

GENERAL PART OF THE SUMMARY DOCUMENT
PURSUANT TO LEGISLATIVE DECREE NO. 231/2001 DI. EDP
ENERGIA ITALIA S.R.L.

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1. LEGISLATIVE DECREE NO. 231/2001 AND CORPORATE ADMINISTRATIVE LIABILITY FOR OFFENCES

15.1. Overcoming the *societas delinquere non potest* principle and the scope of the new administrative liability for offences

The Italian legislature, in executing the delegated power set out in Law no. 300 of 29 September 2000, with Legislative Decree no. 231/2001, issued on 8 June 2001 (hereinafter also referred to as the 'Decree'), containing the 'Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality', brought the Italian legislation on the liability of legal persons into line with a number of International Conventions previously signed by the Italian State.

The Delegated Legislator, therefore, bringing a heated doctrinal debate to an end, has overcome the principle according to which *societas delinquere non potest*¹, introducing, for entities (entities with legal personality, companies and associations, including those without legal personality, hereinafter also collectively referred to as '**Entities**' and individually as '**Entity**'; the State, public territorial bodies, non-economic public bodies and those that perform constitutionally important functions are excluded) an administrative liability regime (indeed, from a practical point of view, comparable to actual criminal liability) in the event of the commission of certain specific offences, **in the interest or to the advantage of the said Entities**, by, as specified in Article 5 of the Decree:

- i) persons who hold representative, administrative or management positions in the Entity or one of its organisational units with financial and functional autonomy, as well as persons who exercise, de facto or otherwise, the management and control thereof (i.e. **top management**);
- ii) persons under the management or supervision of one of the persons referred to in point (i) (those **persons in subordinate positions**).

With regard to the meaning of the terms 'interest' and 'advantage', the government report accompanying the Decree attributes to the former a subjective value, i.e. referring to the will of the material perpetrator (natural person) of the offence (who must have acted in order to achieve something in the specific interest of the entity), whilst to the latter it attributes an objective value referring to the actual results of their

¹ Prior to the issuance of the Decree, the law excluded companies from appearing as *defendants* in criminal proceedings. Indeed, it was held that Article 27 of the Constitution, which establishes the principle of personal criminal liability, prevented criminal charges being extended to a company and, therefore, to a 'non-physical person'. The company, therefore, could be summoned, in a civil case, to answer for the damage caused by an employee, or, under Articles 196 and 197 of the Criminal Code, in the event of insolvency of a convicted employee, for the payment of the fine or penalty.

conduct (the reference is to cases in which the perpetrator of the offence, although not directly having an interest of the entity as their aim, nevertheless obtains an advantage in favour of the entity).

However, with specific reference to non-intentional offences relating to health and safety, it is difficult to maintain that the injury or death of a worker expresses the interest of the entity or translates into an advantage for it.

In these cases, therefore, the interest or advantage should rather refer to the conduct in disregarding the precautionary rules. Thus, the entity's interest or advantage could be identified in the saving on safety costs or in increasing the speed of the work or increasing productivity by sacrificing the adoption of accident prevention measures.

The Company is therefore not liable, by express legislative provision (Article 5, para.2 of the Decree), if the aforementioned persons have acted **exclusively in their own interest or in the interest of third parties**.

It should be noted that not all offences committed by the aforementioned persons imply administrative liability attributable to the Entity, since only specific types of offences are identified as relevant.

A brief indication of the relevant categories of offences under the Decree is provided below.

The first type of offence to which, under the Decree, the administrative liability of the Entity applies is that of **offences committed against the Public Administration**, which are detailed in Articles 24 and 25 of the Decree².

Article 25 *bis* of the Decree - introduced by Article 6 of Law No. 409 of 23 September 2001 - then refers **to the offences of counterfeiting of money, public credit cards and revenue stamps**.

A further important type of offence to which the Entity's administrative liability is linked is **corporate offences**, a category governed by Article 25 *ter* of the Decree, a provision introduced by Legislative Decree No. 61 of 11 April 2002, which identifies the cases in question, as amended by Law No. 262 of 28 December 2005.

Article 25 *ter* was later amended by **Law No. 190 of 6 November 2012** (known as the "Anticorruption Law"), which also introduced the offence of **bribery among private individuals** referred to in Article 2635, paragraph III, of the Italian Civil Code, into the list of predicate offences referred to in the Decree. The latter offence was recently joined by the reform made by the Legislator, which, with Legislative Decree No. 38 of 15 March 2017, amended some of the characteristics

² Measure No. 3 of 9 January 2019 approved the Law that introduced Article 346 *bis* of the Criminal Code, Trafficking in unlawful influence, among the predicate offences entailing the administrative liability of entities, and also increased the penalties for the offences provided for in Articles 24 and 25 of the Decree.

that constitute bribery among private individuals, and introduced the new offence of **incitement to bribery**, set out in Article 2635 bis of the Italian Civil Code, which is now also relevant as a new predicate offence under the Decree.

The reform did not stop there and Law No. 7 of 14 January 2003 introduced Article 25 *quater*, which further extended the scope of administrative liability for offences to include **crimes of terrorism and subversion of the democratic order** provided for by the Criminal Code and specific laws.

Subsequently, Law No. 228 of 11 August 2003 introduced Article 25 *quinquies*, in relation to which the Entity is liable for the commission of crimes **against the individual**. We note that, most recently, Law 199/2016 acted in order to strengthen the fight against '**caporalato**' (**illegal labour trafficking**), amending the text of Article 603 *bis of the Criminal Code* concerning the offence of 'Illegal intermediation and exploitation of labour' introduced for the first time by Decree Law 138/2011, converted with amendments into Law 148/2011. This last offence adds to the list of predicate offences of the Decree.

In addition, further amendments relating to offences against the individual were introduced by Legislative Decree No. 21 of 1 March 2018, which entered into force on 6 April 2018.

Law No. 62/2005, known as the Community Law, and Law No. 262/2005, better known as the 'Law on the Protection of Savings', further increased the number of offences covered by the Decree. Indeed, Article 25 *sexies*, concerning **market abuse offences**, was introduced.

Furthermore, Law No. 7 of 9 January 2006 introduced Article 25 *quater.1* into the Decree, which provides for the Entity's administrative liability for offences in the event of the commission of **the practice of female genital mutilation** (Article 583 *bis of the Criminal Code*).

Subsequently, Law No. 146 of 16 March 2006, which ratified the United Nations Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001, provided for the liability of Entities for certain **offences of a transnational nature**.

The offence is deemed to be a criminal offence if an organised criminal group is involved in its commission and a sentence of not less than a maximum of four years' imprisonment is imposed on it, and, as regards territoriality, if it is committed in more than one State; it is committed in one State but has substantial effects in another State; it is also committed in one State but a substantial part of its preparation or planning or management and control takes place in another State; it is committed in one State but an organised criminal group is involved in criminal activities in more than one State.

The reform set out in Law no. 123/2007 - later replaced by Legislative Decree no. 81 of 9 April 2008 (hereinafter also referred to as the 'Consolidated Law on Health and Safety') - which introduced Article 25 *septies* of the Decree, provided for the liability of Entities for offences of non-intentional manslaughter and serious or very serious non-intentional injury, committed in breach of occupational health and safety rules.

Legislative Decree no. 231/2007 introduced Article 25 *octies* of the Decree, under which the Entity is liable for the commission of the offences of **receiving, laundering and using money, goods or benefits of unlawful origin** (Article 648 *ter* of the Criminal Code). *Ratione materiae*, departing from the chronological criterion set out in this list, we note that, most recently, Law No. 186 of 15 December 2014 widened the circle of predicate offences referred to in Article 25 *octies*, introducing into the Criminal Code the offence known as **self-laundering**.

Law No. 48 of 18 March 2008 introduced Article 24 bis of the Decree, which extends the liability of Entities to **certain computer crimes**.

Law No. 94 of 15 July 2009, containing provisions on public safety, introduced Article 24 *ter* and, therefore, the liability of entities for the commission of **organised crime offences**³.

Law No. 99 of 23 July 2009, laid down provisions for the development and internationalisation of companies, as well as on energy, extended the offences of forgery provided for in Article 25 *bis* of the Decree, adding certain offences that protect **industrial property**.

The same legislative measure introduced Article 25 *bis*.1, aimed at providing for the liability of Entities for **offences against industry and trade**, as well as Article 25 *novies*, aimed at providing for the liability of Entities for **offences relating to copyright infringement**.

With reference to the protection of copyright, we note the following offences provided for and punished by Articles 171, paragraph I (*a-bis*) and III, 171 *bis*, 171 *ter*, 171 *septies* and 171 *octies* of the Law No. 633 of 22 April 1941.

Furthermore, Article 4 of Law No. 116 of 3 August 2009 introduced Article 25 *decies*, under which the Entity is held liable for the commission of the offence provided for in Article 377 *bis* of the Criminal Code, i.e. the offence of **inducement not to make statements or to make false statements to the judicial authorities**.

Implementing European Directive 2009/52/EC, Legislative Decree 109/2012 was issued, which, among other things, introduced Article 25-*duodecies* which, under the heading '**Employment of third-country nationals in an irregular residency situation**', punishes employers who employ foreign workers without a residence permit, providing that "in relation to the commission of the crime referred to in Article

³ Organised crime offences were previously only relevant for the purposes of the Decree if they were transnational in nature.

22, paragraph 12 bis, of Legislative Decree no. 286 of 25 July 1998, a fine of 100 to 200 units, up to a limit of EUR 150,000, will be imposed on the entity".

Law No. 161 of 17 October 2017, which was published in the Official Gazette on 4 November 2017 and entered into force on 19 November 2017, made further amendments to Article 25 *duodecies*, introducing three additional paragraphs (numbered 1-*bis*, 1-*ter* and 1-*quater*, respectively) and adding to the list of offences relating to the **fight against illegal immigration**, consisting, in particular, of the promotion, management, organisation, financing or carrying out of the transport of foreigners into the territory of the State or of the performance of other acts aimed at illegally procuring entry by foreigners into the territory of the State, as well as of favouring the stay of foreigners in the territory of the State, in order to obtain an unfair benefit from their illegal status or within the scope of the aforementioned prohibited activities, in breach of the provisions of the Consolidated Act on Immigration (ex Article 12 co. 3, 3*bis*, 3*ter* and 5 of the Consolidated Law on Immigration (pursuant to Legislative Decree No. 286 of 25 July 1998).

Legislative Decree 121/2011 introduced Article 25 *undecies* into the Decree, which extended the administrative liability for offences committed by Entities to what is known as **environmental offences**, i.e. to two offences recently introduced into the Criminal Code (Articles 727 *bis* of the Criminal Code and 733 *bis* of the Criminal Code), as well as to a series of offences already provided for by the 'Environment Code' (Legislative Decree 152/2006) and by other specific environmental protection regulations (Law No. 150/1992, Law No. 549/1993, Legislative Decree No. 202/2007). Environmental protection is complemented by the important reform set out in Law no. 68 of 22 May 2015, concerning "Provisions on crimes against the environment", which expanded the list of offences set out in Article 25 *undecies* of the Decree, introducing the intentional offences of "**environmental pollution**" (Article 452 *bis* of the Criminal Code) and "**environmental disaster**" (Article 452 *quater* of the Criminal Code), which are also relevant if they are committed through negligence (Article 452 *quinquies* of the Criminal code), the offences of "**trafficking in and abandonment of highly radioactive material**" (Article 452 *sexies* of the Criminal Code) and, lastly, the offence of **organised environmental crime, including of the mafia type** (Article 452 *octies* of the Criminal Code)⁴. Again, European Law 2017 (Law No. 167 of 20 November 2017), concerning "Provisions for the fulfilment of obligations arising from Italy's membership of the European Union", which entered into force on 12 December 2017, introduced **Article 25 *terdecies*** into the Decree, which provides as predicate offences for the criminal offences of **racism** and **xenophobia**, applying to the entity the pecuniary penalty of 200 to 800 units, as well as disqualification penalties of a duration of no less than one year, for the commission of acts of propaganda, provocation and incitement based in whole or in part on the denial, gross trivialisation or apologia of the Shoah or crimes of genocide, crimes against humanity and war crimes (see Article 3 para. 3 *bis* l. 654/1975). Finally, the latter predicate offence, again thanks to the entry into force of Legislative Decree No. 21 of 1 March 2018, has become part of the Criminal Code, specifically Article 604 *bis* of the Criminal Code.

⁴ Again, the new Legislative Decree No. 21 of 1 March 2018 repealed Article 260 of Legislative Decree 152/2006 and simultaneously introduced the offence provided for in the new Article 452 *quaterdecies* of the Criminal Code.

Law No. 39 of 3 May 2019 introduced **Article 25-quaterdecies** into the Decree by which the Council of Europe Convention on the Manipulation of Sports Competitions was implemented in our legal system⁵.

Even more recently, Law No. 157/2019 of 19 December 2019 (converting Legislative Decree 124/2019 concerning urgent provisions on tax matters) marks the introduction into the Decree of **Article 25-quinquiesdecies** relating to **tax offences**. The administrative criminal liability of entities can therefore also be applied to the commission of certain crimes provided for by Legislative Decree 74/2000 on tax matters. Specifically, Legislative Decree 74/2000 extends the list of predicate offences to the offences of "**fraudulent declaration through the use of invoices or other documents for non-existent transactions**" (Article 2, paragraphs 1 and 2-bis), "**fraudulent declaration by means of other devices**" (Article 3), of '**issuing of invoices or other documents for non-existent transactions**' (Article 8, paragraphs 1 and 2-bis), of '**concealing or destruction of accounting documents**' (Article 10) and of '**the crime of fraudulent evasion of tax**' (Article 11). Article 25-quinquiesdecies of the Decree provides for financial penalties and, in the most serious cases, prohibitory penalties for entities.

