, for the recognition of adequate tax risk management in the Company and, on the other hand, for the establishment of a prior collaboration between the tax authorities and the taxpayer with the aim of creating mutual relations based on transparency, cooperation and responsibility, reducing the areas of interpretative uncertainty and the consequent risk of disputes and possible litigation.

### **Testing of the 262 Model and TCF**

The Internal Auditing Department, supporting the CFO and the Accounting & Tax Department, has the duty of assessing, through testing activities, the effectiveness and effective application of the 262 Model and the TCF model.

## Non-Financial Disclosure: Internal Control and Risk Management System in relation to the Non-Financial Reporting Process

As of 2022, Edison has adopted a reporting procedure to define rules to implement a process for drafting the Non-Financial Disclosure that guarantees its completeness, correctness and transparency, as well as consistency with GRI (Global Reporting Initiative) regulations and standards, which are a reference standard for sustainability reporting. The pivotal element of the procedure is a structured process of gathering information and data, subject to validation, through a declaration of conformity, by the relevant divisions and functions; it follows a punctual system of responsibilities that characterise the process itself, and the related timing.

The declaration of conformity responds to logic similar to that underlying the declaration of conformity used in the context of the processes provided for by Law 262 to certify the effective application of administrative and accounting procedures underlying the preparation of financial statements, and aimed at ensuring the completeness and reliability of information flows.

The procedure is an essential component of Edison's Internal Control and Risk Management System, as well as of the overall 231 offence prevention system.

Refer to the NFD for more details.

## Parties involved

### Board of Directors

#### Definition of the Guidelines of the Internal Control and Risk Management System

For several years, the Board of Directors, working with the support of the Control and Risk Committee, has defined the guidelines of the Internal Control System, which in 2013 were updated, integrating them with the risk management guidelines, which the Company has been following for some time, adopting conduct consistent with them.

With regard to risk management, as of 2016, the Board of Directors analytically examines, on the basis of the same documentation made available to the Control and Risk Committee, the analyses conducted, and the results achieved regarding the monitoring and management of risks. This is to ensure, on the one hand, a better implementation of the principle established on the matter in the CG Code and, on the other hand, compliance with the indications contained in Consob communication no. 0009517 of February 3, 2016, which called for the active involvement of the Board of Directors in the processes of managing, monitoring and controlling the risks arising from derivative transactions, and for greater attention by the control body to the adequacy of the Company's organisational structure to comply with EMIR rules. As in the past, the Control and Risk Committee in any event continues to carry out a preventive investigative activity, providing its assessments and recommendations to the Board of Directors.

With respect to 2022, the Board of Directors discussed and approved the updated risk map during the approval of the 2022 budget and shared the updated risk profile, specifically with regard to the Group's main risks: i.e., i) market risks; ii) counterparty risk; iii) risks inherent in the use of financial derivatives; and iv) EMIR compliance risks and the relative mitigating actions.

With regard to 2023, the Board of Directors shared and approved the updated risk map, which was classified and grouped into (i) market, (ii) societal and sustainability, (iii) policy, legislation and regulation, (iv) process and compliance, and (v) ESG related risks, as well as the evolution of the risk profile, and mitigation actions when approving the 2023 budget.

As explained in greater detail in the section “Internal Control and Risk Management Systems - Control and Risk Committee” and provided for by the Energy Risk Policy, in relation to the Group's exposure to the risk of fluctuations in the prices and volumes of energy commodities traded, as well as the exchange rate risk related to the currencies used by the Group, the Board adopts, for the following year, specific risk limits in terms of Economic Capital for the industrial portfolio related to the Group's assets and contracts. Together with this, the Board of Directors identifies the principles and defines the main hedging strategies for commodity risk and related exchange rate risk for the following financial years, approving specific risk mandates.

With respect to 2022, the decision regarding the maximum limit of Economic Capital for the Industrial Portfolio was approved during the Board of Directors meeting on December 07, 2021 and, relating to 2023, during the meeting on December 07, 2022.

As for risk mandates, considering rising prices and increased market volatility and the programme to review the commodity risk management process, the Board of Directors of December 07, 2022 decided to adopt temporary risk mandates for the beginning of 2023, based on the same structure as the existing mandates.

The subsequent Board of Directors meeting of February 15, 2023 then adopted the final mandates for the current financial year.

At the same meeting, the Board of Directors adopted a new Energy Risk Policy and a new Foreign Exchange Risk Policy.

The Board of Directors then annually approves the Audit Plan and any updates during the year, prepared by the Manager of the Internal Auditing Department, after consulting the Board of Statutory Auditors and the Chief Executive Officer and with the favourable opinion of the Control and Risk Committee. With respect to 2022, approvals were provided at the December 21, 2021 and July 26, 2022 meetings; with respect to 2023 at the December 07, 2022 meeting.

### **Chief Executive Officer and Director Responsible for overseeing the functioning of the Internal Control and Risk Management System**

As mentioned above, the Board of Directors entrusted to the Chief Executive Officer responsibility for overseeing the functioning of the Internal Control and Risk Management System. The tasks assigned to it, formally established by the Board of Directors when it adopted the Guidelines of Operation, and as supplemented during the meeting held on February 15, 2023, are as follows:

- a) implementing the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the Internal Control and Risk Management System (including the maintenance and updating of the 262 Model), and its adaptation to the trends of the operating conditions and the legislative and regulatory landscape, as well as constantly verifying its adequacy and effectiveness;
- b) ensuring that the main business risks faced by the Company and the Group, including ESG risks, are identified, including through the ERM process, taking into account the characteristics of the activities carried out by Edison and its subsidiaries, and submitting them periodically to the Board of Directors for review;
- c) proposing to the Board of Directors initiatives aimed at adapting and strengthening the Internal Control and Risk Management System;
- d) proposing the long-term Sustainability objectives and the Sustainability Plan to the Board of Directors, giving them implementation and monitoring it; adopting and disseminating the Sustainability Policy;
- e) promoting dialogue and engagement with relevant stakeholders for the Company;

- f) reporting to the Control and Risk Committee on problems and critical issues that have emerged when performing its activities or of which it has become aware, communicating and/or proposing the adoption of appropriate initiatives;
- g) asking the Internal Auditing Function to carry out audits on specific operating areas or on compliance with internal rules and procedures in the execution of corporate transactions, as well as to carry out specific audits, periodically notifying the Board of Directors, the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- h) ensuring the effective application of the Code of Ethics, the 231 Model and the Anti-Corruption Guidelines;
- i) defining the Privacy Model on the basis of the guidelines defined by the Board of Directors and handling its application and updating, as well as appointing the Data Protection Officer.

The CEO duly performed the tasks listed above in 2022 as well.

In particular, due to the changes originated in both the international and Italian context of the Russia-Ukraine crisis and the related repercussions on the energy and energy supply markets, during 2022 the Chief Executive Officer, with the support of the Chief Financial Officer and the Risk Officer, deemed it appropriate to provide a systematic update to the Board of Directors on the effects of these events on the Company's and Group's activities at all board meetings held during the year, starting from March 2022.

### **Control and Risk Committee**

Please see the section of this Report "Attributions and Operation" of the Control and Risk Committee for information about the jurisdiction and activities of this Committee.

### **231 Oversight Board**

Edison's current OB was appointed by the Board of Directors on March 31, 2022 and is made up of an external professional (Pietro Manzonetto), with the role of Chairman, and two independent Directors (Paolo Di Benedetto and Angela Gamba), in office until the end of their term of office as Directors, and therefore until the Shareholders' Meeting called to approve the 2024 financial statements.

The composition is unchanged from that of the previous OB since Angela Gamba succeeded the resigning Director Nathalie Tocci, who was initially a member of the body in the previous three-year period, on 28 April 2020.

On May 03, 2022, the Board of Directors, acting upon a recommendation by the Compensation Committee, confirmed for the members of the OB the same compensation amounts as in the previous mandate and confirmed the decision of awarding to the Chairman, who is not a Director, a higher compensation than the other two members.

The OB has an annual budget of 250,000 euros for the performance of its duties.

The OB met four times in 2022 and held another joint meeting with the Oversight Boards of the Subsidiaries, and a meeting in 2023. At those meetings, it primarily reviewed the findings of audit engagements, the information flows it received from the Unit Officers and the 231 training and compliance activities, as well as the other ethics & compliance initiatives undertaken, and received information on the progress made in updating the 231 Model of Edison and the subsidiaries.

The OB was also constantly informed of the provisions gradually assumed by the Group Crisis Committee set up in 2020 by Edison for the purposes of containing the COVID-19 epidemic. The OB also reported every six months to the Board of Directors on the 231 Model's adequacy and actual functioning, submitting a special report.

In 2022, the attendance of members at meetings was total (with the sole exception of the collegiate meeting, which was not attended by a member). The average length of each meeting was about one hour and fifteen minutes. The Chairman of the Board of Statutory Auditors also always attended the meetings.

### Internal Auditing Department

The Internal Auditing Department, established in May 2003, is responsible for performing internal audits, with the goal of assisting the Board of Directors, the Control and Risk Committee and the Company's management in the pursuit of a correct functioning of the internal control and risk management system, protecting and increasing the value of the organisation, providing objective, risk-based assurance, consulting and expertise, and thus facilitating the achievement of the Company's objectives. In February 2004, acting upon a proposal by the Chief Executive Officer, the Board of Directors assigned to the manager of the Internal Auditing Department the task of assessing the adequacy, functioning, effectiveness and consistency with the guidelines defined by the Board of Directors of the Internal Control and Risk Management System.

In particular, the role of Internal Auditing is to perform an activity aimed at assessing, with reasonable certainty, the proper functioning of the internal control system, which includes both line controls (performed by the individual operating units on the processes for which they have management responsibility) aimed at ensuring the proper performance of operations and reducing risks to levels acceptable to the organisation, and the various monitoring activities (performed by the heads of each process) aimed at verifying the proper performance of the underlying activities on the basis of hierarchical controls.

With regard to the architecture of the Risk Management processes, the Internal Audit Department assesses the correct and complete application of the defined processes and sub-processes and the related operational procedures.

Hierarchically, since March 2013 the Internal Auditing Department, which does not perform any operational function, reports directly to the Board of Directors (and to its Chairman for the full Board), which assigned to the General Counsel the task of providing operational coordination for the activities of the Department and its manager, serving as liaison between the above-mentioned Department and the Board of Directors, the Board of Statutory Auditors and the 231 Oversight Board.

The Board of Directors then delegated to the Chief Executive Officer, in his capacity as the Director responsible for the Internal Control and Risk Management System, responsibility for ensuring that the Department is provided with the resources needed to discharge its duties and for defining the compensation of the Department's manager, determined in a manner consistent with the Group's management compensation policies, in accordance with general guidelines reviewed by the Compensation Committee. The current manager, Paolo Colapenna, was appointed on July 29, 2013 upon a recommendation by the Chief Executive Officer, in his capacity as the Director responsible for the Internal Control and Risk Management System, with a favourable opinion provided by the then Control and Risk Committee and the input of the Board of Statutory Auditors. The compensation, which, as mentioned above, was defined by the Chief Executive Officer at the request of the Board of Directors, and, more specifically, the incentive package for this manager are consistent with the tasks assigned to him.

The Department operates on the basis of a mandate approved by the Board of Directors. The mandate was last updated at the end of 2019.

Under this mandate, again in 2022 a Department work plan was prepared, defined using risk-based methods to identify the initiatives that should be implemented, and specify the necessary resources, based on information derived from the following sources: Group's medium-term



plan/budget; Risk Assessment - Enterprise Risk Management (ERM); mapping of operating risks of the Business Divisions; 262 and 231 compliance; Tax Control Framework; recommendations from management; reports by the Chief Executive Officer and the Chairman of the Control and Risk Committee; control self-assessment activities; assessments by the Internal Auditing Department; results of previous audits; Independent Auditors. The Plan, with the relative updates during the year, was then submitted to the Control and Risk Committee and approved by the Board of Directors, as specified in the sub-section "Parties involved - Board of Directors". Activities included monitoring the actual implementation of the recommendations that resulted from audit engagements (follow-up).

In the course of 2022, the Department reported on a quarterly basis to the Control and Risk Committee and the Board of Statutory Auditors, which systematically participates in those meetings, about the results of its audit activities and supported the committee in performing audits and assessments of the Internal Control and Risk Management System.

Also every quarter, the Department also reported to the Board of Statutory Auditors during its meetings with regard to the work performed and its assessments of the Internal Control and Risk Management System. On those occasions, the Board of Statutory Auditors was systematically informed of the results of audits performed, specifically with regard to any issues uncovered and the corresponding improvement actions agreed upon with management.

The Internal Auditing Department operates in accordance with the international standards for the internal auditing profession (IPPF); this quality certification (Quality Assessment Review), achieved since 2009, was renewed in 2018 for another five years further to a review by an external, independent certifier.

In 2022, the Department's Work Plan, which concerned, *inter alia*, as in previous years, the reliability of the IT systems including the accounting and reporting systems, was completed as expected.

The manager of the Internal Auditing Department has direct access to all information useful for discharging the assigned tasks. Moreover, owing in part to the fact that the manager attends the meetings of the Control and Risk Committee and the 231 Oversight Board, of which he/she is the Secretary, he/she receives and assesses any additional information and assists the Control and Risk Committee in assessing the Internal Control and Risk Management System.

### **Other Parties Involved within the Company**

In 2022, as already mentioned in paragraph "Accounting Control Model pursuant to Law No. 262/2005", an overall review of the organisational model for commodity risk control and management was launched, which provided, in particular, for the creation in the Business Divisions of decentralised first-level risk control organisational units that operate with the responsibility of: supporting the individual Division in identifying the risks to which it is exposed and in proposing and updating the relative risk mandates in accordance with company policies, ensuring compliance with risk mandates, measuring the Division's own market risk level and feeding the relative reporting to the Corporate Risk Control structure (second level risk control).

The Corporate Risk Control structure is headed by the Risk Officer, who reports to the Chief Financial Officer. It ensures the general coordination of the risk control and management process and is specifically responsible for: defining, updating and proposing for approval to the competent bodies the Risk Management Policy, monitoring overall exposure to market risks and compliance with risk mandates, monitoring and assessing the Profit at Risk on the Edison Group's overall portfolio.

The Risk Officer also provides management with support in defining the overall risk strategy and policies and in analysing, identifying, evaluating and managing risk and defining and managing the corresponding control and reporting system.

In 2022, the Risk Officer systematically reported on the relative risk management activities to the Control and Risk Committee, the Board of Statutory Auditors and, through the Chief Financial Officer, the Board of Directors.

The managers in charge of each Business Unit, Department or Division are responsible for designing and managing the internal control system for the operations under their jurisdiction and for monitoring that the system is operating effectively, in accordance with the framework defined by the Board of Directors and the instructions provided to implement those guidelines. The activity has been integrated into the processes deployed to identify, monitor and manage risks, as explained in the Enterprise Risk Management section. All employees, each within the scope of his or her responsibilities, must contribute to ensuring that the Internal Control and Risk Management System is operating effectively.

With regard to the Corporate Accounting Documents Officer, reference should be made to the relative "Corporate Accounting Documents Officer" section.

### **Board of Statutory Auditors**

Pursuant to law, the Board of Statutory Auditors monitors the effectiveness of the Company's organisation, of the system of internal control and of the administrative and accounting system, as stated in the report submitted by the Board of Statutory Auditors to the Shareholders' Meeting, which should be consulted for additional details. A comment about the flow of information between the Board of Statutory Auditors and the other governance entities is provided in the sections of this Report entitled "Rules of Operation of the Board of Statutory Auditors" and "Control and Risk Committee."

### **Independent Auditors**

As part of the Independent Auditors' efforts to obtain, as a basis for its opinion, reasonable certainty about whether the financial statements and consolidated financial statements taken as a whole are free of material misstatement, the auditors consider the internal control relating to the preparation of the separate and consolidated financial statements in order to identify the types of potential errors and factors affecting the risks of material misstatement, and determine the nature, timing and extent of any resulting procedures. Therefore, the auditors' understanding of the internal control system relates only to the part related to the preparation of the financial statements, and is not acquired for the purpose of expressing an opinion on the effectiveness of internal control, either its components or as a whole.

### **Overall Assessment of the Adequacy and Effectiveness of the Internal Control and Risk Management System**

In 2022, the Board of Directors, based on the information and the evidence collected with the support of the investigative work performed by the Control and Risk Committee and the contribution provided by management and the manager of the Internal Auditing Department in the manner described in the sections above, performed an overall assessment of the adequacy and effectiveness of the Internal Control and Risk Management System and, determined that, overall, the existing Internal Control and Risk Management System allows, with reasonable certainty, an adequate management of the mapped risks and, at the same time, contributes to improving the management of the Company as a whole.

In this regard, it is important to point out that this assessment, insofar as it refers to the Internal Control and Risk Management System in its entirety, reflects the limitations inherent in such a system. Specifically, even a well-conceived and functioning Internal Control and Risk Management System can guarantee only with “reasonable certainty” an adequate management of the main mapped risks.

The assessment, which covered both Edison and all of its subsidiaries, was carried out at the meetings held on February 16, 2022 and July 26, 2022, and at the start of 2023, at the meeting on February 15, 2023.

## Control and Risk Committee

### Attributions and Operation

The Control and Risk Committee is made up of three non-executive Directors, the majority of whom are independent, and who collectively possess adequate expertise in the areas of activity in which Edison operates, in order to assess the relative risks, and, on the part of at least one member, adequate knowledge and experience in accounting and finance or risk management.

The Chairman is appointed by the Board of Directors; otherwise, he is appointed by the committee itself. In any event, the Chairman is chosen from amongst the independent Directors who are members of the committee.

The Control and Risk 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 profiles, and periodic financial and non-financial reporting.

During 2021, when the Board of Directors adopted the Guidelines of Operation, it reformulated the Committee's functions and attributions to comply with the recommendations set forth in the CG Code, as specified below. In addition, as already mentioned in the section “Rules of Operation of the Board Committees”, as of February 2023, with the favourable opinion of the Control and Risk Committee, the competences on ESG matters were articulated in greater detail, and the name of the Committee was changed to the Control, Risk and Sustainability Committee.

In terms of the Internal Control and Risk Management System, it carries out the following activities:

- a) supporting the Board of Directors in defining the system guidelines;
- b) examining and assessing the main risks, including ESG and climate risks, based on the ERM process, as well as the relative action plans aimed at mitigating them and, particularly with reference to the financial risks connected with commodities trading, the relative limits under the scope of the risk mandates;
- c) supporting the Board of Directors in the review and assessment of the adequacy, effective operation and effectiveness of the Internal Control and Risk Management System of the Company and the Group with respect to the characteristics of the Company and the Group and the risk profile assumed, relying on the contribution of the Manager of the Internal Auditing Function;
- d) at the request of the Board of Directors or the Chief Executive Officer, providing opinions concerning specific aspects of the internal control system and the mapping and management of the main risks, including ESG ones;
- e) supporting, with adequate investigative activity, the assessment and decisions of the Board of Directors regarding the management of risks deriving from prejudicial events of which it has become aware;

- f) proposing and/or assessing the appropriate initiatives with regard to any problems and critical issues that emerge in the context of the activities carried out by the Chief Executive Officer or of which he/she has become aware;
- g) examining and assessing the Audit plan, after analysing the basic hypotheses, the formation criteria and the activity commitments envisaged for the Audit plan itself, with the power to request the Internal Audit Function to carry out audits on specific operational areas, notifying the Chief Executive Officer and/or the Chairman of the Board of Directors, as well as the Chairman of the Board of Statutory Auditors;
- h) reviewing the periodic reports of the Manager of the Internal Auditing Function and the main results of the audits performed;
- i) reviewing and evaluating the progress status of the Audit plan, its major findings, the relative action plans and the follow-up process;
- j) monitoring the independence, adequacy, effectiveness and efficiency of the Internal Auditing Function;
- k) expressing an opinion on the appointment and removal of the Manager of the Internal Auditing Function and on the adequacy of the financial resources assigned for the performance of the relative duties;
- l) examining and assessing the guidelines and methods for evaluating the internal control system, as well as the specific procedure governing information flows and the relative self-assessment activities.