Lastly, Directive (EU) 2017/1371 (known as the PIF Directive) was definitively transposed on 14 July 2020, laying down rules for "*combating fraud affecting the Union's financial interests by means of criminal law*". Indeed, Legislative Decree 75/2020, which was published in the Official Gazette on 15 July 2020 and formally entered into force on 30 July 2020, further expanded the catalogue of predicate offences, both by adding newly coined Articles to the Decree's regulatory framework and by crystallising criminal code offences hitherto not included within the Articles of Legislative Decree 231/01. Specifically, Article 24 of the Decree now includes the crime of "**fraud in public supply**" (Article 356 of the Criminal Code) and the crime of "**fraud in agriculture**" (Article 2, Law No. 898/1986), while the panorama of offences concerning the Public Administration under Article 25 has been extended to include the offences of **embezzlement of public funds** (Article 314, limited to the first paragraph, and Article 316 of the Criminal Code) and the offence of **abuse of office** (Article 323 of the Criminal Code), where the act actually harms the financial interests of the European Union.

With reference to the recently introduced family of **tax offences** (Article 25-quinquiesdecies), Legislative Decree 75/2020 extended the list of offences to the offences of **misrepresentation, omission of declaration and undue compensation** (Articles 4, 5 and 10-quater of Legislative Decree 74/2009), with the introduction of a new paragraph 1-bis, provided that the offences "*are committed as part of cross-border fraud schemes and for the purpose of evading value added tax for a total amount of not less than ten million*

⁵ Thus, the Decree now punishes fraud in sporting competitions, the abusive exercise of gaming or betting and gambling operations by means of prohibited devices, and specifically:
"1. In relation to the commission of the offences referred to in Articles 1 and 4 of Law No. 401 of 13 December 1989, the following financial penalties will apply to the entity:

- a) for offences, a fine of up to five hundred units;
- b) for infringements, a fine of up to two hundred and sixty units.

2. In cases of conviction for one of the offences indicated in paragraph 1(a) of this Article, the disqualification penalties provided for in Article 9, paragraph 2, will apply for a period of not less than one year."

euro", applying to the entity, in such a case, "the following financial penalties: a) for the offence of **misrepresentation set out in Article 4**, the pecuniary penalty up to three hundred units; b) for the offence of **omission of declaration set out in Article 5**, the pecuniary penalty up to four hundred units; c) for the offence of **undue compensation set out in Article 10-quater**, the pecuniary penalty up to four hundred units".

Lastly, the new legislation led to the introduction of Article 25-*sexiesdecies*, thus laying down administrative liability for offences also in relation to the **smuggling** offences provided for and punished by Presidential Decree no. 43/1973. For the sake of completeness, we must include that Article 23 of the Decree punishes the **non-compliance with disqualification penalties**, which occurs when the Entity has had, pursuant to the Decree, a ban or precautionary measure imposed on it and, despite this, breaches the obligations or prohibitions inherent therein.

We clarify that for the identification of offences theoretically relevant to the Company's activity, reference should be made to "**Annex A to the Special Section**", which lists the criminal offences referable to the sensitive activities pertaining to the risk areas identified by the risk assessment (see, section 4.2, below) which gives some examples of the ways in which the criminal offences underlying the Entity's liability are committed.

15.2. The penalties provided for in the Decree

In the event that the persons referred to in Article 5 of the Decree commit one of the offences provided for in Articles 24 et seq. of the Decree or one of those provided for in the special regulations referred to therein, the Entity may be subject to heavy penalties.

According to Article 9, penalties, referred to as *administrative* penalties, are divided into:

- I. financial penalties;
- II. disqualification penalties;
- III. confiscation;
- IV. publication of the judgement.

From a general point of view, we note that the verification of the Entity's liability, as well as the determination of the *anter* and quantum of the penalty, are assigned to the criminal court that has jurisdiction over the proceedings relating to the offences for which the Entity's administrative liability is entailed .

The Entity is held liable for the offences identified in Articles 24 et seq. (with the exception of the cases referred to in Article 25 *septies*) even if they were committed in the form of an attempt. In such cases, however, the pecuniary and disqualification penalties are reduced by between one third and one half.

Pursuant to Article 26 of the Decree, the Entity is not liable when it voluntarily prevents the performance of the action or the realisation of the event.

I. Financial penalties

Financial penalties are regulated in Articles 10, 11 and 12 of the Decree and apply in all cases where the Entity is found liable. Financial penalties are applied by "units", in a number of no less than 100 and no more than 1,000, while the amount of each unit ranges from a minimum of €258.23 to a maximum of €1,549.37. The Judge determines the number of units on the basis of the indices identified in paragraph I of Article 11, while the amount of the unit is fixed on the basis of the economic and financial situation of the entity involved.

II. Disqualification penalties

The disqualification penalties, identified by paragraph II of Article 9 of the Decree and enforceable only in the cases strictly provided for and only for certain offences, are:

- a) disqualification from exercising the activity;
- b) suspension or withdrawal of authorisations, licences or concessions that aid the commission of the offence;
- c) ban on contracting with the public administration, except to obtain the performance of a public service;
- d) exclusion from loan facilities, financing, contributions or subsidies and the possible withdrawal of those already granted;
- e) ban on advertising goods and services.

As with financial penalties, the type and duration of disqualification penalties are determined by the criminal court hearing the trial of offences committed by physical persons, taking into account the factors better

specified in Article 14 of the Decree. In any case, disqualification penalties have a minimum duration of three months and a maximum duration of two years⁶.

One of the most interesting aspects is the fact that disqualification penalties may be applied to the Entity either on the outcome of the trial and, therefore, having ascertained its guilt, or as a precautionary measure, or when:

- f) there are serious indications that the Entity is liable for an administrative offence;
- g) there is solid and specific evidence to suggest that there is a real danger that offences of the same nature as the one being prosecuted will be committed;
- h) the Entity made a significant profit.

III. Confiscation

The confiscation of the proceeds or profits of the offence is a mandatory penalty that follows a conviction (Article 19).

IV. Publication of the judgement

Publication of the judgement is a possible penalty and presupposes the application of a disqualification penalty (Article 18).

Finally, for the sake of completeness, we note that the judicial authorities may also, under the Decree, order

a) the preventive seizure of the things it is permitted to confiscate (Article 53); b) the precautionary seizure of the movable and immovable property of the Entity where there is a well-founded reason to believe that the guarantees for the payment of the pecuniary penalty, the costs of the proceedings or other sums due to the State do not exist or may be lost (Article 54).

Where the seizure, carried out for the purpose of confiscation for purposes equivalent to those provided for in paragraph 2 of Article 19, concerns companies, businesses or assets, including securities, as well as shares or cash, even if on deposit, the judicial custodian allows their use and management by the corporate bodies exclusively for the purpose of ensuring the continuity and development of business, exercising supervisory powers and reporting to the judicial authority. In the event of a breach of the aforementioned purpose, the judicial authority will take the appropriate measures and may appoint an administrator in the exercise of shareholder powers.

⁶ The new Anti-Corruption Law (No. 3 of 9 January 2019) amended, among others, Article 25 of the Decree, determining the duration of the disqualification penalties - for the offences indicated herein - to be between four and seven years for top management, and between two and four years for employees.

15.3. The adoption and implementation of an Organisation, Management and Control Model as justification for exemption from administrative liability for offences

The Legislator recognises, in Articles 6 and 7 of the Decree, specific forms of exemption from administrative liability for the Entity.

In particular, Article 6, paragraph I, provides that, in the event that the offence is attributable to top management, the Entity will not be held liable if it proves that:

- i) it adopted and implemented, prior to the commission of the offence, a Management, Organisation and Control Model (hereinafter, for the sake of brevity, also referred to as the 'Model') capable of preventing offences of the kind committed;
- j) it appointed an independent body with autonomous powers, to supervise the operation of and compliance with the Model and to ensure its updating (hereinafter also referred to as the 'Supervisory Body' or 'SB' or even just 'Body');
- k) the offence was committed by fraudulently evading the measures provided for in the Model;
- l) there was no omitted or insufficient supervision on the part of the SB.

The content of the Model is identified by the said Article 6, which, in paragraph II, provides that the Entity must:

- I. identify the activities within whose scope offences may be committed;
- II. provide for specific procedures for the Entity's decision-making processes and the implementing of these decisions in relation to the offences to be prevented;
- III. identify ways of managing financial resources suitable for preventing offences;
- IV. provide for obligations concerning reporting to the SB;
- V. introduce an appropriate disciplinary system to penalise non-compliance with the measures indicated in the Model.

In the case of persons in subordinate positions, the adoption and effective implementation of the Model means that the Entity will only be held liable in the event that the offence was made possible by its failure to comply with its management and supervisory obligations (combined in Article 7(1) and (2)).

Subsequent paragraphs III and IV introduce two principles which, although falling within the scope of the aforementioned provision, appear to be relevant and decisive for the purposes of exempting the Entity from liability for both offences under Article 5(a) and (b). In particular, it is provided that:

- the Model must provide for appropriate measures both to ensure that the activity is carried out in compliance with the law and to promptly detect risk situations, taking into account the type of activity carried out and the nature and scale of the organisation;
- the effective implementation of the Model requires periodic verification and its amendment if significant breaches of the provisions of the law are discovered or if there are significant changes in the organisation or regulations; the existence of an appropriate disciplinary system is also relevant (a condition, indeed, already provided for in paragraph II(a) of Article 6.

We must also add that, with specific reference to the preventive effectiveness of the Model with regard to (non-intentional) offences in the field of occupational health and safety, Article 30 of Consolidated Law No. 81/2008 states that *'an organisation and management model capable of exempting legal persons, companies and associations, including those without legal personality, from administrative liability, pursuant to Legislative Decree No. 231 of 8 June 2001, must be adopted and effectively implemented, guaranteeing a corporate system for the fulfilment of all the relevant legal obligations concerning:*

- a) compliance with legal technical and structural standards relating to equipment, facilities, workplaces, chemical, physical and biological agents;*
- b) risk assessment activities and the preparation of the resulting prevention and protection measures;*
- c) activities of an organisational nature, such as emergencies, first aid, contract management, regular safety meetings, consultation of workers' safety representatives;*
- d) health care surveillance activities;*
- e) activities for training and communicating information to workers*
- f) supervisory activities concerning workers' compliance with safe working procedures and instructions;*
- g) the acquisition of documents and certifications required by law;*

h) periodic checks on the application and effectiveness of the procedures adopted.⁷

Although formally the adoption and effective implementation of a Model does not, officially speaking, constitute an obligation, but simply an option for organisations, which may well decide not to comply with the provisions of the Decree without incurring any penalties,

on closer inspection, the adoption and effective implementation of a suitable Model is a prerequisite for Entities to be able to benefit from the exemption provided for by the Legislator.

We also need to bear in mind that the Model should not be understood as a static tool, but rather as a dynamic instrument that allows the Entity, through its correct and targeted implementation and continual updating, to eliminate any shortcomings that could not be identified at the time of its creation.

2. GUIDELINES DRAWN UP BY TRADE ASSOCIATIONS

Pursuant to the provisions of paragraph III of Article 6 of the Decree, the Models may be adopted on the basis of codes of conduct, drawn up by the trade associations representing the Entities, and communicated to the Ministry of Justice, which may, where appropriate, make observations.

The first association to draw up a guideline document for the construction of the models was Confindustria, which issued Guidelines in March 2002, which were then partially amended and updated in May 2004, then in March 2008 and most recently in March 2014 (hereinafter also referred to as the '**Guidelines**')⁸.

In summary, the Guidelines suggest:

⁷ Again according to Article 30: *'The organisational and management model must provide for suitable systems for recording the performance of activities. The organisational model must in any case provide, to the extent required by the nature and scale of the organisation and by the type of activity carried out, for a structure of functions with the technical skills and powers necessary for verifying, assessing, managing and controlling the risk, as well as a disciplinary system suitable for penalising non-compliance with the measures indicated in the model. The organisational model must also provide for an appropriate system to control the implementation of the model and the continuing suitability of the measures adopted. The organisational model must be reviewed and modified where appropriate when significant infringements of the rules on occupational accident prevention and health and safety are discovered, or when changes in the organisation and activity occur due to scientific and technological progress. Upon initial application, the corporate organisation models defined in accordance with the UNI- INAIL Guidelines for an occupational health and safety management system (SGSL) of 28 September 2001 or the British Standard OHSAS 18001:2007 are presumed to comply with the requirements of this Article in its corresponding parts. For the same purposes, further organisation and management models may be indicated by the Commission referred to in Article 6.'*

⁸ All the versions of the Confindustria Guidelines were then judged adequate by the Ministry of Justice (with reference to the 2002 Guidelines, see the "Note of the Ministry of Justice" of 4 December 2003 and, with reference to the 2004

and 2008 updates, see the "Note of the Ministry of Justice" of 28 June 2004 and the "Note of the Ministry of Justice" of 2 April 2008), in 2014 with the "Note of the Ministry of Justice" of 21 July 2014.

- mapping the corporate areas at risk and the activities within which the predicate offences could potentially be committed by means of specific operating methods;
- identifying and preparing specific procedures aimed at planning the company's decision-making processes and their implementation in relation to the offences to be prevented, distinguishing between preventive procedures with reference to intentional and non-intentional offences;
- identifying a Supervisory Body with autonomous powers of initiative and control and with an adequate *budget*;
- identifying specific obligations for reporting to the Supervisory Body on the company's main events and, in particular, on the activities considered to be at risk;
- providing for specific obligations for reporting by the Supervisory Body to top management and the supervisory bodies;
- adopting a Code of Conduct that identifies the company's principles and guides the conduct of the Model's addressees;
- adopting a disciplinary system suitable for penalising non-compliance with the principles indicated in the Model.

3. THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF EDP ENERGIA ITALIA

3.1. The EDP Group and EDP Energia Italia

The EDP Group (hereinafter also referred to as the 'Group') is a multinational energy company operating along the entire length of the energy supply chain: from production to distribution and retail supply of electricity and gas. It operates in 19 countries around the world, employs over 11,000 people and manages 10 million electricity customers and over 1.6 million gas connections.

In the production of electricity, the Group adopts an ecological approach, producing 70 per cent of its total energy using renewable sources (in particular, wind and solar energy). In this way, the EDP Group contributes to the reduction of the CO₂ emissions produced by its customers, resulting in substantial savings in economic terms.

EDP Energia Italia S.r.l. (hereinafter also referred to as 'EDP Energia Italia', 'Company') is part of the EDP Group⁹: it is an Italian company - with registered office in Milan (MI) - mainly dedicated to the retail sale of electricity and distributed solar generation solutions.

3.2. EDP Energia Italia's adaptation to the provisions of the Decree

Shortly after its incorporation, EDP Energia Italia declared its intention and commitment to comply with the provisions on the administrative liability of entities. The ethics of lawfulness and virtuous corporate behaviour have been incorporated into this model, aimed at countering the risk of the occurrence of the predicate offences indicated by the Decree and any other type of irregularity in the performance of its business activities.

To do this, a Working Group composed of internal company resources and specialised external resources (a law firm with proven experience in criminal, tax, Occupational Health and Safety matters, as well as in the analysis and assessment of corporate internal control systems), took care of all the risk mapping and risk assessment activities necessary to ensure that the Model was promptly adopted and that it fully adhered to the guidelines in the Decree.

In general terms, the activity actually carried out was broken down into the following steps:

- a) analysis of the preliminary documentation requested from the Company;
- b) preparation of special questionnaires to be submitted to the main company personnel concerned (checklists);
- c) identification of key people with whom to carry out the necessary investigations and to whom to submit the checklists;
- d) conducting of interviews with the key people;
- e) sharing of the results of the interviews with stakeholders;
- f) identification and definition of the 'Universe of Analysis', highlighting the risk areas, sensitive activities, applicable offences, as well as the relevant procedures, existing controls and any points for improvement identified.

As a result of this work, an examination of the corporate governance was carried out, and a detailed and comprehensive list of 'crime risk areas' was drawn up, by which,

⁹ EDP Energia Italia is a wholly-owned subsidiary of EDP Comercial - Comercialização de Energia, S.A., which in turn is a wholly-owned subsidiary of EDP - Energias de Portugal, S.A. (the 'Parent Company').

in the light of the mapping results, theoretical relevance was attached to the risk of commission of a certain type of offence among those considered theoretically relevant to the activity carried out by the Company. The 'instrumental' areas were then identified (with regard to offences against the Public Administration and bribery among private individuals), as well as the 'sensitive' activities and the departments and corporate roles involved in each 'crime risk' area.

The Working Group then proceeded to identify and analyse the company controls, checking the Organisational System, the system of powers of attorney and proxies, the Management Control System, as well as the existing procedures and practices considered relevant for the purposes of the analysis (*as is analysis* phase). The activity was completed with the subsequent identification of points for improvement and the formulation of specific suggestions, with the relative action plans for the implementation of the control principles (*gap analysis*).

On this occasion, the Working Group carried out a further documented risk assessment on occupational health and safety (hereinafter also 'OHS') and environmental offences

As suggested by the Guidelines, the analysis was conducted on the entire company structure, since, with respect to the offences of manslaughter and serious personal injury or grievous bodily harm committed in breach of occupational health and safety rules, it is not possible to exclude *a priori* any sphere of activity, given that such offences may, in fact, involve all the components of the company.

The potential risks of commission of offences were considered, as suggested by the trade associations, alongside the occupational risks assessment carried out in accordance with the criteria set out in Legislative Decree n. 81/2008 and other laws and regulations with the same subject matter and profile. A specific *risk assessment/gap analysis* activity (also documented) also covered environmental offences.

Following the aforementioned risk assessment activity, the Working Group drew up:

- the General Part,
- the Special Parts
- the Statute of the Supervisory Body;
- the Disciplinary System.

The Working Group also carried out a careful examination of the contents of the EDP Code of Ethics (hereinafter referred to as the 'Group's Code of Ethics'). The result of all the work carried out is reported in this **Summary Document**.

The Model was approved by a resolution of the BoD, together with the Statute of the SB and the Disciplinary System.

3.3. The components of the EDP Energia Italia Model

This Model Summary Document consists of a General Part and four Special Parts. In the General Part, after a brief but necessary illustration of the *rationale* and principles of the Decree, as well as a concise exploration of the provisions set out in the "Statute of the Supervisory Body", devoted to the regulation of the SB, also briefly presented *therein*, the protocols indicated below (hereinafter, also '**Protocols**'), which make up the Company's Model, are summarised:

- g) the organisational system;
- h) the system of powers of attorney and proxies;
- i) the management control system and financial flows;
- j) the tax compliance management system;
- k) the occupational health and safety control system;
- l) the environmental policy and compliance with the relevant regulatory provisions;
- m) the Group's Code of Ethics;
- n) the Disciplinary System;
- o) the communication of the Model to personnel, their involvement in it, as well as their training.

The Special Part has been structured into four parts:

- Special Part A, which has been constructed according to the '**area-based approach**' and therefore contains as many sections (each named '**Risk Area**') as areas considered to be at risk of offences and the specific indication of the 'sensitive' activities carried out within these areas of company activity and all the categories of offences considered to be applicable;
- Special Part B, relating to crimes of manslaughter and serious personal injury or grievous bodily harm committed in breach of occupational health and safety rules;
- Special Part C, concerning environmental crimes;
- Special Part D, concerning tax offences.

In detail, Special Part A identifies:

- i) the areas '**at risk of offences**', i.e. the company areas theoretically 'impacted' by the risk of commission of the offences provided for in the Decree;
- ii) **the applicable categories of offence and the individual offences theoretically conceivable**;
- iii) within each area, it is indicated whether the area is also liable to '**instrumental**' risk, i.e. those whose activities may support, or, indeed, be instrumental to the commission of the offences in question, in particular, as will be seen in the Special Part, of offences against the Public Administration and bribery between private individuals;
- iv) **the 'sensitive' activities** within each area 'at risk of offences', i.e. those specific activities whose performance is linked to the risk of commission of offences;
- v) **the corporate functions involved** in the performance of 'sensitive' activities and which, in theory, could commit the offences provided for in the Decree, although this identification of roles/functions should not be regarded as exhaustive, since each person identified in the procedures could, in theory, be involved as an accomplice;
- vi) **the main controls** envisaged with reference to the activities carried out in the areas 'at risk of offences', in addition to the rules defined in the Model and its protocols (proxy system, Group's Code of Ethics, etc.), aimed at ensuring the clear definition of the roles and responsibilities of the actors involved in the process;
- vii) a concise list of **rules of conduct** to be observed in order to reduce the risk of commission of offences.

In Special Part B, relating to the prevention of offences in the field of Occupational Health and Safety, the following are specifically indicated:

1. the risk factors existing within the business activity carried out by the Company;
2. the organisational structure of the Company with regard to OHS;
3. the principles and reference standards for the Company;
4. the duties and tasks of each category of persons operating within the organisational structure of EDP Energia Italia with regard to OHS;
5. the role of the Supervisory Body in the field of occupational health and safety;

6. the guiding principles of the company's OHS procedures.

Special Part C, concerning the prevention of environmental crimes, identifies:

- i) the areas at **risk of offences, i.e.** the company areas within the scope of which activities are carried out that may entail a risk of commission of the environmental offences considered by the Decree;
- ii) **the applicable categories of offence and the individual offences theoretically conceivable;**
- iii) **the corporate functions involved** in carrying out the activities and which, theoretically, could commit the offences provided for in the Decree, although this identification of roles/functions should not be considered, in any circumstances, exhaustive, given that each person identified in the procedures could, in theory, be involved as an accomplice;
- iv) **the main controls** envisaged with reference to the activities carried out in the areas 'at risk of offences', in addition to the rules defined in the Model and its protocols (proxy system, Group's Code of Ethics, etc.), aimed at ensuring the clear definition of the roles and responsibilities of the actors involved in the process;

In Special Part D, relating to the prevention of tax offences, the following are specifically indicated:

- i) the areas at **risk of offences, i.e.** the company areas within the scope of which activities are carried out that may entail a risk of commission of the tax offences considered by the Decree;
- ii) **the applicable categories of offence and the individual offences theoretically conceivable;**
- iii) **the persons involved** in the execution of the activities and who, theoretically, could commit the offences provided for in the Decree, although this identification of roles/functions should not be considered, in any circumstances, exhaustive, given that each person identified in the procedures could, in theory, be involved as an accomplice;
- iv) the **main controls** envisaged with reference to the activities carried out in the areas 'at risk of offences', in addition to the rules defined in the Model and its protocols (proxy system, Group's Code of Ethics, etc.), aimed at ensuring the clear definition of the roles and responsibilities of the actors involved in the process;
- (viii) a concise list of **rules of conduct (general and specific)** to be observed in order to reduce the risk of commission of tax offences.

This Summary Document is also accompanied by documents that, representing certain Protocols, complement and specify the framework of the Company's organisational, management and control system:

the Group's Code of Ethics , the Disciplinary System and the Statute of the Supervisory Body. These documents, taken together, constitute the Company Model adopted pursuant to the Decree.

The Model, like the Group's Code of Ethics, the Disciplinary System and the Statute of the Supervisory Body, which form an integral part of it, is binding on all persons of the Company, including senior and non-managerial personnel (hereinafter referred to as 'Personnel', or 'Addressees', or, in the singular, 'Addressee'), as well as on all those who, though not employees of the Company, work directly or indirectly for it, e.g. agents, associates in any capacity, consultants, suppliers, business partners, companies to which certain activities are outsourced, the Location Doctor (hereinafter referred to as '**Third-party Addressees**').

4. THE GOVERNANCE MODEL AND ORGANISATIONAL SYSTEM OF EDP Energia Italia

EDP Energia Italia's governance model and its entire organisational system in general, is structured entirely to ensure that the Company implements its strategies and achieves its objectives.

EDP Energia Italia's structure was created considering the need to provide the company with an organisation that would guarantee it maximum efficiency and operational effectiveness.

4.1. EDP Energia Italia's governance model

Considering the peculiarities of its organisational structure, EDP Energia Italia has a traditional administration system.

In detail, the Company's corporate governance structure is as follows:

- **Shareholder's Meeting**

The Shareholders' Meeting is competent to decide, in ordinary and extraordinary session, on matters reserved for it by law or by the Articles of Association.

- **Administrative Body**

The Board of Directors is vested with the broadest powers for the administration of the Company and for the implementation and achievement of the corporate purpose, excluding the powers that the law and the Articles of Association reserve for the Shareholders' Meeting. Among other things, the Board of Directors is therefore vested with the power to define the Company's strategic guidelines and to verify the existence and efficiency of the Company's organisational and administrative structure.

At the time of adoption of this Document, there is a Board of Directors ('BoD') consisting of two directors, one of whom is the Chairman.

4.2. EDP Energia Italia's organisational structure and organisational chart

The organisational structure of the Company is geared towards ensuring the separation of tasks, roles and responsibilities between operational and control functions, as well as the highest possible efficiency.

In order to make the role and responsibilities of each person within the corporate decision-making process immediately clear, EDP Energia Italia has drawn up a chart outlining the Company's entire organisational structure (the 'Organisational Chart').

The organisational chart specifies:

- the areas into which the company's activities are divided;
- the hierarchical reporting lines of the individual corporate entities;
- the persons working in the individual areas and their organisational role.

The Company has then detailed job descriptions specifying the roles, tasks and responsibilities of some of the main figures involved in the activities of each area.

That said, the Company is structured as follows:

At the top of the corporate structure is the **Board of Directors** ('BoD').

The Company's **Country Manager** reports directly to the BoD:

- **Country Manager:** is the highest level body of EDP Energia Italia and the entire corporate organisational structure reports to it. This figure is appointed by the Board of Directors and is entrusted with the tasks of legal representation and ordinary management of the Company, in compliance with corporate rules and laws.

In hierarchical positions subordinate to the *Country Manager* are:

- **B2B Energy Sales:** deals with the sale of energy to companies. The Function is, in turn, divided into the following further functions:
 - *Direct Sales* (handles electricity sales through the company's internal personnel);
 - *Indirect Sales* (handles electricity sales through agencies or other third parties);

- **Energy Management:** deals with the management of electricity supply, as well as the final pricing of products;
- **B2B Solar & Services:** handles the sale of distributed generation solutions to companies. The Function is, in turn, divided into the following further functions:
 - *Product Management* (deals with the *marketing* and shaping of offers for distributed generation solutions);
 - *Business Development* (develops predefined and customised distributed generation solutions);
 - *Field Services* (takes care of the implementation, maintenance and operation of photovoltaic solutions);
- **Operation Manager:** whose tasks include the activation of contracts, the management of consumption measurements and the billing of electricity and distributed generation services.

4.3 Intercompany service contracts

EDP Energia Italia has outsourced the performance of certain activities/functions both to other EDP Group companies and to international service providers, by means of specific service contracts.

These instruments regulate the conditions, criteria and procedures for the provision of the service in question, as well as the billing criteria for it and also the quality and ethical guarantees.

The service contracts provide, among others:

- the clause of compliance with Legislative Decree 231/2001 , the Model, the Group's Code of Ethics and related procedures, penalising any conduct contrary to the aforementioned provisions;
- the guarantee of subjection to the inspection powers of the SB of the company requesting the service;
- information flows and reports to the SB of the company requesting the service, in the event of anomalies or breaches of the Model and the Group's Code of Ethics;
- the application of the Disciplinary System pursuant to Legislative Decree 231/2001 and the relevant penalties provided for by the company requesting the service, in the event of breach of the Model and the Group's Code of Ethics;
- that relations with third parties and with the Public Administration are to be governed by specific service orders and that powers of attorney are to be granted in the case of representation vis-à-vis third parties;
- the specific operational modalities of each service;

- the accounting criteria and methods for determining the amounts to be paid by the company receiving the service;
- the quality guarantees of the service provided.

4.4 The Organisational Structure for Occupational Health and Safety

In the field of occupational health and safety, the Company has adopted an organisational structure that complies with that provided for by current prevention regulations, with a view to eliminating or, where this is not possible, reducing - and, therefore, managing - occupational risks for workers.