With regard to financial reporting, it supports the Board of Directors by carrying out the following activities, also on the basis of the information regularly provided by the Corporate Accounting Documents Officer and the Independent Auditors:

- a) assessing the suitability of periodic financial information to fairly represent the Company's business model, strategies, the impact of its activities and its performance;
- b) examining and assessing, together with the Corporate Accounting Documents Officer and having consulted the Independent Auditors and the Board of Statutory Auditors, the proper use of the accounting standards and their uniformity for the purpose of drawing up the interim and annual consolidated financial reports as well as the Company's separate financial statements; verifying their adequacy with regard to the activities carried out by the Company and the Group and examining any changes and their impact on the financial statements;
- c) examining and assessing the process of preparing the financial statements and financial reporting; in particular, changes in the scope of consolidation and their effect on the financial statements;
- d) examining and assessing the accounting of major corporate transactions particularly with reference to their effects on the financial statements;
- e) examining and evaluating specific accounting transactions or more complex or non-recurring transactions, as well as transactions that incorporate significant estimates, particularly with reference to the impairment of goodwill.

In the area of non-financial reporting, it supports the Board of Directors by performing the following activities:

- a) assessing the suitability of periodic non-financial reporting to correctly represent the Company's business model, strategies, the impact of its activities and its performance;
- b) reviewing the content of periodic non-financial reporting relevant for the purposes of the Internal Control and Risk Management System;
- c) supervising sustainability topics related to the company's business operations and its dynamics of interaction with all stakeholders, in particular by examining in advance the Sustainability Plan prepared by the CEO, assessing the process of Materiality Analysis related to sustainability issues to be taken as reference when drafting the NFD, as well as the adequacy of the sustainability governance.

Overall:

- a) reporting to the Board of Directors at least semi-annually, when the annual and semi-annual financial reports are approved, on the work it performed and on the effectiveness of the Company's Internal Control and Risk Management System;
- b) reviewing and assessing the regulatory compliance models developed and any updates;
- c) carrying out all other tasks assigned to it by the Board of Directors.

Committee meetings are validly convened when a majority of its members are present. Resolutions are adopted with an absolute majority of the votes.

At the Committee Chairman's invitation, committee meetings are attended on a regular basis by the Chairman of the Board of Statutory Auditors or other Statutory Auditors, so as to ensure the delivery to this entity of the flow of information and reporting recommended by the CG Code, as well as the Independent Auditors. The following parties are also regularly invited and therefore attend committee meetings for their entire duration: the Chief Financial Officer, also in his capacity as the Corporate Accounting Documents Officer, the General Counsel, the Secretary to the Board of Directors, the Risk Officer and the manager of Accounting & Tax, also in his capacity as the Corporate Accounting Documents Officer. In any event, other Directors, experts, and, after informing the Chief Executive Officer, managers and employees, may be invited to attend by the Committee Chairman from time to time, in a merely advisory capacity.

The Independent Auditors reports to the Control and Risk Committee at least twice a year on the activities carried out and the results of the audit process with respect to the semi-annual and annual financial reports.

In performing its functions, the Control and Risk Committee has the possibility of accessing the information necessary for the performance of its duties and relying on the competent company departments. Even though the Board of Directors did not approve a specific budget, the committee is provided on an ongoing basis with the financial resources it needs to perform the tasks assigned to it.

The Internal Auditing Department provides the committee with support in organising its activities. The Manager of the Department is the Committee Secretary and is responsible, among other things, for systematically taking minutes at its meetings. The Committee is required to meet at least four times a year.

The Committee Chairman coordinates the work of the committee and at the first Board meeting held after each committee meeting, communicates to the Board of the Directors the resolutions adopted, which may take the form of a proposal to the Board with regard to issues within its jurisdiction. The Committee Chairman also provides the Chairman of the Board of Directors and/or the Chief Executive Officer with recommendations about items that should be included in the agenda of Board meetings.

The Committee Chairman, with the support of the Secretary, ensures that the documentation on the items on the agenda contains adequate and complete information on the issues to be discussed and is sent at least two days before the date of the meeting.

In its assessment of the overall adequacy of the Internal Control and Risk Management System, the Committee refers to the principles set out in the document "Guidelines for the Internal Control and Risk Management System" (approved by the Board of Directors in December 2013), which also governs the process for preparing the report and its presentation to the Board of Directors.

## Appointment and activities in 2022

The current Control and Risk Committee was appointed by the Board of Directors on March 31, 2022, upon proposal of the Chairman, after the election, on the same date, by the Shareholders' Meeting of the new Board of Directors, and its term of office will end at the natural end of the term of office of the Directors sitting on the committee, and therefore with the Shareholders' Meeting called upon to approve the 2024 financial statements.

It currently consists of three non-executive Directors, two of whom are independent: Fabio Gallia (independent with the role of Chairman), Paolo Di Benedetto (independent) and Béatrice Bigois (who succeeded Xavier Girre, following his renunciation, as of March 30, 2021).

The composition of the Committee in office complies with the CG Code's requirement that it be composed of only non-executive Directors, the majority of whom are independent, and that it be chaired by an independent Director other than the Chairman of the Board of Directors.

The Board considered, having taken into account the experience of the members who were appointed, that the Committee as a whole has adequate expertise in the business sectors in which Edison operates, functional to assess the relative risks, and that the recommendation that at least one of the members have adequate experience in accounting and finance or risk management was also observed. In this regard, reference should be made to the curricula of the Directors concerned, attached to this Report.

The Committee met six times in 2022 and once since the beginning of 2023. On those occasions it engaged in the following activities:

- examined the statutory and consolidated financial statements for 2021 and 2022, the 2022 semiannual financial report and the interim reports on operations for the first and third quarters of 2022, as well as the findings developed through the audits of the annual financial statements and semiannual report and, with the input of the Independent Auditors and Board of Statutory Auditors, the correct use of the accounting standards and their consistent application to prepare the consolidated financial statements;
- reviewed the 2023 budget forecast data and the Medium-Term Plan, limited to risk profiles and financial issues;
- reviewed the updated map of the main risks, assessing the trend of the risk profiles associated with the business activities in relation to the risk mandates for 2023 and rendered a favourable opinion about the risk limits set for 2023;
- reviewed the periodic reports on the assessment of the Internal Control and Risk Management System and the results of the self-assessment process of this system, and on the merit the results of all of the audits performed in 2022, assessing the completion progress and analysing particularly significant findings;
- shared the updated risk profile specifically with regard to the main risks of the Group and the relative mitigation actions;
- provided the Board of Directors with its opinion regarding:
  - updates to the 231 Model and the corresponding conduct protocols;
  - the adequacy of the Internal Control and Risk Management System and its effectiveness;
  - the semi-annual revision of the 2022 Audit Plan;
  - the 2023 Audit Plan;
  - the main characteristics of the Internal Control and Risk Management System;
- monitored the activities in 2022 of the Internal Auditing Department;
- monitored activities in the areas of sustainability and Corporate Social Responsibility, in particular in relation to the company policy on sustainability and the obligation of drawing up the NFD;
- examined the development of the conflict between Russia and Ukraine and its impact on the activities of the Edison Group, and consequent actions, from a risk management perspective.



In 2022, the committee did not ask the Internal Auditing Department to perform audits aside from what was already set forth in the audit plan.

The Committee reported six times to the Board of Directors about the work it performed; on two of those occasions it also reported on the reviews it performed of the adequacy and effective functionality of the Internal Control and Risk Management System.

During 2022, the documentation was sent to the members of the Committee within the minimum term of two days specified in the rules of operation.

In 2022, the average attendance of Directors at committee meetings was 89%. A breakdown is provided in the table below. The average length of each meeting was about one hour and forty minutes.

Minutes of the meetings were regularly taken and the role of secretary was always performed by the Internal Audit Manager.

### Meeting of the Control and Risk Committee at December 31, 2022

COMMITTEE MEMBERS	Number of Committee meetings attended in 2022	Percentage
<i>In office at December 31, 2022</i>		
Fabio Gallia	6 of 6	100
Paolo Di Benedetto	5 of 6	83
Béatrice Bigois	5 of 6	83

The entire Board of Statutory Auditors took part in all meetings.

## Independent Auditors

### Appointment

Pursuant to the law, the legal audit is assigned to a company enrolled in the register of legal auditors kept by the Ministry of Economy and Finance. The Shareholders' Meeting awards the assignment, based on a reasoned recommendation by the Board of Statutory Auditors, and determines the corresponding compensation.

Since 2011 the Company has adopted guidelines for the assignment and management of audit engagements, most recently amended and supplemented in 2017 to take into account the provisions introduced by EU Regulation 537/2014.

The current independent auditor is KPMG Spa (**KPMG**). The relevant mandate was approved by the Shareholders' Meeting of April 28, 2020 for a period of nine financial years, as required by law for Public Interest Entities, such as Edison, and therefore refers to the financial years from 2020 to 2028 and will expire with the Shareholders' Meeting convened to approve the financial statements for 2028.

For the appointment of the new Independent Auditor, the Board of Statutory Auditors formulated, as required by the provisions in force, a justified proposal to the Shareholders' Meeting, indicating two possible auditors and expressing its preference for KPMG.

Within the framework of the Group's general audit plan and in fulfilment of legal requirements, the Independent Auditors performed independent statutory audits of the financial statements

of nearly all of the Italian and foreign subsidiaries. The very limited exceptions mainly concern companies that are very small, for the most part recently acquired or inactive or abroad and, as such, not subject to the statutory audit requirement.

As a rule, these assignments are awarded to Edison's Independent Auditors in order to allow the Independent Auditors of the Parent Company to take direct responsibility for auditing the financial statements of the subsidiaries.

In accordance with article 13 of legislative decree 39/2010 for companies other than public interest entities, appointments by Italian subsidiaries are for a period of three financial years.

### Know-how

The Independent Auditors are required by law to ascertain whether the accounting records are properly maintained and record faithfully the results from operations, and whether the statutory financial statements and the consolidated financial statements comply with the rules governing their preparation and provide a fair and truthful presentation of the financial position, cash flows and operating result for the period, rendering an opinion on the financial statements, including consolidated, and the consistency of the Report on Operations with the information provided in the financial statements. A similar review of the semi-annual financial report is performed by the Independent Auditors on a voluntary basis, pursuant to a recommendation by the Consob. In addition, the Independent Statutory Auditors are required, pursuant to law, to review certain disclosures of the Report on Corporate Governance and, since 2017, to prepare the additional report pursuant to art. 11 of EU Regulation 537/2014 on the results of the independent statutory audit of the financial statements, which must be drafted in connection with audit activities regarding a Public Interest Entity. The Independent Auditors also perform additional reviews required by industry regulations and provide additional services that the Board of Directors may ask them to perform, provided they are not incompatible with their assignment regarding the independent statutory audit of the financial statements.

Consistent with a firmly established Group policy, Edison and its principal subsidiaries have also asked their Independent Auditors to audit their semi-annual financial statements and, in the case of companies that operate in the electric power and/or natural gas sectors, the annual separate financial statements and perform special audits needed to comply with contractual requirements or regulations issued by the Italian Regulatory Authority for Energy, Networks and the Environment. The company tasked with the independent audit of Edison also checks the contents of the NFD, issuing a specific certification, and the preparation of "Section Two" of the Compensation Report.

KPMG and its international network, working in accordance with assignments they received directly, audited about 99.6% of 2022 total consolidated assets and about 99.9% of total consolidated revenues.

Also in 2022, KPMG prepared the specific report pursuant to art. 11 of European Regulation 537/2014 on the results of the statutory audit, and sent it to the Board of Statutory Auditors (identified by the Italian legal system as the "Internal Control and Audit Committee") which, in turn, sent the "additional" report to the Board of Directors, reporting that it had no observations in this regard. The Board then reviewed the document at its March 31, 2022 meeting. In addition, although since 2018 the assessment of the aspects reported in the above-mentioned report has no longer been the responsibility of the Control and Risk Committee, the committee was informed about the contents of the report.

## Compensation

As noted in the previous section, Edison's Shareholders' Meeting that awarded the independent statutory audit assignment also approved the corresponding fees and the corresponding adjustment criteria.

The details of the compensation received from Edison in 2022 and its subsidiaries by the Independent Auditors are provided in the notes to the separate financial statements.

## Board of Statutory Auditors

Pursuant to the TUF, the Board of Statutory Auditors supervises compliance with the law and the deed of incorporation, compliance with the principles of correct administration, the adequacy of the company's organizational structure, the internal control system and the administrative-accounting system, as well as in its reliability in correctly representing management facts; on the methods of concrete implementation of the corporate governance rules envisaged by the CG Code, on the adequacy of the instructions given by the company to the subsidiaries in relation to the obligations to communicate privileged information to the market.

Additional supervisory tasks are envisaged for the Board of Statutory Auditors by other special provisions of the law and by regulatory provisions. Among these, in particular, there is the obligation to supervise compliance with the procedure adopted by the Company regarding transactions with related parties and compliance with the provisions on non-financial disclosures.

It is not responsible for performing an independent statutory audit of the financial statements, a task that, pursuant to law, must be entrusted to an independent auditing firm chosen among those listed in a special register maintained by the Ministry of the Economy and Finance. In any case, the Board of Statutory Auditors is responsible for the selection procedure of Edison's Independent Auditors, and is required to submit to the Shareholders' Meeting a detailed proposal concerning the selection of the Independent Auditors.

The Board of Statutory Auditors is also required to perform the functions assigned by law to the Internal Control and Auditing Committee, created by Legislative Decree No. 39 of January 27, 2010 in implementation of a European Union directive concerning independent statutory audits of annual and consolidated financial statements, as most recently amended by Legislative Decree No. 135 of July 17, 2016, on the basis of the requirements laid out in EU Regulation 537/2014. Accordingly, it monitors the disclosure of financial information; the effectiveness of internal control, risk management and internal auditing systems as concerns financial reporting; the performance of the statutory independent audit of annual and consolidated financial statements and the independence of the Independent Auditors, authorising, in accordance with the provisions in force, engagements that are not mandatory and permitted, other than the statutory legal audit of the accounts assigned to Edison's auditor and its network. In addition, since the 2017 financial statements, the Board of Statutory Auditors has examined the content of the "additional" report prepared by Edison's Independent Auditors pursuant to art. 11 of the above-mentioned regulation and reports on it, with its own observations if applicable, to the Board of Directors.

The outcome of the supervisory activities carried out by the Board of Statutory Auditors is reported in the report to the Shareholders' Meeting prepared in compliance with art. 153 of the TUF (Board Report), which is attached to the financial statements.

## Appointment

Under the By-laws that went into effect on April 4, 2012, amended for the reasons specified in the "Issuer Profile" section, the Board of Statutory Auditors consists of three standing statutory auditors and three alternates, and there are no list voting appointment mechanisms.

Elected Statutory Auditors serve for a term of three years and may be re-elected.

According to the By-laws, the composition of the Board of Statutory Auditors must also comply with the requirements of the applicable gender balance provisions.

Statutory Auditors must also meet the requirements of independence, integrity and professionalism required by the applicable legislation and the additional requirements of professionalism set forth in the By-laws in accordance with the provisions of the Decree of the Ministry of Justice of March 30, 2000.

In addition, persons who already serve on the maximum allowed number of posts of administration and control bodies, determined in accordance with the indications given by Consob in the Consob Issuers' Regulation, cannot be elected. In this regard, Edison's By-laws do not impose any other restrictions on Statutory Auditors, as those set forth in the legislation currently in effect ensure that they devote the time necessary to the performance of their duties. Aside from those restrictions, the assessment concerning whether a Statutory Auditor is performing his/her function effectively should rest with the shareholders upon the Statutory Auditor's election and with the Statutory Auditor upon acceptance of the assignment.

The provisions of the By-laws establish that nominations, complete with the documents required pursuant to laws and regulations, be filed at the Company's head office by the deadline and in the manner stated in the meeting notice or, absent such information, they may be filed directly at the Shareholders' Meeting.

The nomination of each Director must be accompanied by: information disclosing the identity of the parties filing the nominations; professional curricula of each candidate, listing any management and control posts held at any other companies; affidavits by which the candidates attest that there are no issues that would make them incompatible or unelectable or would cause them to be removed from office, that they meet the requirements for election as Directors pursuant to current laws and the By-laws and that they accept the nomination.

With regard to the diversity policy applied to the composition of the Board of Statutory Auditors, the Board of Directors has not adopted a specific policy since it believes that the issue has already been covered and the rationale of the provision on diversity of composition is substantially respected, primarily as a result of the provisions of current laws on gender balance and the requirements, including professional, imposed by law and Edison's By-laws. Failure to comply with such provisions entails *inter alia* the Statutory Auditor's removal from office.

Moreover, with regard to gender balance, considering the impossibility of applying, as it currently stands, the legislative provision on gender balance introduced by the 2020 Budget Law in the case of Boards of Statutory Auditors comprised of three Statutory Auditors and three Alternates, as required by Edison's By-laws, during the appointment of the Board of Statutory Auditors in office, the Board of Directors considered it appropriate to suggest that this legal rule be interpreted based on the numerical criterion provided by the CG Code for the least represented gender (at least one-third of the Statutory Auditors and Alternate Auditors). This interpretation was then confirmed by Consob by means of communication 1/20 of January 30, 2020.

The Board also expressed the hope that the Board of Statutory Auditors will have people with different and complementary professional backgrounds within it, so as to allow for the effective performance of the functions that the Board of Statutory Auditors is called upon to perform, and that all Statutory Auditors will meet the independence requirements provided for by law, as well as those provided for by the CG Code for Directors.

The controlling shareholder TdE took the instructions into account.

Nominations for the election of the current members of the Board of Statutory Auditors were published as soon as they were received from TdE, the controlling shareholder, on April 17, 2020, which also made a proposal regarding compensation. At that time, TdE held 99.477% of the voting share capital. The proposals and the relative documentation were simultaneously made available on the Company website ([www.edison.it](http://www.edison.it) - Our Company - Governance - AGM - Archives - Shareholders' Meeting of April 28, 2020).

With regard to the issues mentioned above, all of the Statutory Auditors elected by the Shareholders' Meeting on April 28, 2020 were nominated by TdE, the controlling shareholder.

The term of office of this Board of Statutory Auditors will end with the Shareholders' Meeting convened to approve the 2022 financial statements, and with regard to the appointment of the new auditing body, the Board of Directors has made similar suggestions as before.

### **Composition, independence and professionalism**

The current members of the Board of Statutory Auditors are: Serenella Rossi (Chairwoman), Lorenzo Pozza and Gabriele Villa. The following are Alternate Auditors: Silvano Corbella, Luigi Migliavacca and Patrizia Albano.

The composition of the Board of Statutory Auditors in office is compliant with the provisions on gender diversity introduced by the 2020 Budget Law as interpreted by Consob. As regards this aspect, please refer to the previous section "Election" of the Board of Statutory Auditors.

All elected Statutory Auditors are listed in the Register of Independent Auditors, except for the Chairwoman, as otherwise permitted by the applicable regulations, and meet the requirements, including of integrity and professionalism, of current laws and the By-laws, as well as the CG Code's independence requirements.

With regard to the independence requirement, after appointment of the control body, the Board of Directors, acknowledging at the meeting of April 28, 2020, the statements made by the Statutory Auditors and the checks conducted by them with respect to independence, disclosed the results to the market. Thereafter, the audit was carried out annually by the Board of Statutory Auditors, since the Board of Directors decided to entrust it to the control body, as permitted by the CG Code. The Board reported its findings to the Board of Directors at its meetings on February 17, 2021, February 16, 2022 and February 15, 2023. All checks were based on the new criteria set forth in the CG Code and were carried out in accordance with the procedure adopted by the Board of Directors to assess the independence of its own Directors and transposed in the Guidelines of Operation, also applied by the Board of Statutory Auditors. For the details, reference should be made to the "Independent Directors" section.

This Report includes a table that lists the posts that the Statutory Auditors currently in office hold at other companies.

The personal and professional qualifications of the Statutory Auditors in office as of December 31, 2022 are shown in the curricula attached to this Report.