Within this organisational structure are the following persons:

- the employer;
- the executives;
- the supervisors;
- the head of the prevention and protection service (hereinafter, 'RSPP');
- first aiders (hereinafter also referred to as 'APS');
- fire prevention officers (hereinafter also referred to as 'API');
- the workers' safety, health and environment representative (hereinafter also referred to as 'RLSSA');
- the location doctor;
- the workers;
- persons outside the company who carry out activities that are relevant to OHS, namely: a) persons entrusted with a job under a contract or work or supply contract; b) manufacturers and suppliers; c) designers of workplaces and plants; d) installers and assemblers of plant, work equipment or other technical means.

We note that, in accordance with the reference legislation, the employer, pursuant to Article 16 of Legislative Decree 81/2008, has delegated certain functions, as better detailed in the Special Part of the Model relating to Occupational Health and Safety.

The tasks and responsibilities of the aforementioned persons in the field of OHS are formally defined in accordance with the Company's organisational and functional scheme, with particular reference to the specific figures

operating in this area (the RSPP, the APIs, the location doctor): in this respect, on defining the organisational and operational tasks of the company's management, managers, supervisors and workers, the Company also details those relating to the safety activities for which they are responsible, as well as the responsibilities connected to the performance of those activities, focusing especially on the tasks of the RSPP, the APIs and the location doctor.

EDP Energia Italia uses the following services provided by its parent company, EDP Comercial - Comercialização de Energia, SA, for the performance of certain activities related to Occupational Health and Safety:

- Advice on all Health and Safety matters;
- Analysis of occupational accidents and proposal of correction plans, execution of internal audits and coordination of the finalisation and implementation of emergency plans;
- Monitoring of compliance with legal regulations on Health and Safety;
- Coordination, along with the Human Resources Department, of Health and Safety training;
- Identification and evaluation of factors that may affect workers' health and safety;
- Monitoring, along with EDP Energia Italia, of the health of workers in relation to workplace risks.

5. THE PROXY AND POWER OF ATTORNEY SYSTEM at EDP Energia Italia

5.1. General Principles

As required by good corporate practice and also specified in the Confindustria Guidelines, the Board of Directors of EDP Energia Italia is the body responsible for formally conferring and approving the proxies and powers of attorney, assigned consistently with the organisational and management responsibilities defined.

Powers of attorney may also be granted by the Chairman of the Company's BoD, another member of the BoD or another person specifically authorised to do so.

The level of autonomy, power of representation and any spending limits, where assigned to the various holders of proxies and powers of attorney within the Company, are always identified. They are fixed in a manner consistent with the hierarchical level of the addressee of the proxy or power of attorney, within the limits of what is necessary for the performance of the delegated tasks and duties.

5.2. The structure of the proxy and power of attorney system at EDP Energia Italia

The proxy and power of attorney system currently in force at EDP Energia Italia is consistent with the company's organisational chart, overlapping with it and supplementing it, insofar as it may be necessary to confer powers or tasks on persons who do not hold top positions.

The Board of Directors of EDP Energia Italia has formally conferred extensive proxies and management powers on its Country Manager.

Special powers of attorney have also been granted to corporate entities or other persons belonging to Group companies with precise authorisation levels in compliance with the principles of functional and hierarchical grading.

Proxies and powers of attorney, therefore, are generally formalised through notarised deeds and registered with the competent Company Registry Office.

Each of these acts of proxy or powers of attorney therefore provides the following information:

- 1) delegating party and the source of its delegating power or power of attorney;
- 2) proxy holder, the explicit reference to the function assigned to him/her and the link between the proxies and powers of attorney conferred and the organisational position held by the proxy holder;
- 3) object, consisting of a list of the types of activities and acts for which the proxy/power of attorney is conferred. These activities and acts are functional and/or related to the competences and functions of the proxy holder.

Proxies and powers of attorney at EDP Energia Italia are properly collected and organised and are available to the Company's departments or to third parties who request them (after checking that a real interest exists).

The proxy and powers of attorney system, as outlined above, is constantly applied as well as regularly monitored in its entirety and, where necessary, updated due to changes in the corporate structure, so as to be as consistent as possible with the hierarchical/functional organisation and the Company's needs. In addition, individual updates are implemented following changes in the function/role/department of an individual person, or periodic updates implemented involving the entire system.

6. COMPANY PROCEDURES

As part of its organisational system, EDP Energia Italia has committed itself and will continue to commit itself to putting in place a series of procedures aimed at regulating the performance of its corporate activities, in compliance with the principles set out in the Confindustria Guidelines.

In particular, the procedures already drawn up by the Company, available on computer support, constitute the rules to be followed within the corporate processes concerned, also providing for the controls to be carried out in order to ensure the correctness, effectiveness and efficiency of its corporate activities.

The Company, therefore, ensures and will continue to ensure compliance with the following principles:

- encourage the involvement of several actors, in order to achieve a proper separation of duties through a segregation of functions;
- take steps to ensure that every operation, transaction, action is verifiable, documented, consistent, congruent;
- require the adoption of measures to document the controls carried out on the operations and/or actions performed.

In this respect, all active Policies and Procedures are available to employees on the company intranet.

Documents are retrievable by means of search keys.

These documents are collected and made available to personnel through a specific electronic publication system that guarantees that the organisational information disseminated is traceable, prompt, unambiguous, correct and complete.

The Parent Company (i.e. 'EDP Energias de Portugal, SA') has a centralised organisational structure (Digital Global Unit) that provides the Group companies with resources and know-how to cover their computerisation needs. The entire process is managed in cooperation, primarily with the area using the solution and with all the functions to ensure a high level of consistency of the solution with the company's organisation and processes.

Employees, upon their hiring, are appropriately trained in the use of IT tools and made aware of the rules system (opportunities and limits) established.

7. MANAGEMENT CONTROL AND FINANCIAL FLOWS

EDP Energia Italia's management control system (hereinafter also referred to as '**Management Control**') provides for mechanisms for verifying the resource management, which must guarantee, in addition to the verifiability and traceability of expenses, the efficiency and cost-effectiveness of the company's activities, aiming at the following objectives:

- define in a clear, systematic and knowable manner the resources (monetary and non-monetary) available to the individual corporate functions and the scope within which these resources can be employed, through planning and budgeting;
- detect any deviations in the control from that predetermined in the budgeting, analyse the causes of these and report the results of the assessments to the appropriate hierarchical levels for the appropriate adjustments, by means of the respective reporting.

8. TAX COMPLIANCE MANAGEMENT

The Company is committed to ensuring the proper management of pending tax payments and financial resources related to tax payments, whose calculation and fulfilment is outsourced to a specialist supplier, in a specific service contract, and is guaranteed by the regulations of the main administrative-accounting and tax processes, in accordance with a well-established corporate practice.

In this perspective, the existing service contract with the specialist supplier and/or specific company procedures also regulate:

1. the drawing up of tax returns;
2. payments to third parties including tax-related payments;
3. the management of payments so that they always effectively relate to the supply of goods and/or services and/or arise from a contractual obligation or an obligation to the state (payment of taxes, contributions, etc.) or to employees (payment of salaries, reimbursements, etc.);
4. the proper keeping and filing of the documentation underlying the items indicated in the tax returns;

9. THE OCCUPATIONAL HEALTH AND SAFETY CONTROL SYSTEM

9.1. Operational management in the field of Occupational Health and Safety matters

The management of occupational health and safety issues is carried out in a systematic manner:

- identifying risks and assessing them;
- identifying appropriate prevention and protection measures with respect to the risks encountered, so that the latter are eliminated or, where this is not possible, minimised - and thus managed - in relation to the knowledge acquired based on technical progress;
- minimising the number of workers exposed to risks;
- defining appropriate collective and individual protection measures, on the understanding that the former must take priority over the latter;
- monitoring the health of workers according to specific risks;
- planning prevention, aiming to coherently integrate the technical and production conditions of the company with the impact of the environmental factors and work organisation, and subsequently implementing the scheduled actions;
- providing training to, communicating with and involving the addressees of the Model, within the scope of their respective roles, functions and responsibilities, in respect of OHS issues;
- regularly maintaining rooms, equipment, machines and installations, with particular focus on maintaining safety devices in accordance with the manufacturers' instructions.

The operating methods for the concrete performance of the activities and the achievement of the aforementioned objectives are defined in the company procedures, drawn up in compliance with the applicable accident prevention regulations, which ensure adequate traceability of the processes and activities carried out.

In any case, the system put in place by the Company provides for the precise definition of the tasks, duties and responsibilities incumbent on each category of personnel involved in OHS, from the employer down to the individual worker.

In this respect, the following items have also been considered:

- recruitment and qualification of personnel;
- the organisation of the work and workstations;
- the acquisition of the goods and services used by the company and the communication of the appropriate information to suppliers and contractors;

- normal and extraordinary maintenance of equipment, installations, prevention means and collective and individual protection devices;
- the qualification and selection of suppliers and contractors;
- efficient emergency management;
- the means employed to deal with discrepancies found with respect to the set objectives and the provisions of the control system.

Again with regard to OHS, a system of information flows is in place that enables information to circulate within the company, in order both to favour the involvement and awareness of all the addressees of the Model, within the scope of their respective roles, functions and responsibilities, and to ensure the timely and adequate evidencing of any shortcomings or breaches of the Model, as well as of the actions required to update it.

The operating methods for the concrete performance of the activities and the achievement of the aforementioned objectives are defined in the company procedures, drawn up in compliance with the applicable accident prevention regulations, which ensure adequate traceability of the processes and activities carried out.

A system of information flows is in place to allow information to circulate within the Company, in order to both favour the involvement and awareness of all the addressees of the Model, within the scope of their respective roles, functions and responsibilities, and to ensure the timely and adequate evidencing of any shortcomings or breaches of the Model, as well as of the actions required to update it.

9.2. The Occupational Health and Safety Monitoring System

The Company has paid particular attention to the need to set up and implement an effective and efficient control system in the OHS field.

The latter, in addition to providing for the recording of the audits carried out by the Company, including through the drafting of the specific minutes, is centred on a security monitoring system that operates on two levels.

The first level of monitoring involves all persons working within the Company's organisational structure, providing for:

- self-monitoring by workers, who must both use the work equipment and the safety and protection devices made available to them correctly, and immediately report any deficiencies in these means and devices as well as any dangerous situations they become aware of;
- the direct and constant involvement of company personnel with specific tasks in the OHS field (e.g. the Country Manager and the RSPP), who, non-exhaustively and within their specific competencies, a) periodically and systematically supervise and monitor compliance with legal obligations and corporate procedures regarding OHS; b) report to the Board of Directors any deficiencies and problems; c) identify and assess the company's risk factors; d) draw up the preventive and protective measures implemented and referred to in the Risk

Assessment Document, as well as the control systems of such measures; e) propose training and education programmes for workers, communicate with them and ensure their involvement.

Other tasks assigned to the SB include the periodic monitoring of the preventive occupational health and safety system.

The Supervisory Body is assigned the task of monitoring the entire prevention system adopted by the Company to protect the health and safety of workers. This task has been assigned to the SB because of its ability to ensure the objectivity and impartiality of its application, as well as its independence from the work sector under inspection.

In order to enable the Supervisory Body to carry out its monitoring effectively, it is required to send the SB a copy of the reports on occupational health and safety in accordance with the information flows regulated in paragraph 11.4.

The results of the monitoring are considered by the SB for the purposes of submitting to the Board of Directors, or to the competent corporate functions:

- proposals for the updating of the Model, including the preventive system adopted by the Company and the corporate procedures, due to any inadequacies or significant breaches found, or to changes in the Company's organisational structure;

- reports on any breaches of the Model and/or the Group's Code of Ethics encountered.

10. ENVIRONMENTAL POLICY AND COMPLIANCE WITH THE PROVISIONS IN FORCE

Respect for and protection of the environment and the local area, as well as the prevention of pollution, are essential values for EDP Energia Italia's business organisation, which aims to systematically control the environmental impact of its activities, to constantly improve its environmental performance and to verify compliance with sector legislation.

The effective implementation of the environmental policy and scrupulous compliance with the relevant regulations ensure the protection of the environment in all its aspects (e.g. water discharges, atmospheric emissions, environmental acoustics, waste management).

Specifically:

- put in place all necessary activities and suitable measures, according to experience, technique and the specific nature of the work, to prevent situations of damage or danger to workers, third parties, the environment, flora, fauna, biodiversity and the landscape, identifying any risk factors and ensuring their elimination;
- ensure that all company activities are carried out in compliance with environmental protection regulations, policies and procedures;
- ensure that the collection, transport and disposal of the waste produced is carried out in accordance with the prescribed permits and in compliance with the methods and limits laid down therein;
- ensure the implementation of adequate procedures for the correct completion of the identification forms for waste leaving the company, the loading/unloading register and the correct management of all the administrative documentation required by the laws on the matter, the above list being merely illustrative and not exhaustive;
- ensure that air emissions and water discharges are carried out correctly and always in accordance with legal requirements;
- act whenever an environmentally hazardous situation comes to light;
- ensure compliance with fire and safety regulations for buildings and plants and any other means used by the Company, taking all appropriate measures to prevent damage to or hazards for the environment, flora, fauna, biodiversity and the countryside;
- assess the environmental impact of the technical actions/investments to be carried out;
- ensure the issuance, dissemination, updating and correct application of standards and procedures, as well as the current environmental protection regulations;
- see that audits are carried out, also potentially using the functions of other Group companies;

- ensure the provision of effective information, education and training of all personnel on environmental protection issues;
- ensure the involvement of all workers, including through their representatives, in the management of the environment.

11. THE SUPERVISORY BODY OF EDP ENERGIA ITALIA

With reference to the Supervisory Body, the Board of Directors of EDP Energia Italia, on approving the Model, approved the document entitled "Statute of the Supervisory Body", which constitutes an integral part of it and in which the items of primary interest regarding this Body are regulated, including:

- the number of members and composition of the SB;
- the method of appointment and the duration of the appointment;
- causes of ineligibility and disqualification of the SB and its individual members;
- the prerequisites and procedures for revoking the appointment of the SB and its individual members;
- the tasks and powers of the SB;
- the resources allocated to the SB;
- information flows: a) from the corporate bodies and resources to the SB; b) from the SB to the corporate bodies;
- the ethical rules governing the activity of the SB.

While referring the reader to the aforementioned document for a more detailed presentation, it is deemed appropriate, at this point, to briefly dwell on the items inherent to the information flows concerning the SB.

11.1. Information flows to the Supervisory Body

The SB must be promptly informed by all company personnel, as well as by third parties required to comply with the provisions of the Model, of any news concerning the existence of possible breaches thereof.

In any case, the following must necessarily be sent to the SB:

A) immediately, information that may be relevant to breaches, even potential breaches, of the Model, including but not limited to:

- 1) any orders received from a superior and deemed contrary to the law, internal rules, or the Model;
- 2) any request for or offer of money, gifts (exceeding a modest value) or other benefits from, or intended for, Public Officials or Persons in Charge of a Public Service or private persons;
- 3) any significant deviations from the budget or expenditure anomalies revealed by requests for authorisation in the Management Control phase;
- 4) any omissions, neglect or falsification in the keeping of accounts or in the storing of documents on which the accounting records are based;
- 5) measures and/or news issued by the Judicial Police or any other authority from which it can be inferred that investigations are being carried out involving, even indirectly, the Company, its employees or members of its corporate bodies;
- 6) requests for legal assistance made to the Company by employees pursuant to the CCNL, in the event that criminal proceedings are brought against them;
- 7) news about ongoing disciplinary proceedings and any penalties imposed or the reasons for their filing;
- 8) any reports of retaliatory, discriminatory or detrimental behaviour towards anyone who in good faith reports a breach of the Model or internal rules;
- 9) any reports, not promptly acknowledged by the competent functions, concerning both deficiencies or inadequacies of the premises, work equipment, or protective devices made available to the Company, and any other occupational health and safety-related hazards;
- 10) any breach, even potential, of environmental legislation as well as of the procedures issued by the Company in this regard;
- 11) any deviation found in the tender assessment process from the company's procedures or set criteria;

- 12) information on the existence of an actual or potential conflict of interest with the Company;
- 13) any critical issues with respect to public tenders or tenders of public relevance in which the Company has participated or should participate; as well as any critical issues with respect to any contracts obtained following private negotiations;
- 14) any critical issues or anomalies encountered in the context of the consultancy services applied in other areas (legal, IT, tax, etc.);
- 15) any communications from the Sole Shareholder concerning any critical issues that have come to light, including with regard to possible shortcomings in the internal controls;
- 16) any accident or illness leading to an inability to attend to normal activity for a period of at least forty days;
- 17) the criticalities resulting from the level one control activities carried out by the various corporate functions involved in the areas at risk of offences;
- 18) minutes resulting from inspections carried out by public officials or persons in charge of a public service;
- 19) final reports of verification audits - drawn up in-house or by consultants - relating to risk areas, instrumental areas and/or sensitive activities, as referred to in the Model (including those relating to Health, Safety and Environment issues);
- 20) any measures and acts notified/formalised by the tax authorities;
- 21) any initiation of assessment or inspection actions by bodies of the tax authorities;
- 22) any finding of particularly significant anomalies requiring more in-depth tax audits.

B) periodically, as set out below, information relating to the Company's activities, which may be relevant to the SB's performance of its assigned tasks, including, but not limited to, the following:

- 23) news of changes in the organisation or in existing company procedures (quarterly);

- 24) updates of the proxy and powers of attorney system (quarterly);
- 25) the agenda of the minutes of the board of directors (quarterly);
- 26) periodic reporting on occupational health and safety, and, specifically: a) the minutes of the periodic meeting referred to in Article 35 of Legislative Decree no. 81/2008 (annual); b) information on the annual expenditure/investment budget prepared in order to carry out the necessary and/or appropriate improvements in the safety area; c) all data on occupational accidents occurring on Company sites (annual);
- 27) any updates to the DVR (annual);
- 28) the reporting by the location doctor of abnormal situations found during periodic or scheduled (six-monthly) visits;
- 29) any periodic audits carried out by the certification bodies of the integrated management system (e.g. OHSAS 18001 - annual);
- 30) the balance sheet, together with the explanatory notes, as well as the half-yearly (annual) statement of assets and liabilities;
- 31) news aimed at providing a constant update on the main developments in the facts and circumstances connected with and underlying the acts notified/formalised by the Tax Authorities referred to in the event reports already forwarded to the SB (quarterly);
- 32) communication vouching for the fact of having submitted the tax returns for each tax period by the deadlines laid down by the relevant legislation (annual);
- 33) information and related documentation concerning Occupational Health and Safety training activities (annual);
- 34) annual copy of the MUD (Modello Unico Dichiarazione Ambientale - Single Environmental Declaration Form), if there is one.

The SB, in the course of its investigations (which follow up the information flow), must act in such a way as to ensure that the persons involved are not retaliated against, discriminated against or penalised, thereby ensuring the anonymity of the person making the report (unless otherwise required by law) and, at the same time, combating all forms of recourse to reports that are manifestly unfounded or motivated by defamatory intent.

The Company applies serious disciplinary penalties against anyone who engages in retaliatory, discriminatory or penalising conduct towards Addressees who report breaches of the Model, or who denounce unlawful conduct relevant under the Decree, as well as against persons who, wilfully or with gross negligence make reports that prove to be unfounded.

The Company, in order to facilitate reports to the SB by persons who become aware of breaches of the Model, even potential ones, activates suitable dedicated communication channels and, specifically, a special certified mailbox (organismodivigilanzaedpitalia@pec.it) and a special ordinary mailbox (odv_edpeitalia@edp.com).

Alternatively, reports may also be submitted in writing, also in anonymous form, to the address: Organismo di Vigilanza di EDP Energia Italia S.r.l., via Roberto Lepetit, 8 20124, MILANO (MI).

These channels guarantee, also by computerised means, the confidentiality of the reporter's identity.

Reports of unlawful conduct relevant under the Decree must be substantiated and based on precise and concordant factual elements.

Anyone who thinks he/she is the victim of retaliation, or is aware of retaliatory conduct against others, for reasons directly or indirectly linked to the reporting of unlawful conduct relevant under the Decree or of breaches of the Model, must immediately contact the Company's Supervisory Body through the aforementioned channels, in the same manner as now described.

The same communication channels are also used for all the aforementioned disclosure obligations.

11.2. Information flows from the Supervisory Body to the corporate bodies

The Body is likewise required to report periodically to the corporate bodies. Indeed, the SB:

- reports in writing on a half-yearly basis to the Board of Directors and the Sole Shareholder;

The reporting activity will focus in particular on:

- a) the activities, in general, carried out by the SB;
- b) any problems or critical issues that have come to light during the course of the supervisory activity both in terms of conduct or events within the Company and in terms of the effectiveness of the Model;
- c) the corrective actions proposed to ensure the effectiveness and efficiency of the Model, as well as the implementation status of the corrective actions decided by the Board of Directors;
- d) the detection of conduct not in line with the Model or the Group's Code of Ethics;

- e) the detection of organisational or procedural shortcomings such as to expose the Company to the risk of commission of offences under the Decree;
- f) any omission or lack of cooperation by company departments in the performance of their verification and/or investigation duties;
- g) any regulatory changes that require the updating of the Model;
- h) in any case, any information deemed useful for the purposes of the taking of urgent decisions by the competent bodies;
- i) a statement of the expenses incurred;
- j) activities that could not be carried out for justified reasons relating to time and resources.

In any case, the SB may refer to the Country Manager or the Board of Directors in cases of urgency or, indeed, whenever it deems it appropriate for the effective and efficient performance of the tasks assigned to it.

12. THE GROUP'S CODE OF ETHICS

12.1. Drafting and approval of the Group's Code of Ethics

The EDP Group is an industrial group that, due to its structure and scale, the activities it manages and its ties with the local area and the environment, plays a relevant role with respect to the market, economic development, environmental protection and the wellbeing of the communities in which it is present. Consistently, all the activities of Group companies must be carried out according to ethical and behavioural principles that take into account the role assumed.

In order to give concreteness and continuity to the above and to guarantee the proper functioning, reliability and reputation of the EDP Group and of all its Companies, the Group has established its own Code of Ethics, whose aim is to identify and disseminate the ethical principles and behavioural criteria that must be observed in the performance of the company's activities, establishing mechanisms for their implementation and compliance.

The EDP Group's Code of Ethics (hereinafter also referred to as the 'Group's Code of Ethics') is binding on all Group Companies, including EDP Energia Italia.

The Group's Code of Ethics consists of the following instruments:

- a) *EDP Code of Ethics;*
- b) *Code of conduct for Top Management and Senior Financial Officers;*
- c) *Integrity Policy;*
- d) *Suppliers Code of Conduct.*

The *EDP Code of Ethics*, adopted in 2005 and last revised in October 2013, contains the general principles and rules of conduct to be adhered to by all those working at the Group. It defines fundamental principles of action regarding compliance with laws and regulations, integrity, respect for labour and human rights, transparency and corporate social responsibility.

The *Code of Conduct for Top Management and Senior Financial Officers*, approved by EDP's Executive Board of Directors in January 2017, aims to enhance and complement the provisions contained in the *Code of Ethics*, establishing a set of rules of conduct specifically addressed to the Group's top management.

The *Integrity Policy*, which was approved in May 2018 by EDP's Executive Board of Directors, defines the general principles of action and responsibility for the Group's Companies, their employees and any other persons operating in the Group's business environment, with the aim of avoiding the commission of wrongdoing, especially that related to the commission of acts of corruption, money laundering and financing of terrorism.

The *Suppliers Code of Conduct*, approved by EDP's Executive Board of Directors in May 2017, gathers the list of ethical and behavioural principles to which EDP's suppliers must adhere, as a mandatory contractual condition in their relations with the Group's companies.

12.2. The addressees and the structure of the Group's Code of Ethics.

The Group's Code of Ethics brings together all the general principles and rules of conduct to which the Company assigns positive ethical value and with which all those who operate in the Group's business framework must comply.

This Group's Code of Ethics applies not only to Corporate Bodies and Personnel, but also to Third-party Addressees. Third-party Addressees, like other persons, are obliged to comply with the provisions of the Group's Code of Ethics and in particular with the ethical principles and rules of conduct laid down for Personnel, within the scope of their competency. To this end, specific clauses will be included in letters of appointment and/or negotiated agreements, as better detailed in the Disciplinary System.

All Addressees are required to observe and, within the scope of their competency, enforce the principles

contained in the Group's Code of Ethics, which is binding on everyone and also applies to the Company's activities abroad. Nonetheless, considering that this Group's Code of Ethics is an integral part of the Company's Model, any breach thereof will result in the application of the penalties indicated in the Company's Disciplinary System.

The set of rules contained in the Group's Code of Ethics, moreover, by aligning corporate conduct with particularly high ethical *standards* marked by the utmost fairness and transparency, guarantees the safeguarding of *stakeholders'* interests, as well as preserving the Company's image and reputation, while ensuring an ethical approach to the market, with regard both to activities carried out within Italy and to those relating to international relations.

12.3. General Ethical Principles

Below is a summary of the general ethical principles set out in the various documents that make up the Group's Code of Ethics, while for the full details of these aspects, we refer the reader to the said document in its entirety.

Specifically, the fundamental ethical principles adopted by the EDP Group, including EDP Energia Italia, by way of example, concern the values and areas of activity listed below:

- Accountability and compliance;
- Integrity and fairness;
- Professionalism and efficiency;
- Spirit of service;
- Transparency;
- Impartiality;
- Value of human resources;
- Value of training;
- Protection of the individual;
- Conflicts of interest;
- Repudiation of corruption in Italy and abroad;
- Anti-money laundering;
- Repudiation of criminal organisations;
- Repudiation of all forms of terrorism;
- Safety of workplaces and workers;
- Protection of the environment;
- Diligence and efficiency in the use of company assets;

- Protection of corporate image and reputation.
- Correct use of computer systems;
- Protection of industrial and intellectual property rights;
- Confidentiality of information;
- Correct handling and confidentiality of price-sensitive information;
- Correct management of information and communications;
- Ban on financing political and trade union organisations;
- Protection of privacy and relations with the Italian Data Protection Authority;
- Transparency and market awareness of management decisions and corporate events in general;
- Quality and safety in the services provided;
- Selection criteria for suppliers and consultants;

12.3.1 Relevant ethical principles under Legislative Decree 231/2001

In addition to the general principles listed above, EDP Energia Italia undertakes to comply with the following additional ethical principles, which are relevant for the purposes of full compliance with the legislation on the administrative liability of entities deriving from offences under Legislative Decree 231/2001.

12.3.2 Ethical principles in relations with employees and collaborators

- Respect for the laws on the regularity of workers' residence permits: EDP Energia Italia is committed to checking, at the time of recruitment and throughout the employment relationship, that workers from third countries have their residence permit in order and have renewed it should it have expired.

12.3.3. Ethical Principles in Relations with Shareholders, the Market and Competitors

- Protecting the integrity of the share capital: EDP Energia Italia is committed to observing principles of conduct aimed at guaranteeing the integrity of the share capital, protecting creditors and third parties that establish relations with the Company, and, in general, the transparency and correctness of the Company's activities from an economic and financial point of view;
- Protection of the truthfulness, correctness and transparency of accounts, financial statements, reports and other corporate communications required by law and addressed to the sole shareholder or the public;
- Control and transparency of accounting and tax management: all operations carried out by the parties involved in the process are underpinned by the following principles: (i) maximum correctness in management; (ii) completeness and transparency of information; (iii) legitimacy in substantive

and formal terms; (iii) clarity and truthfulness of accounting records in accordance with current regulations and internal procedures. Accounting records must also correspond to the aforementioned principles and must be easily traceable, as well as ordered according to logical criteria. In any case, company payments to be made must be exclusively commensurate with the service and the modalities indicated in the contract and may not be made to any other party than the contractual counterparty;

- Tax documentation must comply with and be based on the accounting records and must be easily traceable, ordered and filed according to logical criteria for as long as the law requires;
- Protection of transparency in financial and commercial transactions: EDP Energia Italia is committed to ensuring that all its financial relations, also with parties operating at international level, are carried out in full compliance with the laws and regulations in force. The Company undertakes to adopt all the necessary precautions to verify the reliability of such operators, as well as the legitimate origin of the capital and means used by them in the context of their relations with it. Furthermore, EDP Energia Italia bases its corporate management on the utmost transparency in all commercial transactions;
- Fairness, fair competition and transparency towards competition: it is against Company policy and the law to enter into agreements, understandings, exchanges of information, discussions or communications with any competitor regarding prices, pricing policies, discounts, promotions, sales conditions, markets, production costs that are aimed at restricting or distorting free competition.