## Compensation

The compensation of the Statutory Auditors is determined by the Shareholders' Meeting that elects them.

The compensation of the Board of Statutory Auditors currently in office was determined by the Shareholders' Meeting of April 28, 2020 for the entire three-year period. For details on this point and for the compensation accrued in 2022, reference should be made to the Compensation Report and related tables, as well as to the section "Compensation" of the Board of Statutory Auditors of this Report.

With regard to the compensation proposals for the appointment of new Board of Statutory Auditors, the Board of Directors, having heard the Compensation Committee, considers it preferable, in view of the controlling role of the body, not to make specific proposals in this regard and to entrust the Shareholders' Meeting with any assessment on the subject based on the suggestions contained in the CG Code and on the comparable market practices.

## Function

To the best knowledge of the Board of Directors, the Statutory Auditors operate autonomously and independently of everyone, including the shareholders who elected them.

The Board of Statutory Auditors is required to meet at least once every 90 days. Meetings of the Board of Statutory Auditors may be held via teleconferencing or video-conferencing, provided all participants can be identified and are able to follow the proceedings, participate in real time in the discussion of the items on the agenda and receive, transmit and review documents.

In 2022, the Board of Statutory Auditors met thirteen times. The attendance of the Statutory Auditors at these meetings was 97.43%. A breakdown is provided in the table below:

<b>STATUTORY AUDITORS</b>	<b>Number of Board of Statutory Auditors meetings attended in 2022</b>	<b>Percentage</b>
<i>In office at December 31, 2022</i>		
Serenella Rossi	13 of 13	100
Lorenzo Pozza	13 of 13	100
Gabriele Villa	12 of 13	92

The average length of each meeting was about two hours.

The full Board of Statutory Auditors also attended all the meetings of the Board of Directors held in the financial year 2022. Details are given in the table below.

<b>STATUTORY AUDITORS</b>	<b>Number of Board of Directors meetings attended in 2022</b>	<b>Percentage</b>
<i>In office at December 31, 2022</i>		
Serenella Rossi	7 of 7	100
Lorenzo Pozza	7 of 7	100
Gabriele Villa	7 of 7	100

The Chairman of the Board of Statutory Auditors coordinates the activities of this entity and serves as liaison with other corporate bodies involved in the governance of the system of controls.



Also during 2022, the Board of Statutory Auditors was invited to attend the meetings of the Compensation Committee, and did so entirely. The Chairman, or other statutory auditor, attended on a regular basis the OB meetings. In addition, the Statutory Auditors were informed of the calling of the meetings of the Related Party Transactions Committee in which, in 2022, the entire Board of Statutory Auditors always took part.

Lastly, the exchange of information between the Board of Statutory Auditors and the Control and Risk Committee takes place through the regular attendance of the control body, in its entirety, at committee meetings, while a representative of the Independent Auditors is invited on a regular basis to attend meetings of the Board of Statutory Auditors to report on the findings of the audits they performed.

In addition, usually once a year, the Company's Board of Statutory Auditors meets with the Boards of Statutory Auditors of the main subsidiaries to exchange information about the Group's activities. The Board of Statutory Auditors also acquired the necessary updates on the measures concerning the COVID-19 emergency.

In addition, based on the information that the Board of Statutory Auditors obtains at meetings of the Board of Directors regarding the activities carried out by the Internal Auditing Department and the Control and Risk Committee, it regularly performs in-depth reviews together with the Manager of the Internal Auditing Function, who is periodically invited to attend meetings of the Board of Statutory Auditors to provide, when appropriate, additional information about the outcome of completed activities and reviews. Furthermore, during its meetings, the Board of Statutory Auditors reviews specific issues and request any clarifications from managers involved with the above-mentioned review activities, primarily for the purpose of hearing reports about any corrective actions carried out. Particular attention is paid to checks concerning the risk management process, and the process inherent in the collection of information for the preparation of the NFD on the basis of the materiality matrix, and the relative checks, also by means of specific in-depth analyses with the Risk Officer and the Sustainability Manager, respectively.

To the best of the Board of Directors' knowledge, in view of the number of meetings held during the year by the Board of Statutory Auditors and the participation of the body in the meetings of the Board of Directors and the various committees that the Statutory Auditors were invited to attend, it is to be considered that the Statutory Auditors have devoted the necessary time to the performance of their duties.

With reference to the implementation of specific initiatives aimed at providing the Board of Statutory Auditors with adequate knowledge of the business in which the Company operates, the Company's dynamics and their evolution, as well as the regulatory and self-regulatory framework of reference, in 2022, the Board of Statutory Auditors, in addition to taking part in the in-depth analysis carried out during the Board of Directors' meeting or specific induction sessions on the various issues relating to the Group's business, met systematically with the managers of the main corporate functions, who provided, in coordination with the Chief Executive Officer, the in-depth analyses requested by the body, making the relevant supporting documentation available to the Board of Statutory Auditors.

In 2022, the Board of Statutory Auditors rendered opinions on, and when required by provisions in force authorised, the additional assignments that the Company and its subsidiaries awarded to Edison's Independent Auditors and to other entities belonging to its network, verifying that the above-mentioned assignments were within the statutory limitations of exercisable activities. The Board of Statutory Auditors also ascertained the Independent Auditors' independence and performed all of the other functions assigned to the Internal Control and Auditing Committee pursuant to law, as detailed in the Board's Report to the Shareholders' Meeting.

The Board of Statutory Auditors adopted the CG Code's recommendation requiring that its members disclose any direct or third-party interest they may have in specific transactions submitted to the Board of Directors. No situation with respect to which the members of the Board of Statutory Auditors would have been required to issue statements of this type occurred in 2022.

In order to enable the Board of Statutory Auditors to efficiently discharge its duties, a dedicated Company unit that reports to the office of the Secretary to the Board of Directors provides the Board of Statutory Auditors with the necessary support.

## Coordination among the Parties Involved with the Internal Control and Risk Management System

The Company analytically identified the activities of the parties involved with the Internal Control and Risk Management System, specifying concrete coordination modalities to make more efficient the activities of each one of them.

Specifically, the Chairman of the Board of Statutory Auditors and/or the other Statutory Auditors, as well as several managers more directly involved in the management of business risks and the Chief Executive Officer, also as officer in charge of the Internal Control and Risk Management System, regularly attend the meetings of the Control and Risk Committee.

The Independent Auditors always attend the meetings of the Control and Risk Committee.

The Control and Risk Committee reports to the Board of Directors at least twice a year on its activities and, with the support of the Internal Auditing Manager, on the adequacy of the Internal Control and Risk Management System.

The Chairman of the Board of Statutory Auditors and/or another Statutory Auditor also regularly attend meeting of the OB.

Moreover, the Board of Statutory Auditors periodically meets with the manager of Internal Auditing, the Risk Officer, as specified in more detail in the previous sections, the Corporate Accounting Documents Officer, the Independent Auditors and the various Company functions involved in the processes and procedures that specifically require verification by the Board of Statutory Auditors, including those concerning the Internal Control and Risk Management System.

## Management of corporate information

At the proposal of the Chief Executive Officer, Edison's Board of Directors has adopted and amended over time a procedure for the management of corporate information, particularly with regard to the subset of confidential and insider information. In this regard, please note that, even though only its savings shares continue to be publicly traded, Edison is still required to comply with market abuse rules, as they apply to the treatment of insider information. As of July 03, 2016, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of the European Union of April 16, 2014 (Market Abuse Regulation - MAR), supplemented by the "regulatory technical standards" and "implementing technical standards" of the European Securities and Markets Authority (ESMA) approved by the European Commission, came into force - at the level of EU legislation - establishing a uniform and directly applicable market abuse framework.

The procedure, entitled “Internal handling and external communication of confidential and insider information concerning Edison and its financial instruments”, governs the roles, responsibilities and operational management modalities with regard to identifying and verifying confidential and insider information and disclosing it to the market (including, if the requirement can be met, activating the embargo procedure). If applicable, the procedure also governs the entering of data in the Insider Register and the treatment and internal circulation of the information and its communication to outsiders (complying with special safeguards).

All members of the corporate governance bodies, employees and associates of Edison and its subsidiaries who have access to insider information are required to comply with the above-mentioned procedure.

Insofar as roles and responsibilities are concerned, the procedure identifies the top management as having Group-wide responsibility for disclosing insider information to the market and indicates under which conditions top management, or individual members of the Executive Committee, in agreement with the Chief Executive Officer, can decide to activate the procedure to “delay” the disclosure of insider information to the market.

However, as soon as the presence of insider information for which a decision was made to delay its disclosure to the market is verified, the Divisions, Departments and Corporate functions, as well as the managers of subsidiaries are responsible for implementing all of the security measures required to ensure that insider information is treated confidentially and segregated, limiting its circulation only to those parties who need access due to their function or assignment.

In addition, senior managers and other management personnel (each for the information over which he or she has jurisdiction) must inform employees and outsiders of the insider status of the information to which they have access and which is not being immediately disclosed to the market, communicating the activation of the delay procedure and making sure that all outsiders who receive such information be required pursuant to law, regulation, Company By-laws or contract to respect the confidentiality of the documents and information they are receiving.

The procedure defines the process for determining the moment when information should be qualified as insider information and the methods for managing the information until it is disclosed to the market or the underlying project is cancelled.

Specific provisions of the procedure deal with the method for entering data in and updating the register of parties who have access to insider information. They state that parties may be entered in the register on a permanent basis or in connection with specific events. In line with the EU provisions, listing in the “Permanent” section is limited to parties who, because of their function, the position they hold or the specific responsibilities entrusted to them, have access to all insider information, while parties who, because of their involvement in certain non-recurring projects or activities and/or their temporary performance of certain functions/responsibilities, or because of a specific assignment, have access for a limited period of time to insider information concerning individual events are listed in the “Single Event” section. However, the establishment of a section reserved for individual events always presupposes the activation of a process to embargo the disclosure of the information to the market.

Responsibility for identifying the parties who should be listed in the “Permanent” section of the Insider Register rests with Edison’s senior managers, while listings in the “Single Event” section can be carried out by senior managers and by managers for the affected areas under their jurisdiction. The procedure also deals with the method for informing the parties entered in the register, updating their information and deleting their names.

Within the Board of Directors, only the Chairman and the Chief Executive Officer are listed in the “Permanent” section, while the other Directors and the Statutory Auditors are listed in the “Single Event” section in connection with information concerning specific transactions that could be brought to their attention from time to time. As a rule, a party is listed when he/she gains access to the documents prepared for a meeting of the Board of Directors convened to review the transaction subject of the insider information.

With regard to the contents of the guidelines issued by Consob on this matter in October 2017, the in-depth studies carried out subsequently did not reveal any substantial changes to be made to the procedure adopted by the Company.

As specified in the section “Elements that characterise the Internal Control System”, the procedure has also been transfused into a protocol (Protocol for the Management of Confidential and Privileged Information), which is an integral part of the 231 Model.

In order to enhance compliance with the relevant 231 Protocol by the interested parties, the information flows must be signed by the managers of the various Company Divisions and Departments introducing an express declaration about compliance, for issues under their jurisdiction concerning subsidiaries, with the requirements of the Insider Information Protocol applicable to them.

The Directors and Statutory Auditors are also informed, upon appointment, of the obligations arising from their knowledge of insider information as well as the disclosure obligations if they or people closely linked with them perform transactions on the Issuer's financial instruments. In this regard, as stated in previous Governance Reports, these disclosure obligations regarding transactions on the Issuer's financial instruments also apply to members of the Comex, as they are qualified as executives pursuant to the EU Regulation, all of whom are also listed in the “Permanent” section of the Insider Register.

As already stated in the previous Report of Governance for the reasons indicated therein, from 2017 the Board of Directors has planned to:

- i) no longer include a blackout period (periods in which, during the year, the directors, statutory auditors and executives with strategic responsibilities of an issuer are not permitted to carry out, directly or indirectly, on their own behalf or on behalf of third parties, transactions involving financial instruments issued by the same issuer and traded on regulated markets) in the publication process for quarterly reports, requiring it only for mandatory financial reports (annual financial statements and semi-annual report), as the Company does not provide preliminary data to the market;
- ii) make the duration of the blackout period consistent with the time-frame provided in the EU Regulation, i.e., starting 30 calendar days before the publication of the press release regarding the annual financial statements or the semi-annual report and until the publication of the press release.

The 2023 blackout periods are as follows:

- from January 16 to February 15
- from June 25 to July 25.

The responsibilities of the Board of Directors and the Chief Executive Officer on this matter, the behavioural obligations, including confidentiality, incumbent on Directors and persons closely associated with them, as well as the disclosure obligations incumbent on the Company with respect to Directors at the time of their appointment regarding the manner in which information that qualifies as Insider Information is handled and the ensuing obligations, were systematically referenced within the Guidelines of Operation adopted by the Board of Directors.

## Relations with shareholders and stakeholders

Even though only Edison's savings shares continue to be listed on the EXM and EdF indirectly owns about 99.47% of Edison's voting share capital, the Board of Directors resolved to maintain an organisational structure capable of delivering timely information and preparing Company documents that are relevant to the holders both of common shares and savings shares.

With this in mind, the Company has maintained constantly updated on its website a special section devoted to corporate governance issues, which contains, *inter alia*, the Reports on Corporate Governance, the Compensation Reports and the NFD, and an Investor Relations section, which contains key information about the Company. Both sections are easily accessible from the home page.

Edison's Board of Directors decided not to adopt a policy for managing dialogue with shareholders, considering the structure of the shareholder base, the fact that only savings shares are listed and their relative weight compared with the entire share capital (2.3%), as well as the presence of a category representative, with which the Company is willing to dialogue.

Nonetheless, Edison, acting directly or through representatives, maintains active dialogue with the financial markets with the specific goal of complying with the laws and rules governing the dissemination of insider information and the procedures that apply to the circulation of confidential information.

The Group's behaviour and procedures are designed to avoid disparity of treatment in the disclosure of information and ensure effective compliance with the principle requiring that all investors and potential investors be provided with the same information about the Company. As part of the credit rating valuation processes, Edison interacts with the rating agencies, supplying them with the necessary information to formulate valuations, in accordance with the methods and conditions of the mandates of these agencies, and promptly provides the market with the results of their valuations.

In 2022, the Company continued to inform the market, and therefore also its shareholders, of any event or decision that could have a material impact on their investment. It also made available on its website ([www.edison.it](http://www.edison.it) - Investor Relations and Governance) press releases disclosed through the "eMarket SDIR" system and notices published in the press with regard to the exercise of rights inherent in the shares, and documents concerning Shareholders' Meetings or otherwise provided to the public. The purpose of this is to make them aware so that they can knowingly exercise their social rights, including the right to vote.

The Company also maintained constructive dialogue with the common representative of savings' shareholders, by providing the clarifications requested by the latter.

The management of relations with shareholders and their representatives for the exercise of their rights is entrusted to the Corporate Affairs & Governance Department, and that of financial communication with institutional investors and relations with rating agencies to the Investor Relations structure (entrusted to the Finance & Treasury Manager, Anna Ferrari).

It is also important to keep in mind that, in view of Edison's role as the leading operator in the energy transition process, the Company has long fostered dialogue with its stakeholders at national, European and regional level, as explained in greater detail in the section entitled "Considerations on the Letter of January 25, 2023 of the Chairman of the Corporate Governance Committee" and in the NFD.

## Shareholders' Meetings

The Shareholders' Meeting is the tool by which shareholders, through their vote on resolutions, express their will. Resolutions adopted pursuant to law and the Company's By-laws are binding on all Shareholders, including absent or dissenting Shareholders. However, when permitted, dissenting Shareholders have the right to demand redemption of their shares.

The Shareholders' Meeting adopts resolutions on issues that the law reserves for its jurisdiction, which include mainly those concerning the financial statements and the appropriation of the result for the year, the election and dismissal of Directors, the election of Statutory Auditors and the selection of the Independent Auditors, when convened in ordinary session, and amendments to the By-laws, including capital increases and the issuance of convertible bonds, when convened in extraordinary session. As allowed pursuant to law and in accordance with the By-laws, jurisdiction has been transferred to the Board of Directors with regard to deliberations concerning: reductions of share capital if shareholders demand redemption of their shares, opening and closing secondary head offices, attributing to Directors the power to represent the Company, amending the By-laws to make them compliant with statutory requirements, mergers and demergers in the instances referred to in art. 2505 and art. 2505-*bis* of the Italian Civil Code, also as cited in art. 2506-*ter* of the Italian Civil Code, bond issues and the relocation of the Company's head office elsewhere in Italy.

## Convocation

Article 9 of the By-laws rules that Shareholders' Meetings are convened by means of a notice drafted in compliance with legislation in force and published within the statutory deadline on the Company's website. The notice is also distributed through the "eMarket SDIR" system, filed with the authorised storage mechanism "eMarket Storage" and published in condensed form in a newspaper with national circulation. The By-laws of the Company leave to the discretion of the Board of Directors the choice of newspaper between "Il Sole 24 Ore" and "Corriere della Sera". The Company has always published its notices in Il Sole 24 Ore.

The ordinary deadline (which also concerns the Shareholders' Meeting for the approval of the financial statements and, since there is no list voting, the appointment of the corporate bodies) for the publication of the notice is thirty days before the date of the meeting. Shorter deadlines of twenty-one and fifteen days apply, respectively, to (i) Shareholders' Meetings convened to approve share capital transactions, when losses exceed one-third, or liquidation, and (ii) in the event of a tender offer, to authorise the Board of Directors to carry out transactions that could be in conflict with the offer.

The Company makes available to the public copies of the documents relevant to the Shareholders' Meeting, which it usually prepares also in English, by depositing them at the Company's head office, publishing them on its website via a link on its homepage ([www.edison.it](http://www.edison.it)), through the "eMarket SDIR" circuit and at the authorised storage mechanism "eMarket Storage", within the deadline required pursuant to the provisions of laws and regulations.

## Function

The Shareholders' Meeting is validly convened and can validly adopt resolutions, both in ordinary and extraordinary session, in accordance with the laws.

## Activities and Attributions of the Special Meeting of Savings Shareholders

The Special Meeting of Savings Shareholders is responsible for: the election and dismissal of the common representative and any liability actions towards him, the approval of resolutions by the Company's Shareholders' Meeting that undermine the rights of savings shareholders, the establishment of a fund for expenses needed to protect their common interests, the settlement of disputes with the Company and any other subject of common interest.

The Special Meeting is governed by the provisions of the laws applicable to Special Meetings of Savings Shareholders and, if compatible, the relevant provisions of the By-laws for the Extraordinary Shareholders' Meeting.

## Right to Attend Shareholders' Meetings

The right to attend, participate and exercise the right to vote at the Shareholders' Meeting is governed by article 10 of the By-laws, which refers to the provisions applicable to shares eligible for centralized clearing.

More specifically, considering the different trading status of the common shares, delisted from the EXM as of September 10, 2012, and the savings shares, still listed on the EXM, the amendments to the By-laws approved by the Shareholders' Meeting on March 22, 2013 introduced a different deadline regarding the time of possession that must be used to certify, in the communication provided by the intermediary, the registration in the account of the party eligible to vote (the record date). For the savings shares, the statutory deadline of the close of business on the seventh stock market trading day prior to the date set for the Shareholders' Meeting on the first calling continues to apply, as in the past, while for the common shares the deadline has been shortened to the end of the second business day before the date set for the Shareholders' Meeting.

The shares are freely transferable at all times, but credit and debit entries posted to the accounting records after the above-mentioned seven-day or two-day deadline will be irrelevant for the purpose of determining the eligibility to exercise the right to vote at the Shareholders' Meeting.

A party's eligibility is certified by means of a communication issued by an intermediary certifying that, on the above-mentioned dates, the shares were deposited in the party's account in dematerialised form with the centralised clearing system. Pursuant to the applicable laws, the Company must receive the above-mentioned communication before the Shareholders' Meeting is called to order on the first calling. Any party eligible to attend and vote at the Shareholders' Meeting has the right to be represented in accordance with the applicable laws. As required by the relevant rules, the Company By-laws allow electronic filing of a proxy, carried out by sending the proxy form to the certified e-mail address provided in the notice of Shareholders' Meeting. In addition, the Company shall designate for each Shareholders' Meeting a party to whom shareholders may grant their proxies. With regard to the particular methods of conducting the Shareholders' Meeting, in 2022, also in derogation of what has just been indicated above, please refer to the next section "Holding Shareholders' Meetings".