12.4 Rules of Conduct

In addition to those already present in the Group's Code of Ethics, EDP Energia Italia has reserved a specific section in the Special Parts of the Model for the rules of conduct that must be complied with in the company's activities, for each category of offence, in order to fully comply with the regulations set forth in Legislative Decree 231/2001.

In any case, it is against Company policy and the law to engage in simulated transactions or transactions through intermediaries or transactions for no valid economic reason or transactions carried out for elusive, abusive or evasive purposes.

Therefore, the Company (as well as the companies/specialised consultants appointed at the given time) undertakes to supervise operations aimed at the disposal of assets belonging to the Group in order to prevent any conduct aimed at evading the payment of taxes.

12.5. The implementation and monitoring of compliance with the Group's Code of Ethics

Control over the implementation of and compliance with the Group's Code of Ethics, in relation to the principles and rules relating to the risk and instrumental areas set out in the Special Parts, is entrusted to the SB, which is also required, among other things, to:

- monitor compliance with the Group's Code of Ethics, with a view to reducing the danger of the commission of the offences provided for in the Decree;
- comment on ethical issues that may arise in the context of corporate decisions, and on alleged breaches of the Group's Code of Ethics that come into its knowledge;
- make available every possible cognitive and clarification tool for the correct interpretation and implementation of the provisions contained in the Group's Code of Ethics;
- monitor the updating of the Group's Code of Ethics, formulating its own proposals for its adaptation and updating;
- promote and monitor the Company's implementation of communication and training activities on the Group's Code of Ethics;
- report any breaches of the Group's Code of Ethics to the competent corporate bodies, verifying the effective application of any measures imposed.

Breaches of the rules of the Group's Code of Ethics will lead to the application of the penalties provided for in the Disciplinary System (to which reference should be made) and/or, as regards Third Party Addressees, in the clauses included in the contractual relationships.

12.6. Duty to notify the Supervisory Body

The Addressees of the Group's Code of Ethics must fulfil precise reporting obligations towards the SB, with particular reference to possible breaches of laws or regulations, of the Group's Code of Ethics, and of internal procedures.

Communications to the SB may be made, also anonymously, either by certified email (organismodivigilanzaedpitalia@pec.it), by email (odv_edpeitalia@edp.com), or in writing to the address Organismo di Vigilanza di EDP Energia Italia S.r.l., via Roberto Lepetit, 8 20124, MILANO (MI).

Upon receiving the report of the breach, the Supervisory Body will forward it without delay to the Board of Directors (or to the corporate bodies indicated in the Disciplinary System), which will decide on whether to apply and/or amend the penalties, triggering the corporate functions competent at the given time to effect their application.

In any case, the stages involved in notifying the breach and determining and effectively applying the penalties, are carried out in compliance with the laws and regulations in force, and with the provisions of the collective bargaining and company regulations, where these exist and apply.

Lastly, the SB will ensure that the person making the communication, if identified or identifiable, is not retaliated against, discriminated against or penalised, thus ensuring his or her identity is kept confidential (unless otherwise required by law).

13. THE DISCIPLINARY SYSTEM OF EDP ENERGIA ITALIA

13.1. The drafting and adoption of the Disciplinary System.

Pursuant to Articles 6 and 7 of the Decree, the Model may be considered effectively implemented, for the purposes of the Company's exemption from liability, if it provides for a disciplinary system capable of penalising non-compliance with the measures indicated *therein*.

EDP Energia Italia has, therefore, adopted a disciplinary system (hereinafter, also referred to as the '**Disciplinary System**') mainly aimed at penalising the breach of the principles, rules and measures provided for in the Model and in the relevant Protocols, in compliance with the rules laid down in the national collective bargaining agreement and with the laws and regulations in force.

On the basis of this Disciplinary System, penalties are applicable both to breaches of the Model and of the relevant Protocols committed by persons in "top" positions - insofar as they hold representative, administrative or managerial positions in the Company or in one of its financially and functionally autonomous units, or hold the power, even only de facto, of management or control of the Company - and breaches perpetrated by persons under others' management or supervision or operating in the name and/or on behalf of EDP Energia Italia.

In accordance with the provisions of the Confindustria Guidelines, the initiation of disciplinary proceedings, as well as the application of the relevant penalties, are independent of any bringing and/or

outcome of any criminal proceedings concerning the said conduct relevant for the purposes of the Disciplinary System.

13.2. The structure of the Disciplinary System

In compliance with the provisions of the Decree, EDP Energia Italia has adopted a Disciplinary System which, in addition to being delivered telematically or in computerised form to top management and employees and published on the company system, is posted at the Company's headquarters in a place accessible to all, in order to ensure that all Addressees are fully aware of it.

The Company's Disciplinary System is divided into four sections, concerning, respectively:

- 1) the persons liable to the penalties provided for (the **Addressees**);
- 2) potentially relevant conduct
- 3) the penalties theoretically applicable to each category of persons required to comply with the Model, with specific regard to each relevant type of conduct;
- 4) the procedure for imposing the penalty and notifying the breach for each category of addressee of the Disciplinary System.

The provisions contained in the Disciplinary System do not preclude the addressees from exercising all the rights, including the challenging or opposing of the disciplinary measure or the establishment of an Arbitration Board, accorded them by laws or regulations, as well as by collective bargaining or applicable company regulations.

For a more complete presentation of the Disciplinary System, we refer the reader to the relevant document in its entirety, which forms an integral part of the Model.

14. COMMUNICATION AND TRAINING ON THE MODEL AND RELATED PROTOCOLS

14.1 Communication on and involvement in the Model and related Protocols

The Company promotes the widest dissemination, inside and outside the structure, of the principles and provisions contained in the Model and in the Protocols related thereto.

The Model is formally communicated to all Company personnel by means of the delivery of a full copy, including telematically or in a computer file, as well as by means of its publication on the company network and its posting in a place accessible to all.

A documentary record is kept in the SB's documents of its delivery to the Addressees and of their commitment to comply with the rules set out therein.

For Third Party Addressees required to comply with the Model, a summary of it, including the aspects relevant to them, is made available on the Company's website or provided at their request.

On this last point, it is also envisaged that a specific clause be included in the contract/agreement of reference to formalise the commitment by the Third Party Addressees to comply with the principles of the EDP Energia Italia Model, the Group's Code of Ethics and the Protocols connected thereto, as well to accept the imposition of the penalties specifically identified in the Company's Disciplinary System. As for existing agreements, this clause will be signed on the occasion of contract renewals.

Particular and specific attention is then paid to the dissemination of the Group's Code of Ethics, which, in addition to being communicated in the manner already indicated for the Model (delivery to all members of the corporate bodies, to other top management, to employees, posting in a company location accessible to all and publication on the company computer network) will be made available to third parties required to comply with its provisions, as well as to any other interlocutor of the Company, by means of full publication on the company website.

The Company also reserves the right to insert special clauses providing for: (i) the right of EDP Energia Italia to examine the Model adopted by the other company (or specific compliance programme in the case of foreign companies or public bodies); (ii) the mutual commitment of each Company to comply with its own Model (and related Protocols) or compliance programme (in the case of foreign companies or public bodies), penalising the related breaches in compliance with the principle of grading, in accordance with the above.

The SB promotes, including through the evaluation of specific plans, prepared by the Company and monitors all further information activities that it may deem necessary or appropriate.

The Company also promotes the adequate communication to and involvement of the addressees of the Model, within the scope of their respective roles, functions and responsibilities, in matters related to OHS and environmental issues. For these purposes, an information and involvement programme on OHS matters for the Addressees of the Model is defined, documented, implemented, monitored and periodically updated, focusing especially on newly hired workers and those requiring specific qualifications.

The involvement of the persons concerned is also ensured through their prior consultation at regular meetings.

14.2 Education and training on the Model and related Protocols

In addition to the activities related to Informing the Addressees, the SB sees to their periodic and ongoing Training, i.e. promoting and monitoring the Company's implementation of initiatives aimed at fostering adequate knowledge and awareness of the Model and the Protocols connected thereto, in order to increase the ethics culture at the Company.

In particular, it is envisaged that the principles of the Model, and in particular those of the Group's Code of Ethics and Disciplinary System, which are part of it, are illustrated to the Company's resources in specific training activities (e.g. courses, including online courses, seminars, questionnaires, etc.), participation in which is mandatory and whose methods of provision are monitored by the SB through specific Plans, drawn up, approved and implemented by the Company. The results achieved by the training are verified through specific tests on its content.

The courses and other training initiatives on the principles of the Model are, moreover, differentiated on the basis of the role and responsibility of the resources concerned, i.e. through the provision of more intense training with a higher degree of depth for persons qualifying as 'top' under the Decree, as well as for those working in areas that qualify as 'at risk' under the Model.

The Company also promotes the education and training of the Addressees of the Model, within the scope of their respective roles, functions and responsibilities, in relation to issues related to OHS, in order to ensure they are aware of the importance of both the compliance of their actions with the Model, and of the possible consequences of breaches thereof; in this perspective, particular importance is attached to the education and training of persons performing OHS tasks.

To this end, a periodic education and training programme is defined, documented, implemented, monitored and updated by the Company for the Addressees of the Model - with particular regard to newly-hired workers, for whom special qualifications are required in OHS matters, with particular reference to safety and the different risk profiles (e.g. fire-fighting team, first aid, safety officers, etc.). In particular, training and instruction is differentiated on the basis of the role and tasks assigned to workers and is provided when they are hired, transferred or change jobs or when new work equipment or new technologies are introduced.

15. UPDATING OF THE MODEL

The SB has the task of monitoring the necessary and continuous updating and adaptation of the Model and the Protocols connected thereto, if necessary suggesting, by means of a written communication to the administrative body, or to the corporate functions competent at the given time, the necessary or appropriate corrections and adjustments.

The Board of Directors is responsible, together with any corporate functions concerned, for updating the Model and adjusting it as a result of changes in organisational structures or operational processes, significant breaches of the Model, and legislative addenda. Updates and adjustments of the Model, or of the Protocols connected to it, are disseminated in special communications sent by email and published on the corporate network and, where appropriate, through the preparation of briefing sessions illustrating the most relevant updates and adjustments.

DISCIPLINARY SYSTEM

PURSUANT TO LEGISLATIVE DECREE NO. 231/2001 OF

EDP ENERGIA ITALIA S.R.L.

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INTRODUCTION: THE DISCIPLINARY SYSTEM

The Board of Directors of EDP Energia Italia S.r.l. (hereinafter also '**EDP**' or '**Company**') has adopted, together with the other Protocols constituting Model 231 (hereinafter also '**Model**'), this Disciplinary System, suitable for penalising conducts carried out in breach of the provisions of the Model.

This Disciplinary System operates in compliance with the rules in force, including, where applicable, those set out in collective bargaining agreements, and is principally internal to the Company, since it cannot be considered a substitute for, but rather an addition to, the laws or regulations in force, as well as a supplement to other internal rules, including those of a disciplinary nature.

The penalties apply, in particular, to both breaches of the Model committed by persons in "top" positions, insofar as they hold representative, administrative or managerial functions in the Company or in one of its financially and functionally autonomous organisational units, or hold the power, even if only de facto, to manage or control the company, and breaches committed by persons under others' management or supervision or working in the name and/or on behalf of EDP.

The bringing of disciplinary proceedings, as well as the application of the penalties indicated below, are independent of any bringing and/or outcome of any criminal proceedings concerning the same conduct relevant for the purposes of this Disciplinary System.

This document is divided into four sections: in the first, the persons subject to the penalties provided for are identified (the Addressees); in the second, the potentially relevant conduct; in the third, the penalties that may be applied; in the fourth, the procedure for notifying the breach and imposing the penalty.

The provisions contained in the Disciplinary System do not preclude the addressees from exercising all the rights, including the right to challenge or oppose the disciplinary measure or to establish an Arbitration Board, accorded them by laws or regulations, as well as by collective bargaining, and/or company regulations.

For all matters not provided for in the Disciplinary System, the laws and regulations in force, as well as the provisions of collective bargaining agreements and company regulations, where applicable, will apply.

This Disciplinary System, in addition to being delivered, including by telematic means or on a computer file, to the persons referred to in paragraphs I.1., I.2 and I.3. below, as well as published on the corporate system, is posted at the Company's registered office, in a place accessible to all, in order to ensure that the addressees identified below are fully aware of it.

I. ADDRESSEES

I.1. Top Management

The rules and principles contained in the Model and in the Protocols connected to it must be complied with, primarily, by persons occupying a 'top' position within the Company ('**Top Management**').

Pursuant to Article 5(l)(a) of the Decree, this category includes persons '*who hold positions of representation, administration or management of the entity or of one of its financially and functionally autonomous organisational units*', as well as persons who '*exercise, even de facto, the management or control*' of the entity.

The position of the members of EDP's management and control bodies (hereinafter also referred to as '**Directors**' and '**Statutory Auditors**') is of primary relevance.

Given that, at present, the traditional system has been chosen, including, consequently, a Board of Directors (hereinafter also referred to as 'BoD') and a Board of Statutory Auditors (where the legal requirements for mandatory appointment are met), all members of these bodies are liable to the penalties provided for in the Disciplinary System for breaches of the Model.

Furthermore, in accordance with Article 5 of the Decree, Top Management includes persons with financial and functional autonomy, as well as - where present - the heads of the secondary offices. Such persons may be linked to the Company either by a subordinate employment relationship (hereinafter referred to as "**Senior Executives**"), or by other private relationships (e.g. mandate, agency, representation, etc.).

I.2. EDP Employees

Article 7(4)(b) of the Decree provides for the adoption of an appropriate Disciplinary System to penalise any breaches of the measures provided for in the Model committed by persons under the management or supervision of a 'person in a top position'.

In this regard, the position of all EDP employees bound by an employment relationship is relevant, regardless of the contract applied, the qualification and/or company classification recognised (e.g. executives who do not have functional and spending autonomy, hereinafter "**Non-Senior Executives**", middle managers, clerks, workers, fixed-term workers, workers with internship contracts, etc.; hereinafter all together, also "**Employees**").

This category also includes Company employees who are assigned, or who otherwise perform, specific functions and/or tasks in the field of health and safety at work.

I.3. Third Party Addressees

This Disciplinary System also has the function of penalising breaches relevant to the relationship with the counterparty identified in the contractual clauses, committed by persons including those other than those indicated above.

In particular, these are all persons (hereinafter also referred to collectively as '**Third Party Addressees**') who do not hold a 'top' position, nor have the status of employees, in the terms specified in the preceding paragraphs and who are in any case required to comply with the Model by virtue of the function they perform in the Company's corporate and organisational structure, for example insofar as they are functionally under the direction or supervision of a person in a 'top' position or insofar as they work, directly or indirectly, for the Company.

Within this category can be included:

- all those who have a non-employment working relationship with EDP (e.g. project collaborators, consultants, temporary workers, contractors);
- collaborators in any capacity;
- proxies, agents and all those acting in the name of and/or on behalf of the Company;
- persons who are assigned, or who in any case carry out, specific functions and tasks in the field of Occupational Health and Safety (e.g. Location Doctors and, if external to the Company, Prevention and Protection Service Managers and Officers);

- companies to which certain functions have been outsourced through service contracts;
- contractors and partners.

I.4. The member of the Supervisory Body

The guarantor of the preventive suitability and effective implementation of the Model is the Supervisory Body (hereinafter referred to as the '**SB**' or '**Body**') which, in the exercise of its broadest powers, is also called upon to identify, condemn and counter potential breaches of the Model, within the scope of the provisions of this Disciplinary System, set out in detail below.

The SB is bound to absolute compliance with the Model and all the protocols that form an integral part of it, as well as the provisions detailed in the Supervisory Body Regulation, and is therefore subject to the provisions of this Disciplinary System.

In order to avoid any conflict of interest scenario, the disciplinary proceedings against the sole member of the Supervisory Body enjoy exclusive prerogatives and are dealt with in detail later in this Disciplinary System.

II. RELEVANT CONDUCT

For the purposes of this Disciplinary System, and in compliance with the collective bargaining provisions (where applicable), "**breaches of Model 231**" means all conduct, whether committed or omitted (including non-intentional), which is capable of impairing the latter's effectiveness as a tool for preventing the risk of commission of offences relevant for the purposes of the Decree.

In compliance with the constitutional principle of legality, as well as that of proportionality of the penalty, taking into account all the elements and/or circumstances inherent therein, it is deemed appropriate to define the possible breaches, graded according to an increasing order of severity.

In particular, for the Special Part of the EDP Model (hereinafter also '**Special Part**') the following conduct is relevant:

- 1) non-compliance with the Model, in the event of breaches of one or more procedural and/or behavioural rules laid down in the Model or in the Group's Code of Ethics, which can be classified as minor shortcomings; or breaches carried out in the context of "sensitive" activities referred to in the areas at risk identified as instrumental in the Special Section, and provided that one of the conditions set out in Nos. 3 and 4 below is not met;
- 2) non-compliance with the Model, in the event of breaches of one or more procedural and/or behavioural rules laid down in the Model or in the Group's Code of Ethics, which can be construed as more serious misconduct; or in the event of breaches carried out in the context of "sensitive" activities referred to in the areas at risk identified as direct in the Special Section, and provided that one of the conditions set out in Nos. 3 and 4 below is not met;
- 3) Failure to comply with the Model, in the event of breaches of one or more procedural and/or behavioural rules laid down in the Model or in the Group's Code of Ethics, which can be considered even more serious misconduct; or of breaches that constitute the mere fact (objective element) of one of the offences provided for in the Decree;
- 4) non-compliance with the Model, in the event of breaches of one or more procedural and/or behavioural rules laid down in the Model or in the Group's Code of Ethics such as to irreparably damage the relationship of trust and not allow the working relationship to continue; or breaches aimed at committing one of the offences provided for in the Decree, or capable of establishing the Company's liability under the Decree.

It is also appropriate to define possible breaches in the field of Occupational Health and Safety, also graded according to an increasing order of seriousness:

- 5) non-compliance with the model, if a situation of abstract danger to the physical integrity of one or more persons, including the perpetrator, arises;
- 6) non-compliance with the Model, if the breach leads to a situation of concrete danger for the physical integrity of one or more persons, including the author of the breach, and provided that one of the conditions set out in nos. 7, 8 and 9 below is not met;
- 7) non-compliance with the Model, if the breach results in injury to the physical integrity of one or more persons, including the perpetrator, and provided that one of the conditions set out in Nos. 8 and 9 below is not met;

- 8) failure to comply with the Model, if the breach results in an injury, classifiable as "serious" pursuant to Article 583(1) of the Criminal Code, to the physical integrity of one or more persons, including the perpetrator of the breach, and provided that one of the conditions set out in No. 9 below is not met;
- 9) failure to comply with the Model, if the breach results in an injury, classifiable as 'very serious' pursuant to Article 583(1) of the Criminal Code, to the physical integrity or the death of one or more persons, including the author of the breach.

Finally, with regard to possible breaches concerning the provisions on environmental protection, the following conduct, also graded according to an ascending order of severity, is relevant:

- 10) breach of one or more procedural and/or behavioural rules set out in the Model and Protocols if no situation of abstract danger for the environment occurs;
- 11) breach of one or more procedural and/or behavioural rules provided for in the Model and Protocols if the breach leads to a situation of theoretical danger for the environment;
- 12) breach of one or more procedural and/or behavioural rules set out in the Model and in the Protocols if the breach is committed non-intentionally and constitutes one of the environmental offences establishing the liability of the Entity;
- 13) breach of one or more procedural and/or behavioural rules set out in the Model and in the Protocols if the breach is committed wilfully and constitutes one of the environmental offences establishing the liability of the Entity.

The following conduct is always relevant:

- 14) failure to comply with the Model and, in particular, with the measures put in place to protect the confidentiality of the identity of the person who has reported breaches of the Model or unlawful conduct relevant under the Decree,
- 15) failure to comply with the Model in the event of retaliatory and/or discriminatory conduct, whether direct or indirect, against the person who has reported breaches of the Model or unlawful conduct relevant under the Decree;

- 16) failure to comply with the Model in the event that, wilfully or with gross negligence, breaches of the Model or unlawful conduct relevant under the Decree have been reported which prove to be unfounded.

III. PENALTIES

This section sets out the penalties that may be imposed in the event of the detection of one of the breaches referred to in Section II.

The penalties are applied in accordance with the provisions contained in Section IV, as well as the rules found in the collective bargaining agreement, where applicable.

In any case, the identification and imposition of the penalties must take into account the principles of proportionality and appropriateness of the penalties with respect to the alleged infringement.

In this respect, the following elements will, in general, be relevant:

- the type of breach;
- the circumstances under which the conduct took place;
- the manner in which the conduct was carried out.

For the purposes of any toughening of the penalty, the following elements are also taken into account:

- any commission of several breaches in the course of the same conduct, in which case the toughening will be applied to the penalty for the most serious breach;
- any complicity of several persons in the commission of the infringement;
- the seriousness of the conduct or of the event it caused;
- the intensity of the intent or the degree of negligence;
- potential damage to the company, also in relation to any application of the penalties provided for in Legislative Decree 231/2001;

- any recidivism on the part of its author.

The application of the penalties set out below will in any event be without prejudice to the right of the Company to take action against the liable party in order to obtain compensation for all damages suffered as a result of or as a consequence of the conduct verified.

III.1. Penalties against Top Management (not linked to the Company by an employment relationship)

If it is established that one of the breaches indicated in Section II has been committed by a Top Management figure not linked to the Company by an employment relationship, the following penalties will apply:

- written reprimand;
- a reminder to comply in a timely manner with the Model;
- reduction of the agreed remuneration or consideration by up to 50%;
- removal from office.

In particular:

- a) for the breaches referred to in nos. 1), 5), 6) and 10) of Section II, the penalty of a written reprimand or reminder to comply with the Model will be applied;
- b) for the breaches referred to in nos. 2), 7) and 11) of Section II, the penalty of a reminder to comply with the provisions of the Model will be applied;
- c) for the breaches referred to in nos. 3), 8), 12) and 14) of Section II, the penalty of a reduction of any emoluments provided for will be applied, or that of removal from office;
- d) for the breaches referred to in nos. 4), 9), 13) 15) and 16) of Section II, the penalty of removal from office will be applied.

In any event, the Company may suspend the relationship as a precautionary measure until such time as any penalty is imposed.

If the breach is notified against a Top Management figure linked to the Company by an employment relationship, the penalties provided for Executives and Employees in paragraph III.2 below will be applied.

III.2. Penalties against Executives and Employees

If one of the breaches indicated in Section II is ascertained to have been committed by a Top Management figure linked to the Company by an employment relationship (Senior Executive) or by a person qualifying as an Employee in accordance with the provisions of para. I.2 above (e.g. "Non-Senior Executives", middle managers, white-collar workers, blue-collar workers, workers with a fixed-term contract, workers with an internship contract), the following penalties will be applied:

- verbal reprimand;
- written warning;
- fine to the extent provided for in the collective bargaining agreement applicable to the specific case;
- suspension to the extent provided for in the collective bargaining agreement applicable to the case;
- dismissal.

In particular:

- a) for the breaches referred to in nos. 1), 5), 6) and 10) of Section II, the penalty of a verbal reprimand or a written warning will be applied;
- b) for the breaches referred to in nos. 2), 7) and 11) of Section II, the penalty of a written warning or a fine, or, in the most serious cases, suspension from work, will be applied;
- c) for the breaches referred to in nos. 3), 8), 12) and 14) of Section II, the penalty of suspension or, in the most serious cases, dismissal will be applied;
- d) for the breaches referred to in 4), 9), 13), 15) and 16) of Section II, the penalty of dismissal will apply.

In any event, the Company may suspend the employee from work as a precautionary measure until any penalty is imposed.

III.3. Penalties against Third Party Addressees

If one of the breaches indicated in the contractual clauses included in the contracts/letters of appointment with Third Party Addressees is verified to have been committed, the following penalties will apply:

- a) a **reminder** to comply with the Model and/or the Group's Code of Ethics; where factual circumstances permit and recommend it, in order to re-establish the correctness of the factual situation and the contractual relationship. The reminder will have as its object the application, at the full expense of the Third Party, of all appropriate measures to manage and resolve the breaches encountered (a 'Remediation Plan'), under penalty of the application of the termination of the contractual relationship existing with the Company"
- b) in the event of non-compliance or improper compliance with the reminder referred to in the above point, or, depending on the seriousness of the breach, immediate **termination of the contractual relationship** with the Company.

Without prejudice to the foregoing, the Company may provide in the agreements, also in the event of failure to comply or incorrect compliance with the reminder referred to in point a) above, for the application of a penalty, contractually set at between 10% and 30% of the agreed consideration in favour of the Third Party Addressee.

In particular, the Company inserts in contracts a specific clause aimed at formalising the third party's commitment, within the scope of its competence, to comply with the principles of conduct of the EDP Model, as well as with the Protocols related thereto, as well as to accept the imposing of the penalties indicated below in the event that relevant conducts, as identified above in Section II, are verified.

In particular:

- a) 1), 2), 5), 6), 10) and 11) of Section II, the penalty of a reminder or a contractual penalty (if any) or termination penalty will be applied, depending on the gravity of the breach;
- b) for the breaches referred to in Nos. 3), 7), 8), 12) and 14) - where applicable - of Section II, the contractual penalty (if any) or termination penalty will apply;

- c) for the breaches referred to in nos. 4), 9), 13), 15) and 16) of Section II, the termination penalty will apply.

The Company may also insert special clauses providing for: (i) the right of EDP to inspect the Model adopted by the other company (or specific compliance programme in the case of foreign companies or public entities); (ii) the mutual commitment of each company to comply with its own Model (and related Protocols) or compliance programme (in the case of foreign companies or public entities), penalising the relevant breaches in compliance with the principle of grading, in accordance with that provided above.

In the event that the breaches are committed by hired workers or within the framework of works or service contracts, the penalties will be applied against the employer or contractor, following the verification of breaches by the worker.

III.4. Penalties for the member of the SB

In the event of breaches of the Model and of all the Protocols that form an integral part of it, as well as of the Regulation of the SB, the sole member of the Body - since this is a person external to the company organisation - will be penalised, depending on the severity of the breach, with the disciplinary measures set out in Section III.3.

The sole member of the SB is jointly and severally liable to the Entity for damages resulting from the failure to comply with his diligence obligations in the performance of his duties and the legal obligations imposed on the performance of his office.

IV. THE PROCEDURE FOR THE IMPOSING OF PENALTIES

This Section sets out the procedures to be followed in the imposition of penalties following any commission of the breaches provided for in Section II (hereinafter also referred to as '**Breach(es) of Model 231**').

In particular, it is deemed appropriate to outline the procedure for the imposition of penalties, which will have the time frame provided for by the regulations and the CCNL, with regard to each category of addressee, indicating, for each one:

- the stage of notifying the breach of Model 231 to the person concerned;
- the stage of its justification by the person concerned;
- the stage of any imposing of the penalty and its subsequent enforcement.

The penalty procedure will, in any case, commence upon receipt by the corporate bodies competent at the given time and indicated below, of the communication with which the SB reports the occurrence of a breach of Model 231, except in the event that the breaches are directly identified by the competent corporate functions.