## Holding Shareholders' Meetings

The Company did not adopt Shareholders' Meeting regulations because it believes that the power attributed by the By-laws to the Chairman of the Meeting (who is responsible for managing the Meeting), which include determining the Meeting's agenda and the voting method, are



sufficient to maintain an orderly performance of Shareholders' Meetings, thereby avoiding the risks and inconveniences that could result, should a Shareholders' Meeting fail to comply with Meeting regulations. However, upon calling the Shareholders' Meeting to order, the Chairman of the Meeting always asks shareholders to make remarks that are concise and pertinent to the item on the agenda and keep to a maximum of ten minutes the length of their remarks, so that everyone may have a chance to be recognised. This decision was most recently confirmed by the Board of Directors following the delisting of the common shares.

In 2022, a Shareholders' Meeting was held on March 31, 2022, where the Meeting resolved on the approval of the financial statements and the allocation of the profit for the financial year 2021, cast its mandatory favourable vote on the first section of the Compensation Report, as well as an advisory vote on the second section of the same report, and elected the Board of Directors and its Chairman.

As in the past, the Board of Directors did not deem it necessary to promote specific initiatives that would encourage greater attendance at the Shareholders' Meetings, since in May 2012 the controlling shareholder TdE (100% EdF) acquired virtually total control of the share capital represented by common shares and the share capital percentage represented at the Shareholders' Meetings is already quite high.

Moreover, in 2022, given the continuation of the epidemiological situation, and as permitted by the provisions of the law containing measures to limit the COVID-19 health emergency, the operating procedures for holding the meeting were substantially modified with respect to the provisions of the "ordinary" regulations and the By-laws, and the above-mentioned meeting was held, as was the case in the two previous years, behind closed doors and with remote connections. In particular, participation in the Shareholders' Meeting and exercise of the voting right by entitled parties was carried out exclusively via the conferral of a proxy to the representative designated by Edison, identified as Computershare S.p.A. The possibility to participate remotely concerned not only shareholders through the designated representative, but the Directors (including the Chairman of the Shareholders' Meeting), the Statutory Auditors and the minute-taking secretary, as well as the common representative of savings shareholders.

In consideration of lack of the possibility, owing to the particular methods of holding the Meeting, of Shareholders' Meeting debate, with respect to the March 31, 2022 meeting:

- the meeting was chaired, on designation of the same meeting, by the Chief Executive Officer Nicola Monti, and the independent Directors Paolo di Benedetto and Angela Gamba, the Chairwoman of the Board of Statutory Auditors Serenella Rossi and the Standing Auditors Lorenzo Pozza and Gabriele Villa, as well as the common representative of the savings shareholders, were in attendance;
- on March 28, 2022, the Company opted to disclose in advance of the meeting date the answers to the questions asked by several shareholders, pursuant to art. 127-ter of the TUF, and which the Company considered relevant to the items on the agenda. They were attached to the meeting minutes.

## Meeting of Savings Shareholders

No savings shareholders' meetings were held in 2022.

## Additional Shareholders' Rights and Methods of Exercise

The Company By-laws do not convey to the shareholders any rights beyond those provided to them pursuant to law nor do they provide methods of exercise that are different from those set forth in the applicable laws and regulations.

However, the Company reserved the right to consider the possibility of introducing in its By-laws the options allowed by Legislative Decree No. 27/2010 concerning the exercise of actions and prerogatives provided for the protection of minority shareholders once the case law has become established. The developments that affected the control structure and, more specifically, the Edison common shares, as described in the "Issuer Profile" section, rendered this issue no longer relevant. Similar considerations were developed regarding the additional options available under subsequently enacted legislation. For the same reasons, the Board of Directors considered that there was no need to propose changes to the current governance structure to the Shareholders' Meeting, as suggested by the CG Code. On this point, refer to the section on the "Definition of Corporate Governance and the Group's Structure".

In addition to the rights reserved to them by law, savings shares are entitled to the rights set forth in the Company's By-laws, which are referred to in the Section entitled "Rights of the Classes of Shares."

## **Additional Corporate Governance Practices**

Nothing to report beyond the information provided in this Report.

## **Changes since the Close of the Reporting Year**

Nothing to report beyond the information provided in this Report.

## **Considerations on the letter of January 25, 2023 of the Chairman of the Corporate Governance Committee**

The recommendations contained in the January 25, 2023 letter from the Chairman of the Corporate Governance Committee regarding Corporate Governance, received by the Company when the self-assessment process was already completed, were brought to the attention of the Board of Directors when it reviewed the results of the self-assessment on February 15, 2023. These were submitted to the Board of Statutory Auditors, which examined them at the same time as the review of the Corporate Governance Report.

With regard to the areas for improvement identified by the committee, the Board of Directors made the following considerations, which were shared, insofar as they were relevant, by the Board of Statutory Auditors:

- *dialogue with shareholders and relevant stakeholders*: Edison's Board of Directors decided not to adopt a policy for managing dialogue with shareholders, considering the structure of the shareholder base, the fact that only savings shares are listed and their relative weight compared with the entire share capital (2.3%), and the presence of a common representative. Nevertheless, Edison maintains an active dialogue with the market and, in particular, with the common representative of the savings shareholders, also through its representatives. In view of Edison's role as a responsible operator and leader in the energy transition, the Company has long fostered a dialogue with its stakeholders at the national, European and territorial level (associations, customers, financial community and shareholders, local communities and territories, employees and associates, suppliers and business partners, institutions, media), who represent valuable interlocutors in defining the various business guidelines. In the belief that it is necessary to have complete awareness of all the subjects who depend on the company and

on whom the company depends, in 2022 Edison strengthened its stakeholder management process, analysing in greater depth and updating accordingly the mapping of the Company's various stakeholders, who are, *inter alia*, involved in the materiality analysis process, as detailed in the NFD, to which reference is made. The findings of the self-assessment also showed that the Board of Directors needed to be informed about the content of the stakeholder meetings;

- *granting of management powers to the Chairman*: recommendation not applicable, since, by long-standing policy, the Board of Directors does not grant management powers to the Chairman;
- *pre-Board disclosures*: the Operating Guidelines do not provide for generic exemptions to the timeliness of pre-consultation disclosures for confidentiality reasons. As regards the deadlines set for the prior submission of documents to the Directors and members of the Board Committees, and their adequacy and observance of them during 2022, reference should be made to the section "Meetings, Directors' reports and minute-taking" and the chapter "Internal Committees of the Board of Directors";
- *attendance of managers at Board meetings*: the Operating Guidelines adopted by the Board of Directors provide that the General Counsel attends Board meetings and the Chief Financial Officer and other members of the ComEx or other managers of the Company or its subsidiaries may attend, also at the request of individual directors. It is then envisaged that "*the managers of Edison or its subsidiaries, responsible for the Corporate or Business Divisions concerned, according to the subject matter, shall attend the meetings, for the time necessary, to provide the appropriate details on the items on the agenda for which they are responsible*". This indication was observed as illustrated in detail in paragraph "Meetings, Directors' reports and minute-taking";
- *guidelines on the optimal composition of the Board of Directors*: the recommendation is not addressed to Edison as a company with concentrated ownership. On the actions taken in this regard by the Company's Board of Directors, however, reference is made to as stated in the paragraph "Appointment of Directors";
- *criteria for assessing the significance of the relationship that may affect the director's independence*: when adopting the Operating Guidelines, the Board of Directors defined *ex ante* the qualitative criteria to be used as the basis for identifying any significant ties, as specified in the Paragraph on "Independent Directors"; while it confirmed the decision not to define quantitative criteria *a priori*. This is because the assessment must be carried out on a case-by-case basis, with substance prevailing over form, and because the questionnaire, completed annually, contains sufficiently analytical questions that do not leave it to individual directors to "judge" their suitability to be considered independent. The Board of Directors is thus made aware of the existing relationships between the Company and the individual director - if any - and is thus able to carry out documented evaluations;
- *transparency of remuneration policies on the weighting of variable components*: on this point, reference is made to the Remuneration Report, in which the composition of the remuneration package of the Chief Executive Officer and Top Management is highlighted, indicating the characteristics and weighting of fixed (50%) and variable short-term (25%) and long-term (25%) components;
- *long-term horizons in remuneration policies*: as already highlighted in previous Governance Reports, the variable remuneration of the Chief Executive Officer and Top Management has long included a multi-year component (LTI) which includes targets consistent with the Company's strategic objectives and the pursuit of sustainable success, as better illustrated in the Remuneration Report;

- *ESG parameters for directors' remuneration*: the Company provides incentive mechanisms for the Chief Executive Officer and Top Managers, both with regards to the annual and the multi-year variable component, linked also to ESG objectives and the indication of the specific ESG performance targets to be achieved is commented in the Remuneration Report and NFD.

As a result of the above, the Board of Directors deemed it appropriate, except as indicated in this paragraph in section "Dialogue with shareholders and relevant stakeholders", not to undertake any further initiatives in the areas considered by the recommendations made by the Corporate Governance Committee for 2023 and to continue with the implementations already under way to ensure compliance with those recommendations with a view to pursuing good corporate governance.

Milan, February 15, 2023

On behalf of the Board of Directors  
*Chief Executive Officer*  
**Nicola Monti**

A blurred photograph of a person walking past a classical building entrance. The person is in motion, creating a horizontal blur effect. The building features large stone columns and a dark wooden door with decorative panels. The scene is set outdoors on a paved area.

# Annexes

## Summary table of recommendations applied or non-applied with justification (Comply or Explain)

Principle/recommendation	Observance/non-compliance
<b>Art. 1: Role of the BoD</b>	
Principles I and II	✓
Recommendation 1 b) c) d) e) f)	✓
a) (evaluate the establishment of strategic Board committee)	✓ An ad hoc Committee was not set up, as the Board of Directors considers as adequate the in-depth studies performed by the CEO with the support of management committees, and the prior examination performed by the Control and Risk Committee, for the aspects falling within its purview
Principle III	✓
Recommendation 2 (proposals to the Shareholders Meetings to change the Corporate Governance system)	The BoD did not deem it necessary to propose changes to the corporate governance system to the Meeting for the reasons stated in the section "Definition of Corporate Governance and Group Structure"
Principle IV	
Dialogue with shareholders	
Recommendation 3 (adoption of a policy of dialogue with shareholders and reporting to the BoD)	The reasons for not adopting a policy of dialogue with shareholders are outlined in the section "Dialogue with shareholders and stakeholders"
Dialogue with other stakeholders	✓
<b>Art. 2: Composition of corporate bodies</b>	
Principles V, VI, VII e VIII	✓
Recommendations 4, 5, 6, 8, 9, 10	✓
Recommendation 7: a) b) c) d) f) g) h)	✓
e) ( <i>tenure</i> in office for more than nine years)	The reasons, in fact, why the BoD considered that a director who has been in office for more than 9 years still meets the independence requirement are explained in the paragraph "Independent Directors"
Ex-ante definition of qualitative and quantitative criteria for evaluating the significance of the relationship of independent directors	The reasons why the BoD set qualitative and not also quantitative criteria ex ante are explained in the paragraph "Independent Directors"
<b>Art. 3: Functioning of the BoD</b>	
Principles IX, X, XI and XII	✓ XI) Control and Risk Committee and Compensation Committee set up
Recommendations 11, 12, 14, 16, 17, 18	✓
13 (Lead Independent Director), 15 (max number of posts)	Not applicable but foreseen
<b>Art. 4: Appointment of directors and self-assessment BoD</b>	
Principle XIII	✓
Recommendations 19, 20 (appointments committee)	Not applicable
Recommendation 23 (guidelines of BoD)	Not applicable but partially followed by the BoD
Recommendation 24 (succession plans)	Not applicable but foreseen for Top Managers
Principle XIV	✓
Recommendations 21, 22	✓
<b>Art. 5: Remuneration</b>	
Principles XV, XVI, XVII	✓
Recommendations 25, 26, 29, 30	✓
Recommendation 27 a) b) c) d) f)	✓
e) (claw back clauses)	The failure to include claw back clauses is explained in the corresponding paragraph of the Compensation Report
Recommendation 28 (compensation plans based on shares)	Not present
Recommendation 31 (termination of office) a) b) c) d)	Indemnities and other benefits at the end of the mandate were not attributed for the reasons specified in the corresponding paragraph of the Compensation Report
e) (succession plans)	Not applicable
<b>Art. 6: Internal Control and Risk Management System</b>	
Principle XVIII, XIX, XX	✓
Recommendation 32, 34, 35, 36, 37	✓
Recommendation 33 a) c) e) f) g)	✓
b) (remuneration of the head of the internal audit function)	The remuneration of the Head of Internal Audit is defined by the Chief Executive Officer on a mandate from the Board of Directors in line with the management's remuneration policies, taking into account the guidelines assessed by the Remuneration Committee
d) (measures should be taken to ensure the effectiveness and impartial judgement of other corporate functions)	The Board of Directors did not deem it necessary to adopt additional defences to the rules of conduct contained in the company procedures and in the Code of Ethics



# Board of Directors

## Overview of the Structure of the Board of Directors and Board Committees

### Board of Directors (\*)

Board of Directors (*)								Control and Risk Committee		Compensation Committee		Related Party Transactions Committee		
Post held	Member	Year of birth	Executive	Non-executive	Independent	Board of Directors (1)	Shareholders' Meetings (1)	(2)	(1)	(2)	(1)	(2)	(1)	No. of other posts held (3)
In office at December 31, 2022														
Chairman	Marc Benayoun	26.08.1966		X		7/7	0							2
Chief Executive Officer	Nicola Monti	06.07.1962	X			7/7	1/1							2
Director	Béatrice Bigois	20.01.1969		X		6/7	0	C	5/6					7
Director	Paolo Di Benedetto	21.10.1947		X	X (**)	7/7	1/1	C	5/6	P	4/4	P	10/10	2
Director	Fabio Gallia	20.08.1963		X	X (**)	7/7	0	P	6/6			C	10/10	0
Director	Angela Gamba	15.08.1970		X	X (**)	7/7	1/1			C	4/4	C	10/10	2
Director	Xavier Girre	20.02.1969		X		5/7	0							6
Director	Nelly Recrosio	01.04.1962		X		6/6	(c)							2
Director	Florence Schreiber	03.10.1962		X		5/7	0			C	3/4			4
Director	Luc Rémont (a)	07.09.1969		X		1/1	(c)							2
Left post in 2022														
Director	Jean-Bernard Lévy (b)	18.03.1955		X		2/6	0							2

### Number of meetings held in 2022

Board of Directors: 7

Control and Risk Committee: 6

Compensation Committee: 4

Related Party Transactions Committee: 10

### Quorum needed to file of candidatures for the election of Directors:

not applicable

(\*) Appointed by the Shareholders' Meeting on 31 March 2022, (except for Luc Rémont, see note a) for a three-year term which expires with the approval of the 2024 financial statements.

(\*\*) In possession of the independence requirements established by law (TUF) and by the Corporate Governance Code.

(1) This column shows the attendance of each director at meetings of the Board of Directors, Committees and Shareholders' Meeting respectively.

(2) This column indicates that the listed Director is a member of the Committee: C (chairman), M (member).

(3) This column shows the number of other companies with shares traded in regulated markets in Italy or abroad, as well as financial, banking or insurance companies or companies of significant size of which the party in question is a Director or Statutory Auditor. In the table that follows, these positions are listed in detail.

(a) Appointed by co-optation to replace the resigning Jean-Bernard Lévy by the Board of Directors on December 7, 2022, serving until the next Shareholders' Meeting.

(b) Appointed by the Shareholders' Meeting on March 31, 2022 and resigned as of December 7, 2022.

(c) Not applicable because no further Meetings were held during 2022 after his appointment.



## Post held by Directors at December 31, 2022

Director	Post held at other companies	EdF Group companies
Marc Benayoun	Director of EdF Trading Ltd	X
	Chairman of Transalpina di Energia Spa	X
Nicola Monti	Chairman of Edison Energia Spa	X
	Chairman of Edison Next Spa	X
Béatrice Bigois	Chief Executive Officer of EdF Trading Ltd, member of the Audit Committee and Compensation Committee	X
	Director of EdF Trading Bionergy Limited	X
	Director and Chairwoman of EdF Trading Holding LLC	X
	Director of EdF Trading Markets Limited	X
	Director of EdF Inc.	X
	Director of JERA Global Markets PTE. Ltd and member of the Audit Committee and Compensation Committee	X
	Director of JERA Global Markets PTE. Ltd (London Branch)	X
Paolo Di Benedetto	Director of Cementir Holding Spa (*), Lead Independent Director, member of Control and Risk Committee and of the Compensation Committee	
	Chairman of the National Guarantee Fund	
Fabio Gallia	-	
Angela Gamba	Director of Mediobanca Spa (*), Chairman of the Control and Risk Committee and of the Related-Party Transaction Committee and member of the Corporate Social Responsibility Committee	
	Director of FPS Investments Srl	
Nelly Recrosio	Director of Izi by EdF	X
	Director of Datanumia	
Xavier Girre	Director of EdF Energy Holdings Ltd	X
	Director of EdF Renouvelables Sa	X
	Chairman of EdF Trading UK	X
	Member of the Supervisory Board of ENEDIS	X
	Chairman of the Supervisory Board of RTE	X
	Director of FDJ (*) and Chairman of the Audit Committee	
Luc Rémont	Chairman and Chief Executive Officer of EdF Sa (*)	X
	Non executive Director of Worldline Sa (*)	
Florence Schreiber	Director of Dalkia Sa and member of the Compensation Committee	X
	Director of EdF Renouvelables Sa, Chairwoman of the Appointments and Compensation Committee	X
	Director of Luminus Sa (Belgium) and member of the Compensation Committee	X
	Director of UTE Norte Fluminense Sa (Brasil) and member of the Compensation Committee	X

(\*) Company with shares traded in regulated markets.

## Curricula<sup>1</sup> of the Directors in Office at December 31, 2022

### Marc Benayoun

Born in Tarbes, France, on August the 26th 1966.

He is graduated of École Supérieure des Sciences Economiques et Commerciales (Paris, 1989). He currently serves EdF Group as Senior Executive Vice-President in charge of Customers, Services and Regional Action.

#### Professional Experience

- In 1989 he began his career at the Paribas Group.
- In 1993 he joined the Boston Consulting Group, where he became associate director at the Paris office in 2001 and at the Moscow office in 2008. During the years in Boston Consulting Group he took on several roles including the development of expertise in the natural gas sector.
- In 2009 he joined the EdF Group as Director of the economic department for tariffs and prices. In 2012 he became Sales Director of Business and Market Professionals segment in charge of the sale of electricity, as and services. During last years he has led the project related to the end of regulated electricity prices for companies and local authorities (over 400 000 sites in total 120 TWh of electricity consumption), with the goal of maintaining a leading position in the new competitive environment.
- On December the 8th 2015 he has been appointed as Director of the Board of Edison and Chief Executive Officer from January the 1st 2016.
- From July 1<sup>st</sup> 2019 he serves EdF Group as Senior Executive Vice President in charge of Customers, Services and Regional Action and he is also Chairman of the Board of Edison.

### Nicola Monti

Born in Varese (Italy), on July 6, 1962.

Graduated in Hydraulic-Civil Engineering from the Polytechnic of Milan in 1989.

#### Professional Experience

- He held various positions from 1989 to 1996 in the International Development department of Snam Spa.
- From 1991 to 1993 he was project manager for the tenders for privatisation of the Argentinian gas networks and responsible for the development of the Argentina-Chile gas interconnection project.
- From 1994 to 1995 he was project manager of a technical assistance programme financed by the EU and implemented through a JV with Gazprom for the assessment of the reliability of the Russia-Europe gas transportation system.
- Between 1996 and 1998 he was sales manager for South-East Asia at Ansaldo Energia and, from 1997 to 1998 Regional Manager in Indonesia and Thailand.
- In 1999, at Pirelli Cavi e Sistemi, oversaw the project for the integration of the international sales network of the cables division of Siemens, acquired by it.
- Joined Edison in 1999, as head of international development, and oversees Edison's entry to the electricity generation market in Greece, the development of gas interconnections with Algeria and Greece and the start-up of gas import and sale activities in Spain. In 2007, he became head of development of the Exploration and Production division and, in 2009, following the acquisition of the Abu Qir gas field in Egypt, he came Head of Operations in North Africa and Middle East. In 2012 became Executive Vice President of the Exploration and Production division and member of the Executive Committee of Edison Spa. In 2017, he also assumed the position of Executive Vice President of EDISON's Power Asset and Engineering Division.
- On June 19<sup>th</sup>, 2019 he was appointed Director of the Board of Edison and from July 1<sup>st</sup> 2019 he is also in charge as Edison Chief Executive Officer.

1. Curricula updated at December 31, 2022.

## Béatrice Bigois

Born in Talence, France, on May 20, 1969.

1986-89 Scientific preparation for engineering schools.

1989-92 École Polytechnique - Theoretical Physics (2nd year) and Economics (3rd year).

1992-94 École Nationale des Ponts et Chaussées - Economics, Finance and Applied Mathematics.

### Professional Experience

- Since 1994: EdF.
- Sept. 94 - May 99: EdF, Finance Department, Financial Strategy Division.
- Risk analyst: debt management, ALM, country-risk management.
- June 99 - end 02: secondment to London Electricity Plc, Optimisation & Trading Department.
- Power purchaser (06/99 - 06/00): procurement of power for LE customers.
- Head of Energy Risk Management (07/00 - 12/02): in charge of the development and implementation of risk policies and risk controls over the energy trading activities; in charge of credit risk management, demand forecasting methods and systems developments, and energy reporting; secretary to the Market Risk and Credit Risk Committees.
- Jan. 03 - Feb. 06: EdF, Asset Optimisation Department.
- Head of Market Operations (01/03 - 08/04): in charge of the development of market based transfer pricing to the Customer Branch and execution of market hedges with EdF Trading.
- Head of Portfolio Optimisation and Hedging (09/04-02/06): responsible for the optimisation of EdF portfolio of assets in France on the medium term, the nuclear and fossil fuel plants maintenance planning, the management of fossil fuel procurement, the hedging activities and the management of the French VPPs.
- March 06 - Sept. 08: secondment to EdF Trading Markets Ltd, Paris.
- Deputy Head, then Head of the Paris Branch of EdFT: set up and management of the branch.
- Oct. 08 - Dec 13: secondment to EdF Trading Ltd, London.  
Chief Financial Officer of EdF Trading: in charge of Market Risk, Credit Risk, Finance, Tax, Treasury, Internal Control, Contracts & Settlements and IT.  
Member of the Board of Directors of EdF Trading and EdF Trading Markets Ltd.
- Jan 14 - Dec. 19: secondment to EdF Energy. Managing Director, Customers: in charge of wholesale optimisation, B2C & B2B retails activities.  
Member of the Board of Directors of EdF Energy Services Limited (2016-2019), EdF Energy Customers Ltd (2014-2019), Hoppy Limited (2017-2019), EdF Pulse Croissance Holding (2017-2019) and Hime Saur (Oct. 2016-Dic. 2018).
- Since Jan 20 Chief Executive of EdF Trading.  
Oversees all commodity trading activities of EdF Group.

## Paolo Di Benedetto

Born in Rome, on October 21, 1947.

University of Rome, "La Sapienza", Master Degree in Law, Master Degree in Administrative Sciences, *magna cum laude*.

Lawyer.

### Academic and Professional Experience

- Banco di Napoli, Naples, 1973-1984: Manager.
- Consob, Rome, 1985-2000: Manager.
- Poste Italiane Group, Rome, 2000-2002: Sim Poste, Managing Director; BancoPosta Fondi SGR, Managing Director.
- Consob, Rome, July 2003 - March 2010: Commissioner.
- Banca Finnat Euroamerica Spa August 2010 - February 2013 : Member of the Board, Chairman of the Control and Risk Committee, Member of the Compensation Committee and of the Related Party Transaction Committee.
- Acea Spa, April 2010 - May 2014: Member of the Board, Chairman of the Compensation and Appointment Committee, Member of the Control and Risk Committee and of the Related Party Transaction Committee.
- Istituto Poligrafico Zecca dello Stato Spa, September 2014 - February 2016: Member of the Board and member of the Compensation Committee.
- Author of articles on Security Regulations.
- Professor on contract of Security Regulations at LUISS - the Guido Carli Free International University for Social Studies and after at University of Tor Vergata.

## Fabio Gallia

Born, Alessandria - Italy, 20<sup>th</sup> August 1963. Resident in Rome. Married with two children.

Degree in Economics and Business from the University of Turin (1987).

Registered with the Association of Chartered Accountants (1989).

In June 2013, he was awarded the Order for Merit of *Chevalier de l'ordre national de la légion d'honneur République française*.

In May 2015, he was awarded the Order for Merit of *Cavaliere del Lavoro della Repubblica Italiana*.

In February 2019 the University of Rome "La Sapienza" awarded him an honorary doctorate in Management

Banking and Commodity Sciences.

### Professional Experience

- He began his career in 1988 in Accenture, providing strategic and organizational consulting services.
- In 1990, he was employed by Ersel Asset Management Sgr, an Italian savings management company, belonging to the Giubergia Group, where he covered roles of increasing responsibility, before becoming General Director and Partner from 1999 to 2002.
- In 2002, he joined the Capitalia Group, then Italy's principal banking Group, as Deputy General Manager and Chief Financial Officer (CFO) in charge of the Group's Integrated Finance and Wealth Management. In 2003, he was appointed Joint General Manager for the Group's Business Policies; successively, he was appointed Chief Executive Officer of Fineco (sub-holding of Capitalia Group), the same year Fineco was incorporated into Capitalia. From 2005 to 2007, he was appointed Chief Executive Officer of Banca di Roma and Chairman of the Management Committee of the Capitalia Group.
- From 2008 he was Chief Executive Officer and General Director of BNL, BNP Paribas Group and member of the Executive Committee of BNP Paribas. From 2009 he was Chairman of the Board of Directors of Findomestic Banca and, from 2012, he managed the BNP Paribas Group in Italy.

- From 2015 to July 2018, he held the position of Chief Executive Officer and General Director of Cassa Depositi e Prestiti, the Italian National Promotional Institution; he was Vice-President of the Italian Strategic Fund and Director of the Marguerite European Infrastructure Fund.
- He was member of the Board of Directors of Borsa Italiana, MTS, Coesia (Gruppo Seragnoli), Ariston Thermo (Gruppo Merloni), Manifatture Sigaro Toscano and other insurance and an savings management company.
- From 2020 to 2022 he was General Manager of Fincantieri.
- He's currently acting as an independent advisor to business groups. He is also a senior advisor to Brookfield Asset Management.
- He is also a member of the Board of Directors of Fondazione Telethon and Member of the Audit Committee of the European Society of Cardiology, based in France.

### Angela Gamba

Born in Palazzolo sull'Oglio (Brescia - Italy), on August 15, 1970.

Graduated in Economics (110/110 *Summa cum Laude*) from Bocconi University (Milan, 1994).

#### Professional Experience

- She begins her professional experience in 1994 in London, as a financial analyst in *Investment Banking* for Salomon Brothers.
- Subsequently, and until 2002, she works in the *Private Equity/Venture Capital* industry, primarily in London and for the internal divisions of Morgan Stanley and Deutsche Bank.
- In 2003 she becomes CFO of ION Trading (London), a privately held software company, where she executes certain strategic acquisitions and supports the owners in managing the organisation's expansion.
- In 2007 she moves back to Italy and, since 2010, she becomes Italian portfolio manager for a UK private equity fund with investments in the clean energy sector, until divestment in 2016.
- Since 2016 she is a dedicated single family officer.
- She was independent director on the board of the (then) listed companies Cobra Automotive Technologies Spa (Varese) and Parmalat Spa (Milan), and she currently is director of Mediobanca Spa (since 2017) and of Fps Investments Srl.

### Nelly Recrosio

Born in Paris (France), on April 1, 1962.

Graduated in 1985: engineer (École Centrale Paris).

She currently serves at EdF as Key Account Director.

#### Professional Experience

- In the EdF Group since 1985.
- 1985 - 2007: EdF R&D - First as a research engineer, then as manager of research teams and departments. The fields covered were: electromagnetism, network equipment, energy uses in the various sectors (residential, tertiary, industry).
- 2007 - 2010: EdF Commerce - BtoB Marketing - Construction and management of a department for the development of energy efficiency services for private and public BtoB customers.
- 2010 - 2013: EdF Commerce - Ile de France Region (Paris) - Director of Large BtoB Customers.
- 2013 - 2015: EdF Commerce - North-West Region (Lille) - Deputy Director of the region (Lille).
- In 2015: for EdF Commerce, contribution to the CAP 2030 Presidency project.
- 2015 - august 2022: EdF Commerce - Key Account Director - In charge of energy sales and value development on EdF's 180 largest accounts (industry, private and public tertiary).
- September 2022 - present: EdF Commerce - BtoB Director - In charge of energy sales and value development on EdF's BtoB customer portfolio.

## Xavier Girre

Born in Rennes, France, on February 20, 1969.

He is a graduate of HEC, Sciences Po Paris and ENA alumni.

He currently serves EdF Group as Senior Executive Vice-President for the Finance.

### Professional Experience

- Has over 20 years' experience in top management positions.
- From 2011 to 2015 he was SVP, CFO of La Poste group and CEO of the XAnge private equity fund.
- He joined EdF in 2015 as CFO of the France division.
- Earlier he spent 12 years within Veolia as Group Chief risk and Audit officer and SVP, CFO of Transportation and Environmental Services.

## Luc Rémont

Born in Nancy (France), September 7, 1969.

Degree at École Polytechnique and at École Nationale Supérieure des Techniques Avancées (ENSTA Paris).

### Professional Experience

- In 1996, he joined the French Ministry of Economy, Finance and Industry. He held several positions there, first in the Treasury department where he supervised relationships with the European Bank for Reconstruction and Development (EBRD) and the World Bank, and later government equity interests in transportation companies. He then served as a Technical Investment Advisor on shareholding matters, and later Deputy Chief of staff to the French Ministers of Economy, Finance and Industry from 2002 to 2007.
- In 2007, he joined Merrill Lynch and became in 2009 Country Executive and Managing Director of the Corporate and Investment Bank at Bank of America Merrill Lynch in France.
- In April 2014, he joined Schneider Electric and became President of Schneider Electric France. In April 2017, he was appointed Schneider Electric Executive Vice President, International Operations, in charge of South America, Africa and Middle East, India, and East Asia Japan & Pacific.
- Moreover, from 2015 to 2018, he was Chairman of Gimelec, a professional organisation which brings together 230 companies providing power and automation solutions for the energy, building, industry and infrastructure markets.
- Between 2014 and 2020, he also was board member of Naval Group, a naval defence European leader. He is currently Non-Executive Director for Worldline, a European leader in secured payments and digital transactions.

### Main present positions

- He is Chairman & Chief Executive Officer of EdF SA
- He is Non executive Director of Wordline SA.

### **Florence Schreiber**

Born in Gaillon, France, on 3/10/1962.

Le Havre Business School: Master of Marketing and Commercial.

She currently serves as EdF's Senior Vice President Senior Executive, Managers Training, Mobility Division.

#### **Professional Background**

- Inizia la sua carriera come Sales Manager presso il Gruppo Manpower.
- She began her career as Sales Manager for the Manpower Group.
- She joined the EdF Group in 1986 to take in charge the commercial and customer relationship within a «distribution center».
- In 1989, she left for the Personnel and Social Relations Department.
- From 1993, she joined the Production and Engineering Department, in an operational unit, as Human Resources Director.
- She continued her career in the Nuclear Production Division first as Director of Communication and Coordination and then as Human Resources Director.
- In 2005, she joined the HR Group where she was responsible for relations with international subsidiaries on employment and skills issues.
- In 2008, she was appointed Human Resources Director of Engineering Production, and in 2011, she became Executive Director, senior managers and talents as well as R&D.
- In July 2014, she joined Dalkia as Human Resources Director. She is a member of the Executive Committee.
- Since January 1, 2020, she joined the HR Group, as EdF's Senior Vice President Senior Executive, Managers Training, Mobility Division.



# Board of Statutory Auditors

## Overview of the Structure of the Board of Statutory Auditors

Post held	Member	Year of birth	Date when first elected	Independent pursuant to the Code	Board of Statutory Auditors (1)	Board of Directors (1)	Shareholders' Meeting (1)	Control and Risk Committee (1)	Compensation Committee (1)	Related Party Transactions Committee (1)	No. of other posts held (2)
<i>In office at December 31, 2022 (a)</i>											
Chairman	Serenella Rossi	07.15.1962	03.28.2014	X	13/13	7/7	1/1	6/6	4/4	10/10	1
Statutory Auditor	Lorenzo Pozza	10.11.1966	03.30.2017	X	13/13	7/7	1/1	6/6	4/4	10/10	8
Statutory Auditor	Gabriele Villa	06.18.1964	03.30.2017	X	13/13	7/7	1/1	6/6	4/4	10/10	5

**Number of meetings held in 2022:** 13

**Quorum needed to file of candidatures for the election Statutory Auditors:** not applicable

(a) Confirmed by the Shareholders' Meeting of April 28, 2020 for a three year period ending with the Shareholders' Meeting convened to approve the 2022 annual financial statements.

(1) This column indicates the attendance of each statutory auditor at the meetings of the Board of Statutory Auditors, the Board of Directors, the Shareholders' Meeting and the Committees respectively.

(2) This column indicates the number of offices of director or statutory auditor held by the person concerned in other companies. In the following table the positions are indicated in full.

## Post Held by Statutory Auditors at December 31, 2022

Statutory Auditor	Post held at other companies	EdF Group companies
Serenella Rossi	Director of Banca Popolare di Sondrio S.c.p.a (*)	
Lorenzo Pozza	Director of Amplifon Spa (*)	
	Director of Angel Capital Management Spa	
	Director of Ariston Thermo Holding Nv	
	Statutory Auditor Assicurazioni Generali Spa (*)	
	Statutory Auditor Bracco Imaging Spa	
	Statutory Auditor Houlikan Lokey Spa	
	Director of Rudra	
	Statutory Auditor Transalpina di Energia Spa	X
Gabriele Villa	Independent Auditor of Academy Foundation of Arts and Crafts of the Teatro alla Scala	
	Statutory Auditor Italmobiliare Spa (*)	
	Director of Mediobanca Spa (*)	
	Chairman of Spafid Spa	
	Statutory Auditor Transalpina di Energia Spa	X

(\*) Company with shares traded in regulated markets

## **Curricula<sup>2</sup> of Statutory Auditors in Office at December 31, 2022**

### **Serenella Rossi**

Born in L'Aquila, on July 15, 1962.

Law Degree from the University of Milan in 1986.

#### **Academic and Professional Experience**

- Attorney at law since 1990.
- From 1992 to 1998, university scholar in commercial law at the University of Milan.
- From 1998 to 2004, Associate Professor of Commercial Law at the Insubria University Law School.
- Since 2004, Tenured Professor of Commercial Law at the Insubria University Law School.
- From 2005 to 2009, member of the Board of the Arbitration Chamber at the Varese Chamber of Commerce.
- From March 2013 to March 2016, Coordinator of the Performance Assessment Unit of Insubria University.
- From March 2014 to March 2017 member of the Bank of Italy's Banking Financial Arbitration Board (Milan District).
- Since April 2016 member of the Board of Banca Popolare di Sondrio s.c.p.a.
- Served on Arbitration Boards both as a member and as Chairperson (in arbitrations involving corporate law, finance law and business contracts).
- Served as consultant in the areas of corporate law and financial markets, bankruptcy law and contracts.
- Research activity in the areas of corporate governance, financial market law, business crisis, competition law and business ethics.
- Participated in project qualified as Projects of Significant National Interest.
- Since 1989, member of the editorial board (and thereafter in the referee's committee) of the magazine "Giurisprudenza commerciale" (Giuffrè).
- Since 2007, member of the editorial board of the magazine "Rivista di diritto societario" (Giappichelli).
- Since 2010, member of "Orizzonti del diritto commerciale" - Italian Association of University Professors of Commercial Law.
- Since 2012, member of the Scientific Committee of the Institute for Corporate Governance.
- Since 2012, member of the Management Committee of the magazine "Osservatorio del diritto civile e commerciale" (Il Mulino).
- Since 2013, member of the Management Committee of the magazine "Orizzonti del diritto commerciale."
- Featured speaker and panelist at various conventions organized by universities, institutions and entities.
- Author of numerous publication on corporate law and markets.
- Foreign languages known: English.

---

2. Curricula updated at December 31, 2022.

## Lorenzo Pozza

Born in Milan on October 11, 1966.

Degree in Business Economics from Milan's Università L. Bocconi in 1990.

### Academic and Professional Experience

- Certified Public accountant since 1991. Licensed to exercise this profession having passed the required test at Milan's Università L. Bocconi.
- Independent Auditor since 1995.
- Associate professor of Business Economics at Milan's Università L. Bocconi.
- Lecturer on economic subjects at Milan's Università L. Bocconi.
- Certified Public Accountant and consultant for several companies operating in various business sectors, developed expertise as Director and Statutory Auditors on company boards.
- Author of numerous publications regarding financial statements and the value of business capital.
- Member of the Editorial Board of *Rivista dei Dottori Commercialisti*.
- Member of the Editorial Board of the magazine *La valutazione delle Aziende*.

## Gabriele Villa

Born in Milan on June 18, 1964.

Degree in Economics and Business Administration from Milan's Università Cattolica in 1988.

### Academic and Professional Experience

- Adjunct professor of Business Economics at the School of Banking, Financial and Insurance Science of Milan's Università Cattolica del Sacro Cuore.
- Tenured professor of Financial Reporting and International Accounting Principles.
- Co-tenured professor of Business Finance (advanced course).
- Certified Public Accountant, Member of the Milan Board of Certified Public Accountants.
- Independent Auditor.
- Partner of Studio Corbella - Villa - Crostarosa - Guicciardi, Milan.
- Developed significant expertise in the valuation of business enterprises and extraordinary corporate transactions, providing support in connection with legal actions filed before judicial authorities or arbitration boards, financial reporting (statutory financial statements, consolidated financial statements and interim reports) and providing expert opinions in civil and criminal venues.

The background of the page is a photograph of a grand, ornate theater interior. It features multiple levels of balconies with red velvet seating and gold-colored railings. The ceiling is highly decorated with intricate carvings and several large, glowing chandeliers. The overall atmosphere is one of classic elegance and grandeur.

# Report on Compensation Policy and on Compensation paid in **2022**





## Contents

<b>1 Introduction</b>	<b>109</b>
1.1 Foreword	109
1.2 Regulatory framework	109
1.3 Purpose and contents	109
1.4 Compliance	110
<b>2 Section One</b>	<b>111</b>
2.1 Governance	111
2.2 Approval process of the Directors' compensation	112
2.3 Compensation policy: purpose and general principles	112
2.4 Structure, composition and development of the compensation policy: fiscal year 2022	113
2.5 Compensation policy orientation and guidelines for 2023	119
2.6 Policy orientations and guidelines for the Board of Statutory Auditors	122
<b>3 Section Two</b>	<b>123</b>
<b>Part one</b>	<b>123</b>
Comparison data	123
<b>Part two</b>	<b>124</b>
3.1 Schedule of the compensation of Directors, Statutory Auditors and Executives with strategic responsibilities	124
3.2 Schedule of monetary incentive plans for Directors and Executives with strategic responsibilities	128
3.3 Schedule of shareholdings held by Directors, Statutory Auditors and key management personnel	129
<b>Motions</b>	<b>130</b>

# 1. Introduction

## 1.1 Foreword

The Shareholders' Meeting elected the current Board of Directors on 31 March 2022, defining its term of office as covering a period of three fiscal years (2022-2024), i.e. until the Shareholders' Meeting convened to approve the 2024 financial statements. Furthermore, with effect from 7 December 2022, a director resigned and on the same date another director was co-opted by the Board of Directors.

Within the scope of its operations, the Board of Directors established a series of committees, including the Compensation Committee, and appointed the respective Chairpersons (the "Board Committees"). As explained later in this Report, the compensation of the members of the BoD was determined by the abovementioned Shareholders' Meeting, upon a motion by the controlling shareholder, whereas that of Directors who perform special functions (Chairman and Chief Executive Officer) and of the members of the various Board Committees and the 231 Oversight Board was determined by the Board of Directors upon proposal by the Compensation Committee and with the input of the Board of Statutory Auditors.

Moreover, the Compensation Committee also submitted its proposal and general recommendations about the compensation policy guidelines for managers, and specifically for Top managers, the members of the Executive Committee reporting directly to the Chief Executive Officer (Comex) composed of the directors of the main business areas of the Group, identified in accordance with the criteria set forth art. 123-ter in Legislative Decree nr. 58 of 24 February 1998 (known as TUF) and also defined as executives with strategic responsibilities (Top Managers).

## 1.2 Regulatory framework

This Report was developed pursuant to and in implementation of the general regulatory framework of reference on the subject of compensation policy at an EU and national level, and particularly of the provisions of EU Directive 2017/828 (SHRDII), of Art. 123-ter of the TUF as recently amended by Legislative Decree nr. 49/2019 of 10 May 2019, and it was prepared in accordance with the guidance provided by the Consob on the subject of compensation policies, as of the latest Resolution Nr. 21623 of 10 December 2020, which amended the Issuers' Regulation published by the Consob itself for the purpose of implementing the TUF. In addition, the principles set forth in Article 5 of the Corporate Governance Code for Listed Companies, 2020 edition (the "Code 2020") are adopted as general reference guidelines on compensation policies for this Report (with the specifications indicated below) as well as the recommendations suggested by the Corporate Governance Committee.

## 1.3 Purpose and contents

This Annual Compensation Report provides information aimed at enhancing the knowledge and awareness of shareholders, investors, the market in general, and the Consob with regard to:



## Section One

- The Company's general policy concerning the compensation of directors, Top managers, and managers more in general, and the statutory auditors;
- How said policy contributes to the development of the corporate strategy, the pursuit of short-, medium-, and long-term interests, and more in general to a sustainable development of the Company from an economic, environmental, and social point of view;
- The conditions on which, under extraordinary circumstances, the established policy can be temporarily waived, and the procedures according to which said waiver can be executed and announced to the stakeholders;
- The governance and procedures applied to define, implement, and assess the implementation of the abovementioned policy during fiscal year 2022 and to define the proposal for the compensation policy for fiscal year 2023 and, as far as the Directors participating in the corporate governance bodies as well as the members of the Oversight Board and the Statutory auditors are concerned, for the entire duration of the current term of office.

## Section Two

- A detailed and analytical breakdown of the items and amounts that make up the 2022 compensation of each Director, listing fixed and variable cash components, any compensation based on financial instruments – if and where adopted-, the correlation between short/medium/long-term targets and results of the company and the variable components of compensation, non-cash benefits, any equity interests held in the Company or its subsidiaries, as well as any other indemnity or type of compensation stipulated in the event of early termination or scheduled termination without renewal of the appointment to the post held;
- A detailed breakdown of the items and the amounts that make up the 2022 compensation of statutory auditors;
- Aggregate information about the items and amounts that make up the 2022 compensation of Top Managers, listing fixed and variable cash components, possible compensation based on the adopted financial instruments-, the correlation between short/medium/long-term targets and results of the company and the variable components of compensation, non-cash benefits, as well as any other indemnity or type of compensation stipulated in the event of the possible termination if not provided for by the applicable work contract and/or by law.

### 1.4 Compliance

This Report on the Compensation Policy and on Compensation paid in 2022 (Compensation Report 2022) drafted by the Company, was approved by the Board of Directors at a meeting held on 15 February 2023 (in consideration of the input provided by the Compensation Committee and the Board of Statutory Auditors); Section One of this Report is being submitted for binding vote to the Shareholders' Meeting convened to approve the financial statement for fiscal year 2022, while Section Two is being submitted to the abovementioned Shareholders' Meeting for advisory vote.

This Report is included in the *Corporate Governance* document, published together with the Financial Report and the Report on Operations for fiscal year 2022; it will be made available to the market at least 21 days prior to the date of the abovementioned Shareholders' Meeting and is available on the Company's website: [www.edison.it](http://www.edison.it) under Governance.

This Report is structured in accordance with the guidelines provided in the abovementioned Article 84-quater and conforms to Annex 3A, Form 7-bis and Form 7-ter, as cited in said Article.

## Waivers

Under exceptional and unforeseeable circumstances, in order to ensure market competitiveness and/or preserve the Company's economic sustainability, the compensation policy as submitted to the Shareholders' meeting can be waived, while still complying with the Related Party Procedure adopted by the Company with regard to the regulation of compensation. The Company shall make sure to provide evidence backing said waivers, if and when relevant, by giving due announcement to the market during the course of the fiscal year.

## 2. Section One

### 2.1 Governance

The corporate governance bodies and the individuals involved in managing the compensation of Directors, Top Managers and Statutory auditors are:

- The Shareholders' Meeting, which defines the annual compensation of the Board of Directors relative to the duration of each term of office and, consistent with Article 123-ter of the TUF, must cast a binding vote with regard to Section One of the Compensation Report prepared by the Board of Directors and submitted to the Shareholders' Meeting in connection with the approval of the annual financial statements, as well as an advisory vote with regard to the Section Two of the report.
- The Board of Directors, which decides how the compensation awarded by the Shareholders' Meeting should be allocated among its members, unless already defined by the Shareholders' Meeting, and defines the compensation guidelines indicated in the Report prepared annually by the same and approved by the Shareholders' Meeting. Based on, and consistent with the guidelines set forth in the Compensation Report, the Board of Directors determines the compensation for Directors part of the Committees established by the Board of Directors and the structure and amount of the compensation of any type for Directors who perform special functions (Chairman and Chief Executive Officer), Determines also the reference targets with which the variable annual component of the Chief Executive Officer is correlated, both upon definition and verification, as well as any other medium/long-term incentive plans, including those benefitting the Company's management. In performing this task, the Board of Directors is supported by the Compensation Committee, which submits recommendations regarding compensation issues, and where needed by the Related Party Transaction Committee, and adopts its resolution after hearing the input of the Board of Statutory Auditors.
- The Chief Executive Officer, who is entrusted by the BoD with the operational implementation of decisions made in matters concerning compensation for Top Managers and managers by way of coordinating and controlling the corporate departments reporting to the CEO themselves, in compliance with the guidelines included in the Compensation Report. The CEO also monitors the correct implementation of said decision, by leaning on the Compensation Committee for support.
- The Compensation Committee, established by the Board of Directors, which also defined the Committee's functions (see the 2022 Report on Corporate Governance for additional information) and approved its operating regulations. In the performance of its functions, the Committee relies on the operational support of the Human Resources and Organization Department and, when deemed appropriate, the support of qualified external consulting companies different from those normally used by the Company's management. The committee

also expresses an opinion on temporary waivers to the compensation policy, when allowed and under exceptional circumstances.

- The Related Party Transactions Committee, (see the 2022 Report on Corporate Governance for additional information) which expresses an opinion upon request of the Compensation Committee on the compensation of directors entrusted with special duties and of managers with strategic responsibilities, in the event that the conditions set forth in art. 13, paragraph 3, letter b of the Consob regulation on third party transactions are not fulfilled, as well as on temporary waivers to the compensation policy.
- The Board of Statutory Auditors, which performs the functions assigned to it pursuant to Article 2389, Section 3, of the Italian Civil Code. In order to effectively perform these functions, its Chairman and/or other Statutory Auditors attend the meetings of the Compensation Committee as invited member(s) and can also attend the meeting of the Related Party Transactions Committee.
- The Corporate management, which supports the activities of the Compensation Committee with general secretarial service (provided by the Corporate Affairs & Governance Department, which performs the same function with respect to the Board of Directors) and supplies the information and data needed to analyze the issues under discussion (provided by the Human Resources and Organization Department), by attending Committee meetings upon request and invitation by the Committee itself.

## 2.2 Approval process of the Directors' compensation

With reference to the compensation of the current Board of Directors, which, with the clarifications indicated in the Foreword, was appointed by the Shareholders' Meeting of 31 March 2022, for a term of office ending with the Shareholders' Meeting convened to approve the financial statements for fiscal year 2024. The compensation of the members of the Board of Directors was established by the Shareholders' Meeting for a three-year period at a gross annual amount of €50,000 for each Director, plus a gross attendance fee of €1,800 for each meeting of the Board of Directors attended by a Director. The resolutions of the Shareholders' Meeting were adopted upon a motion by the controlling shareholder, consistent with the amounts applied to the previous Board of Directors.

Subsequently, at the meeting of 3 May 2022, the Board of Directors, having obtained the opinion of the Compensation Committee and that of the Board of Statutory Auditors, in line with the compensation policy submitted to the assembly of 31 March 2022 and in consideration of the reference benchmarks, passed resolutions on for the three year period 2022- 2024:

- the compensation for members of the Board's Committees (Control and Risk Committee; Compensation Committee, and Related party transactions Committee) and the 231 Oversight Board, to be in place throughout the length of the term of office;
- the compensation of the Chairman and the Chief Executive Officer.

## 2.3 Compensation policy: purpose and general principles

The fundamental purpose of the Company's general compensation policy is to attract and retain the best resources to foster the Company's growth in its market sector, acknowledge the responsibilities assigned to them, motivate them to work towards both short, medium, and long-term goals aimed at creating sustainable value for all internal and external stakeholders in compliance with the official risk management policy, and reward them for their achievements.

When defining a compensation policy, the following factors are usually taken into account:

- the main features of the compensation policy applied during the previous year;
- the overall macroeconomic scenario and current trends, specifically with regard to the labour market;
- trends in the compensation and remuneration area with regard to large companies that operate in the domestic and European market and their competitive positioning in terms of the compensation policies adopted by the company, with special emphasis on the Italian energy sector; the company usually refers to surveys and reports on compensation and benefits in Italy released by a specialized external firm, in the comparison with the panel of companies represented in them;
- the Company's current financial situation, its short-term and medium-term objectives and the challenges posed by the medium/long-term strategies defined in the Company's plan for the period;
- the general targets established on the subject of compensation policies by the EU and International ESG (Environmental, Social & Governance) standards, as specifically adopted by the Company in the Non-Financial Statement Document.

For the purpose of analysing market trends and benchmarking vis-à-vis the market of the competitiveness of the Company's policies and the compensation of managers, with reference to the compensation of the members of corporate bodies and to the compensation of managers more in general, besides the benchmarks typically used by the Company, the Compensation Committee can consider on each occasion whether it should secure, at the Company's expense, the support of qualified external consulting companies different from those normally used by the Company's management. The Committee availed itself of this option as it was outlining the structure and the amount of the compensation applied for the 2022-2024 period to all the members of the Board Committees, of the directors performing specific functions (Chairman and CEO), as well as the 231 Oversight Board.

## 2.4 Structure, composition and development of the compensation policy: fiscal year 2022

### Structure of Compensation

Taking into account the general purposes stated above, in 2022 the compensation policy was developed based on the reference principles and guidelines defined by the Board of Directors on 16 February 2022 after consulting the Compensation Committee, and having obtained the opinion of the Board of Statutory Auditors. The guidelines and principles of the Compensation policy for 2022 are included in the Compensation Report approved by the Shareholders' Meeting on 31 March 2022.

Based on said general guidelines, the newly appointed Board of Directors for 2022-2024 proceeded to define the compensation of Directors performing specific duties (Chairman and CEO), as well as those of the members of the Board Committee and of the Oversight Board for the 2022-2024 period, in consideration of the reference benchmark levels provided by a specialised external company and of the current market scenario.

In general, and particularly with regard to the members of the governance bodies of the company, the compensation policy was developed in accordance with the following principles and guidelines in 2022: :

- The compensation of non-executive Directors, established by the Shareholders' Meeting of 31 March 2022 for the entire duration of the three-year term of office, is commensurate with

the required level of commitment and takes into account any service on Board Committees. It is comprised of a predetermined fixed gross annual amount and an attendance fee for each meeting of the Board of Directors or one of the Committee attended by a Director. The Board, in consideration of the evidence resulting from the reference benchmark, resolved to award members of the various Committees the same compensation as in the previous three-year term of office, highlighting that Committee Chairpersons are to receive a higher compensation than the other members, consistent with market practice. Said compensation has been established for the entire duration of their term of office. No variable compensation tied to corporate results is provided in any form;

- For Directors entrusted with special functions (Chairman and Chief Executive Officer), the cash compensation is structured as follows: a fixed gross annual component and, exclusively for Directors to whom management authority and operational control are being delegated (the Chief Executive Officer), a variable gross annual component; the Chief Executive Officer has also been allocated a variable medium-to-long-term component for the 2022-2024 term of office, like some select Top managers, managers, and middle managers of the Company;
- The fixed gross annual compensation must be commensurate with the level of responsibility entailed by the function performed and large enough to ensure that the economic package will be sufficiently competitive, even if no variable annual component is disbursed. Furthermore, with regard to the CEO, the BoD of 3 May 2022 and of 26 July 2022 outlined the targets that will act as the basis for the variable component of the annual compensation for fiscal year 2022 and the 2022-2024 Long-Term Incentive plan. Said targets will also act as the benchmark for the goals to be pursued by the Top Managers and the corporate managers entitled to short- and medium-to-long-term variable compensation. The following paragraphs provide an outline of the structure of the compensation of the abovementioned individuals.

## Chairman Compensation

- The BoD of 3 May 2022 confirmed that the compensation of the Chairman consists of a single fixed component, whose amount was however cut by more than 30% vis-à-vis the previous term of office, in light of the evolution of relevant market benchmarks. The Remuneration Committee expressed its opinion on this change, pursuant to the Procedure for Transactions with Related Parties adopted by the Company. As expressly requested by the Chairman, this component and all other compensation provided for serving as a Director are paid by Edison Spa directly to its Parent Company EdF SA.

## CEO Compensation

- The structure and amount of the compensation of the CEO was established following a proposal by the Compensation Committee pursuant to the Procedure for Transactions with Related Parties and based on the opinion of the Board of Statutory Auditors and resulted from a comparison of relevant markets, which also takes into account the corporate economic risk profile in connection with the current remarkable volatility of the Energy Commodity industry, the growth of the position in connection with the company's financial and social profile, and the strategic development plan to be implemented during the term of office at hand. Against this backdrop, the overall amount was increased about 20% a year vs the previous three-year term of office. The three components have been confirmed, albeit with an increased incidents of variable components, notably the medium- and long-term variable component, vis-à-vis the fixed component. As a result of this, compensation includes a fixed gross annual compensation, a variable gross annual compensation (MBO), and a medium-term variable cash component (three-year LTI, 2022-2024, similarly to what has been established for Top Managers and Middle Managers benefitting from an LTI.)
- Moreover, the CEO is entitled to receive, from the Company he is employed by (parent company Transalpina di Energia S.p.A.), benefits similar to those applied to the managers of the Edison Group.

- As a result, the structure of the compensation of the Chief Executive Officer and the impact of each component on the overall annual compensation is the following: fixed gross annual compensation around 50%, variable gross annual compensation (MBO) at target value around 25%, and variable cash medium-term component (LTI) with annual quota at target value 25%.
- The variable gross annual compensation components (MBO) of the Chief Executive Officer are predetermined based on a target value (100%) and a minimum and maximum economic value equal to 75% and 125%, respectively, of the target value, and are predicated on the achievement of annual economic-financial, industrial and commercial targets as well as of targets connected in a more general way to sustainability parameters that are conducive to the strategic development of the company. Said goals are predefined and measurable, and they are assigned by the Board of Directors, further to a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors.
- The medium-term variable remuneration is correlated to the achievement of objectives linked to the strategic development of the company in the reference three-year period (2022-2024), specifically they are structured in economic-financial objectives (50%), industrial and commercial development objectives (20%), objectives of a specific ESG nature (15%) and to complete an objective linked to results of interest to Edison deriving from the collaboration with the EdF Group in the same period (15%).  
The monetary three-year LTI plan is also assigned to Top Managers and a selected number of Senior Managers and young managers with high potential.

## Top Management Compensation

- For all management, including Top Managers, the general guidelines of the compensation policy were confirmed for fiscal year 2022. Compensation is divided into three components (fixed compensation, short-term variable compensation and, for Top Managers and for a selected group of managers, in line with the 2019-2021 period, a medium-long term variable compensation is also applied - LTI program - new cycle 2022-2024).
- As a result, the structure of the compensation of the Top Managers and the impact of each component on the overall annual compensation is the following: fixed gross annual compensation ca. 60%, variable gross annual compensation (MBO) at target value ca. 20%, and variable cash medium-term component (LTI) with annual quota at target value ca.20%.
- As is the case with the CEO, the variable gross annual compensation of Top Managers is also predetermined based on a target value (100%) and a minimum and maximum economic value equal to 75% and 125%, respectively, of the target value and is predicated on the achievement of annual economic-financial, industrial and commercial targets and of targets connected in a more general way to environmental and social sustainability parameters that are conducive to the strategic development of the company. Said goals are predefined and measurable, 60% of them are the same assigned by the Board of Directors to the CEO, the remaining percentage is assigned by the CEO based on the individual responsibilities of each Top Manager.

As a rule, the compensation defined for the Chief Executive Officer and for all company employees is deemed to include all compensation that may result from any assignments performed on behalf of and in the interest of the Company, in subsidiaries and/or other investee companies, as well as associations, entities, and foundations.

## Variable targets for the CEO in 2022 and benchmark for Top Management and Management

For 2022, taking into account the ongoing extraordinary conditions and extreme volatility of the external context induced by the pandemic and by the outbreak of the war between Russia and Ukraine, the following targets have been established:



- economic and financial targets, with a combined weight of 45% (measured by way of indicators based on Ebitda, cash flow, and the trend in operating expenses);
- operating targets connected with industrial and commercial indicators, with a combined weight of 30% (consisting of the development of the new-generation, high-efficiency, low-carbon thermoelectric fleet, development of generation from renewable sources in terms of installed MWs and commissioning of the new LNG coastal terminal, and of the development of the Energy Services market and of the end-user market;
- social targets, with an overall weight of 10% referring to the occupational injury rate, both for Company employees and employees of third party companies working for the Company, and to the level of engagement of the corporate staff and the level of managerial leadership, measured through a dedicated survey carried out among the employees by a qualified external company;
- finally, this basket of annual targets rounded out, like in the previous years, with the addition of a strategic development target weighing in at 15%, whose evaluation was to be based on the opinion expressed through the Board of Directors for a qualitative assessment. As was the case in the previous years, for the purposes of assessing this specific target, the Board has taken into special consideration the work and the achievements of the management team, also considering the impact of the overall corporate performance on the medium- and long-term corporate growth and sustainability prospects.

The assigned operational, management, and social targets also include targets that contribute to reaching the ESG targets taken on by the Company, with specific regard to environmentally and socially strategic targets that are also expressed in the Non-Financial Statement. Said targets weigh in at 25% of the basket of targets established within the framework of the 2022 MBO.

The abovementioned general targets, entrusted to the Chief Executive Officer, represent the benchmark for the common annual objectives for the Company's Top management and its managers in general.

Supplementing specific area and/or personal targets, the common corporate objectives for 2022 weigh in at 60% of overall targets entrusted to Top managers and at 20/30% of those entrusted to the management team as a whole.

## Long Term Incentive plan 2022-2024

The Board of Directors' meeting of 26 July 2022, upon the proposal of the Compensation Committee and having heard the opinion of the Board of Statutory Auditors, defined the start of a new three-year cycle of cash Long-Term Incentive plan (LTI 2022-2024) for the CEO, the top managers and a restricted group of senior managers and junior, high-potential managers, in continuity with the Compensation Policy adopted in previous years and with market practices for comparable companies, and simultaneously approved the regulation disciplining it. The new cycle is based on a basket of objectives related to the Company's strategic development over the three-year period of the LTI plan, taken from the latest revision of the medium-term strategic plan approved by the Board of Directors (Medium-term Plan 2022-2025).

Said targets include economic-financial result parameters, weighing in at 50% (by way of EBIT and Operating Cash Flow indicators for the period), industrial and commercial development targets with a 20% weight (by way of renewable sources development, electric mobility development and energy community development targets) and specific ESG targets with a 15% weight (by way of indicators of avoided CO<sub>2</sub> emissions and the development of Gender Diversity at managerial level). The basket rounds up with a target linked to results of interest to Edison deriving from the collaboration with the EdF Group in the same period with a weight of 15%. The target bonus resulting from the LTI programme is defined in relation to the reference compensation of the grantees and the pay-out level is connected to a non-linear performance

3-level scale (minimum level equal to 50% of the target, target level 100% and maximum level equal to 150% of the target level). The payment is subject to the final approval of the results obtained by the Board of Directors at the end of the plan; the payment will only be due following the approval of the financial statements by the Shareholders' Meeting relating to the last year of the plan's reference period (fiscal year 2024) for the benefit of those who are employed by the company at the date.

No monetary and/or equity incentive instruments were granted to the Chairman and other Directors.

### Performance results of fiscal year 2022

The economic and financial results, from the point of view of the overall operating performance achieved by the company over the course of fiscal year 2022, was remarkable and beyond budget expectations, as well as above previous year levels, both in terms of the impact on the fiscal year and of potential reflecting on the company's medium- to long-term growth and development prospects.

This level of performance was attained within an external market context that was remarkably unpredictable in terms of geopolitical and economic phenomena, as well as experiencing a steep increase in the economic volatility of price-risk associated with the energy commodity market, which has led national and EU-level governments and institutions to adopt emergency policies.

The actions taken in the previous years were further developed by the Company's management throughout fiscal year 2022, and they have confirmed that the strategy chosen by the company is highly appropriate and resilient, even in the face of an extremely uncertain external context. They have also helped achieve the remarkable operating performance for the year; however, the performance suffered a remarkable contraction in value in terms of net overall result, due to the impact of the new laws entered into force during the course of the year, notably the so-called windfall tax on energy companies.

With specific regard to the results achieved on the common objectives assigned for fiscal year 2022 to the Chief Executive Officer, the Board of Directors meeting of 15 February 2023, upon a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors, has reviewed the data and concluded that the overall performance level to be considered in payout quantification for the 2022 MBO of the CEO is 102%; said percentage performance value will also be used as a reference for the quota of common objectives related to the 2022 MBO of Top managers and all managers, according to the applicable evaluation scale.

### Claw back clauses

No claw-back clauses have been introduced concerning the short-term variable component for executive Directors and Top Managers, in consideration of the contractual employment relation existing between the executive directors in office, the Top Managers and the companies representing the shareholding structure, as a result of the rigorous assessment and monitoring process of the results achieved with regard to the variable component, carried out by the Company and verified by bodies independent of management. Moreover, the relatively low impact of said variable component in terms of absolute value must also be taken into consideration, as well as the rare occurrence of this practice on the market, except in specific sectors (such as banking and insurance) which are different from those where the company operates and competes.

## Benefits and indemnities

As mentioned above, with regard to special benefits allocated to the Chairman, considering the responsibilities of his post and the operational modalities with which he performs his duties, no special benefits are being provided to the Chairman; as for the benefits provided to the current Chief Executive Officer, being an employee of the parent company in secondment for the holding, the same benefits applied by Edison to all its employees are applied, as outlined below. All members of the Board of Directors and of the Board of Statutory Auditors benefit from specific corporate insurance policy for third party liability.

The Company's benefit policies common to all managers also apply to Top Managers with strategic responsibilities. These policies specifically provide for the award of a company car both for business and personal use, specific pension and health care coverage, insurance for work-related and non-work-related accidents and illness, and life insurance. The maximum insurable amounts covered by these policies are higher than those required currently by the relevant collective bargaining agreement, and are compared with the market of comparable companies by means of specific benchmarks provided by specialized external companies.

The Company is not a party to any agreements with Directors, including the Chief Executive Officer, calling for the payment of special indemnities in the event of resignation or termination of the appointment/assignment for any reason and/or cause, or if he/ she is removed from office due to a tender offer or if the appointment/assignment is not renewed upon its scheduled expiration, also in the light of the fact that the people with executive offices are at the same time working for the companies that make up the company's shareholding structure -except independent directors. Said professional relations are regulated by specific individual employment contracts, which for what concerns the continuity of the relations are formally separate from and independent of any corporate assignments and their cessation. This profile is equally relevant for the executives of companies that are part of the shareholding structure who may be asked to perform executive duties in the Board of the Company and/or of subsidiaries and associates, including Top managers.

## Implementation of the 2022 compensation policy for the management team

During fiscal year 2022, the compensation policy applied to the Company's entire management has unfolded along the guidelines that were approved and outlined in the 2020 Compensation Report, submitted to the Shareholders' Meeting on 31 March .2022. Over the course of fiscal year 2022, said policy totalled an overall expenditure in wage costs connected with the structural components of compensation equal to 2.3% of the total reference wage and salaries amount, in line with the approved guidelines.

## Succession plans

The Board of Directors has not deemed it necessary to provide for specific succession plans for Directors performing executive duties, in consideration of, among other things, the current shareholding structure and the ample availability of managerial resources within the International Group of the majority shareholder. These elements are deemed sufficient to determine that it is not strictly necessary to identify specific possible replacements beforehand. However, the reference processes and criteria used within the Group, with specific reference to the succession plans for the Directors performing executive duties are currently being assessed by the Compensation Committee and will be submitted to the Company's Board of Directors. For what concerns the succession plans for Top managers and managers holding relevant posts, they are managed by the Company's management team within a dedicated internal process and are updated on a regular basis.

## 2.5 Compensation policy orientation and guidelines for 2023

The Board of Directors, acting further to a favourable opinion by the Compensation Committee and with the input of the Board of Statutory Auditors, developed the following framework and guidelines for the current year.

- General macro-economic scenario: in 2022, EU countries have experienced considerable disruptions in the evolution of key economic factors, which have had an impact on the labour market and on salaries. On the one hand, leaving the acute phase of the pandemic crisis behind after two years has confirmed the positive GDP (Gross Domestic Product) growth trend (over 3%). Thanks to this growth, coupled with the GDP rebound of 2021 (more than 6%), the pandemic-related collapse of 2020 was entirely recovered. However, war broke out between Russia and Ukraine in 2022: the conflict has had the heaviest economic impact on EU countries, particularly with regard to the sudden, sharp reduction in oil products (especially gas) imported from Russia at competitive prices. This has resulted in the need for importing EU countries to quickly find alternative suppliers, both in terms of new countries to import from, and in terms of alternative products (liquefied natural gas, imported by sea, to replace natural gas imported via pipelines.) This scenario has blended into a macro-economic framework of growing tensions, which in 2021 had already resulted in the shortage and price rise of some production components used in relevant large-scale consumer goods production industries (e.g. automotive and hi-tech), and in 2022 it recorded a temporary, yet significant reduction in power production from nuclear because of the unavailability of the nuclear power fleet in France as well as because of a significant, general reduction in hydro power production due to the current climate scenario. The combination of the abovementioned factors has resulted in an inevitable, uncontrollable surge in inflation worldwide. Following a long period of extremely low rates (between 0 and 2%), inflation ended up well over 10% in several European countries in late 2022. Leading economic analysts are expecting the geopolitical and economic phenomena that characterised 2022 to continue throughout 2023, or at least for most of the year. Their effects, however, will not be limited to the ones of a typical, short-term trend, and are highly likely to indicate a sea change in the market and economic policy balances of the past two decades. This is expected to be particularly true for the EU countries that are highly reliant on raw materials for the energy industry, and to push further towards the green energy transitions that have been under way for a while. Forecasts concerning key macro-economic indicators for 2023 are of a limited, yet likely economic recession in GDP (close to 0 or just a few tenths of a point higher) and a gradual reduction in inflation vis-à-vis 2022 levels, with rates still around the 5%/6% mark.
- Within the context of this economic scenario, in 2022 Italy was able to build on the growth momentum of 2021 and recorded a significant rise in the economic and industrial indicators, placing the country among the best performing in the EU. These figures were much above market expectations and were driven chiefly by exports as well as by a recovering internal demand, particularly in industries such as construction and tourism. Within this context, the GDP was near 4% in 2022. However, the impact of the war in Ukraine has resulted in a significant rise in inflation, which has reached a year-on-year 11.6% rate and an annual median value of 8.1%, close to 50% of which for imports, in particular energy products (oil products and gas.) On the overall labour market, labour demand has overtaken pre-pandemic levels, bringing the country's employment rate above 60%, albeit with ongoing discrepancies between genders, geographical areas, and generations. However, the increase in demand has sharpened the labour market demand and supply mismatch, which is constantly increasing not only because of professional and educational mismatch that has been ongoing for years, but also because of the lack of supply at all levels of employability which stems, among others, from a constant

decline in population and birth rate, as well as from a new, post-pandemic phenomenon, i.e. workplace disaffection as a new, key reason for leaving work or changing workplace. This results in an increasing turn-over rate; in 2022, Italy's voluntary turnover rate was, on average, twice as high as in previous year (5%), with remarkably higher peaks for younger employees with technical and managerial skills who work in the digital technologies and IT. Within this market context the growth dynamic of managerial salaries in 2022 on the general market in Italy increased by 2% in terms of fixed gross annual compensation. These figures were not able to counter the remarkable rise in inflation for the year, and they have completely absorbed the structural salary growth dynamic vs inflation in the medium-term (last 5 years.) The overall framework of the labour market for 2022 is expected to extend into the short-term; therefore, it is expected that we will continue to see high levels of dynamism and tension in the labour market in 2023, as well as inflation remaining above 5% as a result of the acquired inflation rates from last year, while expected to decrease slightly. In terms of management salary policies in the overall Italian market, the latest estimates from specialized firms have recorded a 3.4% increase in fixed gross annual compensation, integrated by specific action taken with regard to professional profiles that suffer from heightened tension on the labour market, with a view to reducing their turn-over rates (e.g. extra bonus, retention bonus, medium-term incentive schemes, etc.)

- Within this general framework, the Italian energy industry, after proving its good level of economic and operational resilience during the pandemic emergency, as well as showing excellent reactivity and potential for recovery as early as in 2021 as the pandemic restrictions were gradually eased, confirmed a sound economic operating performance across all key players, despite decreased consumption across the board ( electricity consumption down .0,8.%, gas consumption down .9,6.%), in a context of market prices for energy commodities that has recorded record increases in gas prices across International markets, within an equally exceptional context characterised by absolute values unprecedented in the last decade, pushed further up by the increased volatility. However, the positive overall operating performance suffered the effects of the new laws that were implemented in order to contain the price rise for end users (i.e. the so-called windfall tax on energy companies.) Nevertheless, The favourable general situation for the Italian energy utilities sector is also confirmed in a medium-to long-term forecast framework, supported by the new carbon neutrality- oriented energy policies at EU level and in Italy, which lead to medium-long term scenarios characterized by a growing intensity of electricity consumption, while considering the impact of energy-efficiency boosting measures. These prospects have created the conditions for the launch of a significant new cycle of investment and development in the electricity sector, significantly above the levels of the last decade, with a view to supporting in particular initiatives and projects for the generation of renewable and low-carbon electricity, new methods of producing and storing electricity (e.g. pumping, hydrogen and batteries), new sustainable mobility models, and the efficient energy use, particularly in public and private buildings, innovation of processes and solutions through the adoption of new digital technologies.
- The abovementioned scenario in the electricity sector confirms the dynamic trend of the labour market in this sector that was recorded in the 2 years prior to the pandemic emergency, and makes for reasonable forecasts for possible further developments, driven by the remarkable investment plans that have been announced by major operators, and lastly by the need created by the gas emergency to accelerate investments in order to further diversify supply sources for gas, power generation from renewables, and efficiency-boosting measures for energy consumption, especially gas. Within an increasingly dynamic overall framework on the electricity labour market, increased interest is confirmed for profiles with skills conducive to the development of initiatives and projects in line with the schemes provided for by the European and national energy and environmental transformation (NEXT Generation EU and

the Italian recovery and resilience plan.) The same applies to profiles that are highly skilled in the new digital technologies that are conducive to supporting the ongoing transformation in the industry, and to developing innovative solutions for the market.

- Within said market scenario, the current general trends of compensation policies for managers employed in medium-sized and large companies in this industry, acquired by means of the systematic surveys the company receives from specialized external companies (Korn Ferry - HAY Group), have recorded a 2.2% increase in the fixed gross annual component of managerial compensation in 2022, slightly higher than the Italian general market average, which confirms the trend that emerged in the two previous years.
- As for 2023, within the general macro-economic framework outlined above, Directors and Top Managers on the general Italian market can expect an increase in the compensation dynamic (about 3.4% in the fixed gross annual component) both on the general market and on the energy market. These forecasts and values in the compensation growth dynamic factor include the effects of the meritocratic salary policies adopted by the companies and of the automatic contractual adjustments for seniority for Directors and Top Managers with an employed work contract.

Within the framework of the compensation dynamic outlined above, and in line with the practice implemented in previous years, in 2022 Edison adopted a moderate salary policy, particularly with regard to the Directors and Top managers, and a more competitive salary policy vis-à-vis the rest of the market for young managers and resources with a high growth potential but not yet entrusted with managerial responsibilities. Edison pursues the goal to implement a salary policy that focuses on enhancing its talents and protecting them from the market, particularly middle managers and young managers in key organisational positions with a high potential for development and enhancement of skills that are relevant to the company. Moreover, the company aims to maintain a balanced, sensible, and fair salary dynamic between the company's Top managers, managers, and the corporate population in a broader sense. As far as this profile is concerned, the ratio between the average gross annual compensation of all the employees of the company and the Top managers, including the CEO, is equal to a parameter of about 8X.

Furthermore, the Company's salary policy applied to a select group of senior managers and young managers includes a variable, medium-term cash component (Long-Term Incentive programme, 2022-2024), which is outlined above in paragraph 2.4, and a competitive benefits package for all managers and employees of the company, and by a corporate contractual welfare scheme the company is currently enhancing and extending to the employees of recently acquired companies.

- Consequently, with regard to the policy of the compensation for the current fiscal years, after hearing the advice of the Compensation Committee and the input of the Board of Statutory Auditors, in consideration of the general context characterized by a high degree of uncertainty, as well as of the opportunity to ensure continuity with the salary policies implemented in the past few years, of the salary dynamics projections, the Board of Directors has developed and defined the following guidelines with specific reference to fiscal year 2023:
  - with reference to the compensation for the directors, including those entrusted with special duties (Chairman and CEO) and the members of the Board Committee and the Oversight board, the applicable compensation policy is outlined above in paragraph 2.4;
  - as far as the compensation policies of the Top Management and management are concerned, taking into account the salary policy forecasts expressed by the abovementioned market analyses and the general economic framework, it is deemed appropriate to adopt a budget for 2023 for the salary policy on the monetary component equal to 3.5%, higher



than that adopted in the previous year (...%) within the framework of a more dynamic market with significantly higher inflation. This policy is substantially in line with general market and energy market forecasts. Like in the last years, however, the development and implementation of this policy may take into account the evolution of the inflation scenario and the current labour market trends, considering the opportunity to resort, if and when needed, to specific economic, non-structural impact tools so as to prevent and contain the turnover of relevant managerial profiles.

- As far as the 2023 targets for the variable, short-term component (MBO) of the Chief Executive Officer are concerned, it is also deemed appropriate to confirm the general structure of a panel that includes economic and financial targets as well as industrial, commercial operating targets, and social targets (including ESG targets), geared towards performance sustainability and corporate growth in the medium- to long term. This structure and panel of targets are also part of the common corporate targets for Top management and corporate management at large.

## **2.6 Policy orientations and guidelines for the compensation of the Board of Statutory Auditors**

The compensation of the Board of Statutory Auditors currently in office was established by the assembly on 28 April 2020, based on the indication of the controlling shareholder Transalpina di Energia S.p.A., who confirmed the fixed annual remuneration of € 75,000 gross for the Chairman and € 50,000 gross for each statutory auditor assigned for the previous term. The shareholders' meeting of 28 April 2020 also attributed an attendance fee of € 1,000 for the Chairman of the Board of Statutory Auditors, and € 750 for each of the other two standing auditors, for each meeting of the Board of Statutory Auditors or one of the Committees established in 'area of the Board of Directors in which each of them takes part.

The compensation is to be deemed commensurate with the level of engagement required, the relevance of the position, and the size and scope of the Company and the existing market practices.

Said compensation is defined and remains valid throughout the entire term of office of the Board of Statutory Auditors, or until the meeting for the approval of the 2022 financial statements.

With regard to the proposals for compensation to do with the appointment of the new Board of Statutory Auditors, for the entire duration of their term of office (2023-2025), in consideration of the body's controlling duties, the BoD, having also consulted the Remuneration Committee, chooses to abstain from developing specific proposals and entrusting the Shareholders' Meeting with the duty of carrying out any assessment deemed necessary on the basis of the suggestions contained in the CG Code and of comparable market practices.

## 3. Section Two

### Part one

Regarding the structure and organization of the various components of the remuneration for Directors and executives with strategic responsibilities, as well as the correlation of the variable components with the assigned objectives and company results, please refer to Section One of the Report, Paragraph 2.4.

### Comparison data

Here below are provided comparison data between the annual change: a) the total compensation of the Directors and Statutory Auditors; b) the Group's expressed in terms of EBTDA, EBIT, Profit (Loss) for the year attributable to the owners of the parent and Net financial debt; c) the average compensation of Group's employees.

First and last name	Post held	Period during which the post was held		Total compensation 2022 (in thousands euros)	% change	Total compensation 2021 (in thousands euros)	% change	Total compensation 2020 (in thousands euros)
Directors in office at December 31, 2022 (*)								
Marc Benayoun (a)	Chairman	In office from 2019 and confirmed in 2022	(e)	353	-15.95	420	0.48	418
Nicola Monti	Chief Executive Officer	In office from 19/06/2019 and confirmed in 2022	(f)	856 (g)	-26.59	1,166	47.97	788
Béatrice Bigois	Director	In office from 2019 and confirmed in 2022	(e)	93	5.68	88	29.41	68
Paolo Di Benedetto	Director (c)	In office from 2019 and confirmed in 2022		229	-2.14	234	4.00	225
Fabio Gallia	Director (c)	In office from 2019 and confirmed in 2022		145	-	145	2.11	142
Angela Gamba (c)	Director (c)	In office from 28/04/2020 and confirmed in 2022		181	-1.09	183	45.2	126,0
Xavier Girre	Director	In office from 2019 and confirmed in 2022	(e)	59	-4.84	62	-28.74	87
Florence Schreiber	Director	In office from 28/04/2020 and confirmed in 2022	(e)	87	-9.38	96	54.8	62,0
Nelly Recrosio	Director	In office from 31/03/2022	(e)	49				
Luc Rémont (a)	Director	In office from 7/12/2022	(e)	6				
Total compensation of Directors in office at December 31, 2022				2,058	-14.04	2,394	24.95	1,916
Left post in 2022								
Jean-Bernard Lévy (b)	Director	In office from 2019, confirmed in 2022 and terminated since 7/12/2022	(e)	51	-5.56	54	-11.48	61
Total compensation of Directors				2,109	-13.85	2,448	23.82	1,977
Statutory Auditors in office at December 31, 2022 (d)								
Serenella Rossi	Chairman Board Stat. Audit.	In office in 2020, 2021 and 2022		108	2.86	105	16.67	90
Lorenzo Pozza	Statutory Auditor	In office in 2020, 2021 and 2022		76	7.04	71	16.39	61
Gabriele Villa	Statutory Auditor	In office in 2020, 2021 and 2022		75	5.63	71	16.39	61
Total compensation of Statutory Auditors				259	4.86	247	16.51	212
(*) The Board of Directors was appointed by the Shareholders' Meeting on March 31, 2022, with a term expiring on the date of the Shareholders' Meeting to approve the financial statements for the year ending 12/31/2024.								
(a) Appointed by co-option by the Board of Directors on December 7, 2022 to replace Jean-Bernard Lévy who resigned.								
(b) Terminated from office upon resignation as of December 7, 2022.								
(c) Independent Director.								
(d) Confirmed by the Shareholders' Meeting of April 28, 2020, which also approved their emoluments and in office until the Shareholders' Meeting to approve the financial statements for the year ending 12/31/2022.								
(e) Fees paid directly to the EdF SA Company and not to the individual himself.								
(f) Fees paid directly to the company Transalpina di Energia Spa and not to the individual himself.								
(g) Includes Variable compensation for 2022 of 293,000 euros.								
Group Results		2022 (in thousands euros)	% change	2021 (in thousands euros)	% change	2020 (in thousands euros)		
EBITDA			-100,00	989	44,59	684		
EBITDA			-100,00	466	94,98	239		
Profit (Loss) for the year attributable to the owners of the parent			n.s.	413	n.s.	19		
Net financial debt			-100,00	104	-80,00	520		
The average compensation of Group's employees (in euro)		50,897		52,462		51,610		

## Part two

### 3.1 Schedule of the compensation of Directors, Statutory Auditors and Executives with strategic responsibilities

The schedule that follows lists in detail the compensation that Directors, Statutory Auditors and Executives with Strategic Responsibilities, including those whose term of office ended during the year, earned in 2022 for any reason and in any form, attributable to the Company and its subsidiaries and affiliated companies at December 31, 2022.

**Reference period: January 1, 2022 to December 31, 2022** (in thousands euros)

Beneficiary	Description of post and term office					
First and last name	Post held	Period during which the post was held		End of term of office (*)	Fixed compensation	Compensation for serving on Committees
Directors in office at December 31, 2022 (***)						
Marc Benayoun (a)	Chairman	01.01.22	31.12.22	(*)	353	-
Nicola Monti (b)	Chief Executive Officer	01.01.22	31.12.22	(*)	563	-
Béatrice Bigois (c)	Director	01.01.22	31.12.22	(*)	61	32
Paolo Di Benedetto (c)(d)(e)(i)	Director (h)	01.01.22	31.12.22	(*)	63	166
Fabio Gallia (c)(e)	Director (h)	01.01.22	31.12.22	(*)	63	82
Angela Gamba (d)(e)(i)	Director (h)	01.01.22	31.12.22	(*)	63	118
Xavier Girre	Director	01.01.22	31.12.22	(*)	59	-
Nelly Recrosio	Director	31.03.22	31.12.22	(*)	49	-
Luc Rémont (f)	Director	07.12.22	31.12.22	05.04.23	6	-
Florence Schreiber (d)	Director	01.01.22	31.12.22	(*)	59	28
Total compensation of directors in office at December 31, 2022					1,339	426
Left post in 2022						
Jean-Bernard Lévy (g)	Director	01.01.22	06.12.22	06.12.2022	51	-
Total compensation of directors					1,390	426
Statutory Auditors in office at December 31, 2022 (l)						
Serenella Rossi	Chairman Board Stat. Audit.	01.01.22	31.12.22	31.12.2022	88	20
Lorenzo Pozza	Statutory Auditor	01.01.22	31.12.22	31.12.2022	60	16
Gabriele Villa	Statutory Auditor	01.01.22	31.12.22	31.12.2022	59	16
Total compensation of Statutory Auditors in office at December 31, 2022					207	52
Total compensation of Statutory Auditors					207	52
Total compensation of Directors and Statutory Auditors					1,597	478
Executives with strategic responsibilities (m)					3,125 (q)	-

(\*) The term of office expires with the Shareholder's Meeting to approve the budget for the year ending December 31, 2024.

(\*\*) Non-cash benefits refer to insurance coverage taken out by the Company on behalf of individuals and the value of compensation in kind.

(\*\*\*) The Company's Board of Directors was appointed by the Shareholders' Meeting on March 31, 2022.

(a) Appointed Director and Chairman of the Board of Directors at the March 31, 2022 Meeting.

(b) Appointed Director by the Shareholders' Meeting held on March 31, 2022 and Chief Executive Officer by the Board of Directors held on the same date.

(c) Member of the Audit and Risk Committee.

(d) Member of the Compensation Committee.

(e) Member of the Related Party Transactions Committee.

(f) Co-opted by the Board of Directors on December 7, 2022 to replace the resigning Jean-Bernard Lévy and in office until the next Shareholders' Meeting.

(g) Terminated from office effective December 7, 2022.

(h) Independent Director.

## Compensation

Variable non equity compensation		Non cash benefits (**)	Other compensation	Total	Fair Value of equity compensation	End of service or employment termination indemnity
Bonuses and other incentives	Profit sharing					
-	-	-	-	353 (o)	-	-
255 (n)	-	-	-	818 (p)	-	-
-	-	-	-	93 (o)	-	-
-	-	-	-	229	-	-
-	-	-	-	145	-	-
-	-	-	-	181	-	-
-	-	-	-	59 (o)	-	-
-	-	-	-	49 (o)	-	-
-	-	-	-	6 (o)	-	-
-	-	-	-	87 (o)	-	-
<b>255</b>	-	-	-	<b>2,020</b>	-	-
-	-	-	-	51 (o)	-	-
<b>255</b>	-	-	-	<b>2,071</b>	-	-
-	-	-	-	108	-	-
-	-	-	-	76	-	-
-	-	-	-	75	-	-
-	-	-	-	<b>259</b>	-	-
-	-	-	-	<b>259</b>	-	-
<b>255</b>	-	-	-	<b>2,330</b>	-	-
<b>1,042 (r)</b>	-	<b>145</b>	<b>71</b>	<b>4,383</b>	-	<b>1,093 (s)</b>

(i) Member of the Oversight Board.

(l) Appointed by the Shareholders' Meeting on April 28, 2020, which also approved their emoluments, expiring on the date of the Shareholders' Meeting to approve the financial statements as of Dec. 31, 2022.

(m) The data re-include subjects who qualified during 2022 (14 subjects).

(n) Variable compensation for 2022 for the position of Chief Executive Officer.

(o) Fees paid directly to the EdF SA Company and not to the individual himself.

(p) Fees paid directly to the company Transalpina di Energia Spa and not to the individual himself.

(q) Compensation for employee.

(r) Variable bonus for 2022 for no. 13 Executives with strategic responsibilities. See details in Table 3.2 below.

(s) Includes all severance payments for Key Executives terminated in 2022.

The table below shows the details of the items “Fixed compensation” and “Compensation for participation in committees,” of directors and auditors, in the previous table.

**Reference period January 1, 2022 - December 31, 2022** (in thousands of euros)

Beneficiary	Description of post and term office				Fixed compensation	Detail of fixed compensation			
First and last name	Post held	Period during which the post was held		End of term of office		Compensation approved by the Shareholder's meeting	Attendance fees for board meetings	Fixed compensation for post held of Chairman	Fixed compensation for post held of Chief Executive Officer
				(*)		(1)	(1)	(2)(A)	(2)(B)
Directors in office at December 31, 2022 (**)									
Marc Benayoun (a)	Chairman	01.01.22	31.12.22	(*)	353	50	13	290	-
Nicola Monti (b)	Chied Executive Officer	01.01.22	31.12.22	(*)	563	50	13	-	500
Béatrice Bigois (c)	Director	01.01.22	31.12.22	(*)	61	50	11	-	-
Paolo Di Benedetto (c)(d)(e)(i)	Director (h)	01.01.22	31.12.22	(*)	63	50	13	-	-
Fabio Gallia (c)(e)	Director (h)	01.01.22	31.12.22	(*)	63	50	13	-	-
Angela Gamba (d)(e)(i)	Director (h)	01.01.22	31.12.22	(*)	63	50	13	-	-
Xavier Girre	Director	01.01.22	31.12.22	(*)	59	50	9	-	-
Luc Rémont (f)	Director	07.12.22	31.12.21	05.04.23	6	4	2	-	-
Nelly Recrosio	Director	31.03.22	31.12.22	(*)	49	38	11	-	-
Florence Schreiber (d)	Director	01.01.22	31.12.22	(*)	59	50	9	-	-
Total compensation of Directors in office at December 31, 2022					1,339	442	107	290	500
Left post in 2022									
Jean-Bernard Lévy (g)	Director	01.01.22	06.12.22	06.12.2022	51	47	4	-	-
Total compensation of Directors					1,390	489	111	290	500
					Fixed compensation	Compensation approved by the Shareholders' Meeting	Attendance fees for Statutory Auditor Meetings		
						(4)	(4)		
Statutory Auditors in office at December 31, 2022 (l)									
Serenella Rossi	Chairman Board Stat. Audit.	01.01.22	31.12.22	31.12.2022	88	75	13	-	-
Lorenzo Pozza	Statutory Auditor	01.01.22	31.12.22	31.12.2022	60	50	10	-	-
Gabriele Villa	Statutory Auditor	01.01.22	31.12.22	31.12.2022	59	50	9	-	-
Total compensation of Statutory Auditors in office at December 31, 2022					207	175	32	-	-
Total compensation of Statutory Auditors					207	175	32	-	-
Total compensation Directors and Statutory Auditors					1,597	664	143	290	500

(\*) The term of the Board of Directors will expire with the Assembly to approve the 2024 budget.

(\*\*) All directors, with the exception of Luc Rémont, were appointed at the March 31, 2022 Shareholder's Meeting.

(A) The fixed annual compensation was set to 270,000 euros by the Board of Directors on May 3, 2022 following the March 31, 2022 Shareholders' Meeting that appointed the current Board of Directors.

(B) The fixed annual compensation was set to 500,000 euros by the Board of Directors on May 3, 2022 following the March 31, 2022 Shareholders' Meeting that appointed the current Board of Directors.

(a) Appointed Director and Chairman of the Board of Directors at the March 31, 2022 Meeting.

(b) Appointed Director by the Shareholders' Meeting held on March 31, 2022 and Chief Executive Officer by the Board of Directors held on the same date.

(c) Member of the Audit and Risk Committee.

(d) Member of the Compensation Committee.

Compensation for service on the committees	Detail of compensation for serving on Committees							
	Honoraria for participating in meetings of the Control and Risk Committee (3)	Attendance fees for meetings for the Control and Risk Committee (3)	Honoraria for participating in meetings of Compensation Committee (3)	Attendance fees for meetings of the Compensation Committee (3)	Honoraria for participating in meetings of the Related Party Transactions Committee (3)	Attendance fees for meetings of the Related Party Transactions Committee (3)	Honoraria participating in meetings for the Oversight Board (3)	Attendance fees for meetings of the Oversight Board (3)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
32	23	9	-	-	-	-	-	-
166	23	9	30	7	30	18	40	9
82	30	11	-	-	23	18	-	-
118	-	-	23	7	23	18	40	7
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
28	-	-	23	5	-	-	-	-
<b>426</b>	<b>76</b>	<b>29</b>	<b>76</b>	<b>19</b>	<b>76</b>	<b>54</b>	<b>80</b>	<b>16</b>
-	-	-	-	-	-	-	-	-
<b>426</b>	<b>76</b>	<b>29</b>	<b>76</b>	<b>19</b>	<b>76</b>	<b>54</b>	<b>80</b>	<b>16</b>
Compensation for service on the committees	Attendance fees for meetings of the Control and Risk Committee (4)		Attendance fees for meetings of the Compensation Committee (4)		Attendance fees for meetings of the Related Party Transactions Committee (4)			
20	-	6	-	4	-	10	-	-
16	-	5	-	3	-	8	-	-
16	-	5	-	3	-	8	-	-
<b>52</b>	-	<b>16</b>	-	<b>10</b>	-	<b>26</b>	-	-
<b>52</b>	-	<b>16</b>	-	<b>10</b>	-	<b>26</b>	-	-
<b>478</b>	<b>76</b>	<b>45</b>	<b>76</b>	<b>29</b>	<b>76</b>	<b>80</b>	<b>80</b>	<b>16</b>

(e) Member of the Related Party Transactions Committee.

(f) Co-opted by the Board of Directors on December 7, 2022 to replace the resigning Jean-Bernard Lévy and to serve until the next Shareholder's meeting.

(g) Terminated from office effective December 7, 2022.

(h) Independent Director.

(i) Member of the Oversight board.

(l) Appointed by the Shareholders' Meeting on April 28, 2020, which also approved their emoluments.

(1) Emoluments resolved at the March 31, 2022 meeting.

(2) Emoluments approved by the Board of Directors on May 3, 2022.

(3) Emoluments approved by the Board of Directors on May 3, 2022.

(4) Emoluments resolved by the Assembly on April 28, 2020.



## 3.2 Schedule of monetary incentive plans for Directors and Executives with Strategic Responsibilities

Reference period January 1, 2022 - December 31, 2022 (in migliaia di euro)

Beneficiary		Bonuses fo the year				Bonuses of previous year			Other bonuses
First and last name	Post held	Plan	Payed/ payable	Deferred	Deferral period	No longer payable	Paid/ Payable	Still deferred	
Nicola Monti	Chief Executive Officer (from 1.01.2022 to 31.12.2022)	Annual Monetary Incentive Plan 2022 (BoD May 3, 2022)	255 (a)	-	-	-	228 (b)	-	-
		Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021 (BOD February 13, 2020)	-	-	-	-	368 (c)	-	-
		Three-Year Long-Term Monetary Incentive Plan - Period 2022-2024 (BOD May 3, 2022 - July 26, 2022)	750 (d)		-	-		-	-
Total			1,005	-	-	-	596	-	-
Executives with strategic responsibilities									
Compensation in the Reporting Company		Annual Monetary Incentive Plan 2022	1,042 (e)	-	-	-		-	-
		Annual Monetary Incentive Plan 2021	-	-	-	-	907 (f)	-	-
		Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021 (BoD December 7, 2019)	-	-	-	-	1,428 (g)	-	
		Three-Year Long-Term Monetary Incentive Plan - Period 2022-2024 (BOD May 3, 2022 - July 26, 2022)	2,805 (h)	-	-	-	-	-	-
Compensation from subsidiaries and affiliates		Annual Monetary Incentive Plan 2022	-	-	-	-	-	-	-
Total			3,847	-	-	-	2,335	-	-
Total			4,852	-	-	-	2,931	-	

(a) Variable compensation for 2022. Compensation paid directly to the Transalpine Energy Company Spa and not to the person himself.

(b) Variable compensation for 2021 for the position of Chief Executive Officer, paid in 2022. Compensation paid directly to Transalpine Energy Company Spa and not to the individual.

(c) Compensation paid in the year 2022 of the 2019-2021 Three-Year Long-Term Monetary Incentive Plan. Compensation paid directly to the Transalpine Energy Company Spa and not to the individual.

(d) Deferred compensation for the Three-Year Long-Term Monetary Incentive Plan - Period 2022 - 2024. Compensation to be paid directly to the Transalpine Energy Company and not to the entity itself.

(e) Variable bonus for 2022 for 13 Key Executives.

(f) Variable bonus of 2021 paid in 2022 for 12 key executives.

(g) Compensation paid in 2022 for the Three-Year Long-Term Monetary Incentive Plan - Period 2019 - 2021 for no. 11 Key Executives.

(h) Compensation deferred for the Three-Year Long-Term Monetary Incentive Plan - Period 2022 - 2024, for 13 Key Executives.

### 3.3 Schedule of shareholdings held by Directors, Statutory Auditors and key management personnel

The table below shows the investments held in Edison and its subsidiaries as of December 31, 2021 to December 31, 2022, by directors, auditors and key management personnel, including those who ceased to be in office during the year, directly as well as through their children, spouses, domestic partners, children of spouses and domestic partners and dependents of spouses and domestic partners or through subsidiaries, trust companies or intermediaries, resulting from the shareholder register, communications received and other information obtained from the members of the governing bodies themselves and control, by general managers and executives with strategic responsibilities.

#### Reference period January 1, 2022 to December 31, 2022

First and last name	Post held	Investee company	Number of shares held at the end of the previous year (31.12.2021)	Number of shares bought	Number of shares sold	Number of shares held at the end of the current year (31.12.2022)
<i>Directors in office at December 31, 2022</i>						
Marc Benayoun	Chairman		-	-	-	-
Nicola Monti	Chief Executive Officer		-	-	-	-
Béatrice Bigois	Director		-	-	-	-
Paolo Di Benedetto	Director		-	-	-	-
Fabio Gallia	Director		-	-	-	-
Angela Gamba	Director		-	-	-	-
Xavier Girre	Director		-	-	-	-
Nelly Recrosio	Director		-	-	-	-
Luc Rémont	Director		-	-	-	-
Florence Schreiber	Director		-	-	-	-
<i>Left post in 2022</i>						
Jean-Bernard Lévy	Director		-	-	-	-
<i>Statutory Auditors in office at december 31, 2022</i>						
Serenella Rossi	Chairman Board Stat. Audit.		-	-	-	-
Lorenzo Pozza	Statutory Auditor		-	-	-	-
Gabriele Villa	Statutory Auditor		-	-	-	-
<b>Executives with strategic responsibilities</b>			-	-	-	-

## Motions

*Dear Shareholders,*

the report on compensation policy for the period 2022-2023 and on compensation paid by Your Company in 2022 (the **2022 Compensation Report**) was developed pursuant to and in implementation of the provisions of Article 123-ter of Legislative Decree 58/1998 and subsequent amendments (known as TUF). The report was prepared in accordance with the guidance provided in Article 84-quarter, introduced by the Consob in the Issuers' Regulations for the purpose of implementing the TUF, as later integrated and amended, and in accordance with scheme 7-bis in the annex 3A of the Issuers' Regulations. In addition, the principles set forth in Article 5 of the Corporate Governance Code for Listed Companies, 2020 edition (to which the Company adheres), and the recommendations of the Corporate Governance Committee are adopted as general reference guidelines on compensation policies for this Report.

The Shareholders' meeting is required to:

- i) approve "Section One" of the 2022 Compensation Report, which outlines the compensation policies adopted by Your Company in 2022 and proposed for 2023, based on the information provided in the report, for the members of the Board of Directors (including executives with special duties, also as members of the Board Committees), executives with strategic responsibilities and the members of the Board of Statutory Auditors, as well as the procedures followed for adopting and implementing said policy. The resolution is binding;
- ii) vote on the "Section Two" of the 2022 Compensation Report, which, by name for the members of the Board of Directors and Control Bodies and, in aggregate form, for executives with strategic responsibilities, indicates the remuneration paid in 2022 for any reason and in any form by the Company and its subsidiaries or associated companies. The resolution is not binding.

If you agree with its contents, we propose you adopt the following resolutions.

## Motions for resolutions to the Shareholders' Meeting

### **“The Shareholders' Meeting,**

- having taken note of the 2022 Compensation Report prepared by the Board of Directors, in application of the provisions of Article 123-ter of Legislative Decree 58/1998 and subsequent amendments and of the provisions set forth in Article 84-quater introduced by the Consob in the Issuers' Regulations, as later integrated and amended, and in accordance with scheme 7-bis in the annex 3A of the Issuers' Regulations;
- having examined “Section One” and “Section Two” of the 2022 Compensation Report;
- in consideration of the Corporate Governance Code for listed companies, to which the Company adheres;
- having obtained the favourable opinion of the Compensation Committee;

### **resolves**

#### **THIRD RESOLUTION**

to approve “Section One” of the 2022 Compensation Report.

#### **FOURTH RESOLUTION**

in favour of “Section Two” of the 2022 Compensation Report.”

Milan, February 15, 2023

The Board of Directors

By: Nicola Monti

*Chief Executive Officer*

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.edison.it](http://www.edisonmediacenter.edison.it)

Cover photo  
**Milan skyline**  
Photo by Bernardo Ricci Armani  
(Getty Images)

Printed by  
Faenza Printing Industries Srl, Milan (Italy)

Milan, March 2023

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



**Edison Spa**

31 Foro Buonaparte  
20121 Milan, Italy

Capital stock 4,736,117,250.00 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