More specifically, in all cases in which the SB receives a report (even anonymous) or obtains, during the course of its supervisory and control activities, elements that may constitute a risk of a breach of Model 231, it is obliged to take action in order to carry out the checks and controls deemed appropriate within the scope of its competence. In this regard, the SB avails itself of the Human Resources Department of EDP Comercial - Comercialização de Energia, SA¹ (hereinafter also referred to as the "HR Department of EDPC") to carry out any internal investigations.

Once the verification and control activity is completed, the SB assesses, on the basis of the elements in its possession and of any received by the EDPC HR Department, whether a breach of Model 231 has actually occurred. If it has, the Supervisory Body reports the alleged breach of the Model to the competent company bodies, thus triggering the subsequent stages of notification and possible imposing of penalties in full compliance with the regulations in force (Civil Code, Workers' Statute and CCNL).

If this is not the case, the SB may still forward the report to the Country Manager or other competent or formally delegated person, for the purpose of assessing the relevance of the conduct to other applicable laws or regulations.

IV.1. Contd.: against Top Management

If the SB finds that Model 231 has been breached by a Top Management figure, who is not linked to the Company by an employment relationship, it will send a report to the Board of Directors and the Sole Shareholder containing:

¹¹ In this regard, we note that the *Human Resources* Division of EDP Comercial - Comercialização de Energia, SA acts on behalf of EDP Energia Italia by virtue of a specific service contract.

- the description of the conduct observed;
- an indication of the provisions of the Model and/or the Group's Code of Ethics that have been breached;
- the details of the person responsible for the breach;
- any documents proving the breach and/or other evidence;
- the classification of the conduct considered relevant in one of the breaches typified in this Disciplinary System, as well as a non-binding proposal for a penalty to be applied to the specific case.

Within ten days of receiving the aforementioned report, the Board of Directors will summon the person indicated as the author of the Breach of Model 231 to a Board Meeting, to be held no later than thirty days from the receipt of the report, granting the person concerned a suitable period of time to formulate, compile and submit his or her own statements.

The summons must be signed by the Chairman or the other Director. In any case, the summons may never be signed by the Director against whom the proceedings have been brought.

At the meeting of the Board of Directors, which the SB is also invited to attend, the interested party will be heard, any statements made by the latter will be obtained and any further investigations deemed appropriate will be carried out.

The Board of Directors, on the basis of the elements obtained and within 8 days of the aforementioned Meeting, will determine the penalty deemed applicable, if any. In this regard, it is recalled that the Director subject to disciplinary proceedings is obliged to abstain from taking part in the vote.

If the Board of Directors decides not to impose any penalty, it is required to justify this decision to the SB and the person concerned. If the penalty deemed applicable consists of the curtailment of any emoluments envisaged or removal from office, the Board of Directors will promptly convene the Shareholders' Meeting to adopt the relevant resolutions.

The resolution of the Board of Directors and/or that of the Shareholders' Meeting, as the case may be, is communicated in writing by the Board of Directors to the person concerned as well as to the SB, for the appropriate checks. Moreover, in the communication to the Body, the Board of Directors must justify the decision underlying its acceptance or rejection of the penalty proposed by the SB.

IV.2. Contd.: against Top Management (linked to the company by an employment relationship)

In the event of a breach of Model 231 by a Top Management figure, who is linked to the Company by an employment relationship, the procedure for investigating the offence and imposing any penalty will be carried

out in compliance with the provisions of Article 7 of the Workers' Statute, as well as with the applicable collective bargaining agreements.

The SB sends a report to the Chairman of the Board of Directors, the Human Resources Director of EDP Comercial - Comercialização de Energia, SA² (hereinafter also referred to as the 'HR Director of EDPC') and the Sole Shareholder containing:

- the description of the conduct observed;
- an indication of the provisions of the Model and/or the Group's Code of Ethics that have been breached;
- the details of the person responsible for the breach;
- any documents proving the breach and/or other evidence;
- the classification of the conduct considered relevant in one of the offences set out in this Disciplinary System, as well as a non-binding proposal for a penalty to be applied in the specific case.

Within ten days of receiving the SB's report, the Chairman of the Board of Directors, through the EDPC's HR Director, sends a written objection to the manager concerned containing:

- an indication of the conduct notified and the provisions of the Model and/or the Group's Code of Ethics that have been breached;

² In this regard, we note that the *Human Resources* Division of EDP Comercial - Comercialização de Energia, SA acts on behalf of EDP Energia Italia by virtue of a specific service contract.

- notice to the interested party of the right to make any observations and/or deductions, both written and verbal.

In addition, the Company will ensure that the person concerned is given a reasonable amount of time in which to formulate, compile and submit his or her statements.

The procedure for verifying the offence and imposing any penalty follows the provisions of Article 7 of the Workers' Statute and the applicable collective bargaining agreements.

The Chairman of the Board of Directors, on the basis of the elements received and within 8 days of receiving the statements from the person concerned, will determine the penalty deemed applicable, if any. If the Chairman of the Board of Directors decides not to impose any penalty, he will justify his decision to the SB and the person concerned.

The imposition of the penalty is communicated in writing to the person concerned by the Chairman, possibly through EDPC's HR Director. The latter will in any case be the one to impose the penalty.

The SB, to which the measure imposing the penalty is sent for information, checks its effective application, within the scope of its powers. Furthermore, the Body receives from the Chairman of the Board of Directors the justification for his acceptance or rejection of the penalty proposed by the SB.

IV.3. Contd.: against Employees (including Non-Senior Executives)

In the event of a breach of Model 231 by a person who qualifies as a Non-Senior Executive or Employee, the procedure for verifying the offence and for the possible imposing of the penalty is carried out in compliance with the provisions of Article 7 of the Workers' Statute, as well as with the applicable collective bargaining agreements.

In particular, the SB submits a report to the Board of Directors, the Country Manager and EDPC's HR Director containing:

- the description of the conduct observed;
- an indication of the provisions of the Model and/or the Group's Code of Ethics that have been breached;

- the details of the person responsible for the breach;
- any documents proving the breach and/or other evidence;
- the classification of the conduct considered relevant in one of the offences typified in this disciplinary system, as well as a non-binding proposal for a penalty to be applied to the specific case.

Within ten days of receiving the SB's report, the Country Manager, possibly through EDPC's HR department, will notify the person concerned of the breach of Model 231 observed by the SB, by means of a written communication containing:

- a precise indication of the conduct notified and the provisions of the Model that have been breached;
- notice of the employee's right to formulate any written submissions and/or justifications within eight days of receipt of the communication, as well as to request the intervention of the representative of the trade union association to which the employee belongs or which he or she mandates.

The notification must be signed by the EDPC Country Manager or HR Director.

The procedure for verifying the offence and imposing any penalty will follow the provisions of Article 7 of the Workers' Statute and the applicable collective bargaining agreements.

The Country Manager, in the cases envisaged, on the basis of the elements obtained and within 8 days of receiving the statements of the person concerned, determines the penalty deemed applicable, if any. If he decides not to impose any penalty, he will justify this decision to the SB and the person concerned.

The penalty application procedure is imposed by the Board of Directors and is subsequently communicated in writing to the person concerned by the Country Manager, possibly via EDPC's HR Department.

The SB, to which the penalty application procedure is sent for information, checks its effective application, within the limits of its powers. In addition, the SB obtains the reasons given by the competent figures justifying the decision to accept or reject the Board's proposed penalty.

IV.4. Contd.: against Third Party Addressees

If the SB detects a breach of Model 231 by a Third Party Addressee, it sends a report to the Board of Directors and the Country Manager containing:

- the description of the conduct observed;
- an indication of the provisions of the Model that have been breached;
- the details of the person responsible for the breach;
- any documents proving the breach and/or other evidence;
- the classification of the conduct considered relevant in one of the offences typified in this disciplinary system, as well as a non-binding proposal for a penalty to be applied to the case in question.

Within ten days of receipt of the SB's report, the Country Manager decides on whether to notify a breach of Model 231.

The Country Manager then sends the person concerned a written communication, containing an indication of the conduct notified and the provisions of the Model and/or the Group's Code of Ethics that have been breached, as well as the contractually applicable remedy. Within ten days of receipt, the Third Party may submit its own statements.

Any decision to impose a penalty shall be communicated in writing to the person concerned, within a reasonable period of time, by the Country Manager, who shall also apply the penalty in accordance with the law, regulations and contractual terms. If the Country Manager decides not to impose any penalty, he is required to justify his decision to the SB and the person concerned.

The SB, to which the communication is sent for information, checks the effective execution of the contractual remedy provided for, within the scope of its powers. In addition, in his communication to the Body, the Country Manager must justify the decision as to whether to accept or reject the penalty proposed by the SB.

IV.5. Contd.: against the member of the SB

Having become aware of a breach of Model 231 through any useful information channel, the BoD, on the instigation of the Chairman or the Country Manager, takes the necessary disciplinary action against the sole member of the SB deemed responsible for the unlawful conduct.

The proceedings are initiated by sending the person deemed responsible for the breach of Model 231 a formal notification letter containing:

- the description of the conduct observed;
- an indication of the provisions of the Model and/or the Group's Code of Ethics that have been breached;
- the details of the person responsible for the breach;
- any documents proving the breach and/or other evidence;
- the classification of the conduct considered relevant in one of the breaches typified in this Disciplinary System, as well as a non-binding proposal for a penalty to be applied to the concrete case.

Within thirty days from the dispatch of the letter of notification, provided that the person concerned is granted a reasonable period of time to formulate, compile and submit own statements, the Chairman of the Board of Directors shall summon the member indicated as the author of the breach of Model 231 to a Board Meeting.

The summons must be signed by the Chairman or the other Director.

At the meeting of the Board of Directors, the party concerned shall be heard, any statements made by the latter shall be obtained and any further investigations deemed appropriate shall be carried out.

The BoD, on the basis of the elements obtained and within 8 days of the aforementioned Meeting, will determine the penalty deemed applicable, if any. In this regard, it is noted that the sole member of the SB, as a person outside the company organisation, is liable to the disciplinary measures provided for in Section III.3.

If the penalty deemed applicable consists in the reduction of the emoluments that may be envisaged or in removal from office, the Chairman will immediately convene the BoD to adopt the relative resolutions.

STATUTE OF THE SUPERVISORY BODY

PURSUANT TO LEGISLATIVE DECREE NO. 231/2001 OF

EDP ENERGIA ITALIA S.R.L.

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1. LEGISLATIVE DECREE NO. 231/2001 AND THE ESTABLISHMENT OF THE SUPERVISORY BODY. THE RECOMMENDATIONS OF THE TRADE ASSOCIATIONS

As is well known, Legislative Decree No. 231 of 8 June 2001 (hereinafter also referred to as the '**Decree**'), exempts companies from administrative liability for offences committed by their employees/managerial personnel, if the management body, in addition to having adopted and implemented a suitable organisational, management and control model (hereinafter also referred to as the '**Model**'), has entrusted a Supervisory Body (hereinafter also referred to as the '**SB**' or '**Body**'), pursuant to Article 6, I paragraph of the Decree, the task of supervising the operation of and compliance with the Model and ensuring that it is updated.

A further specification of the powers of the SB was made, as required by the Decree, by Confindustria, the Association of Industrial Enterprises.

From a general point of view - as illustrated in more detail in point 3 below - the SB must verify the adequacy and effectiveness of the Model, see to its updating, supervise its application, carry out periodic analyses of its individual components, as well as ensure the effectiveness of information flows to and from the SB and report any breaches verified.

The successful performance of its duties by the SB is essential for the Company to benefit from the exemption provided for in the Decree.

2. THE SUPERVISORY BODY OF EDP ENERGIA ITALIA

2.1. The appointment and composition of the Supervisory Body

The Supervisory Body of EDP Energia Italia S.r.l. (from now on also '**EDP**' or '**Company**') is a monocratic body, constituted by a professional external to the Company with competence and proven experience in legal matters, in particular in the administrative liability of entities pursuant to Legislative Decree 231/2001 and corporate criminal law.

The choice described above complies with the suggestions in the Confindustria Guidelines and is dictated by the following reasons.

Assigning the task to a person external to the Company helps to guarantee the autonomy and independence of the SB.

The person filling the role of the SB has, also has the necessary skills to perform the tasks of the SB¹.

He also has the following specific professional expertise:

- knowledge of business processes;
- legal knowledge such as to enable the identification of the cases relevant to the application of Legislative Decree 231 and the mapping of areas at risk of offences;
- the ability to identify and assess the impacts that the regulatory framework is likely to have in this specific business context;
- knowledge of the specialised internal auditing and 'inspection' techniques.

With the appointment resolution, the Board of Directors fixed the remuneration due to the member of the SB for the task assigned to him.

The composition of the SB, its duties and powers, are promptly communicated to the Company by publishing this document on the company network and posting it on the company premises in a place accessible to all.

2.2. Term of office and grounds for termination

The term of office of the SB is three years and may be renewed. The termination of the appointment of the SB may occur for one of the following reasons:

- a) expiry of the assignment;
- b) removal of the SB by the Board of Directors;

¹ See, p. 55 et seq. of the Confindustria Guidelines.

- c) resignation by the sole member of the SB, formalised by means of a specific written communication sent to the Board of Directors;
- d) if any of the grounds for disqualification set out in sections 2.3.d) and 2.4 below arise.

The SB can only be removed for just cause, in order to guarantee that it is fully independent.

Just cause for removal may include, but is not limited to:

- i) gross negligence in the performance of the duties connected with the office;
- ii) any involvement of the Company in proceedings, criminal or civil, that are connected with omitted or insufficient supervision, including negligence;
- iii) the involvement of members of the SB in a criminal trial concerning the commission of one of the offences listed in Article 2.4.i) below;
- iv) cases in which the duties connected with the office are not performed with due honesty, objectivity and accuracy (e.g. failure to perform or delay in performing supervision and control activities, etc.);
- v) cases in which unethical conduct or conduct detrimental to the prestige and objectivity of the SB or which breaches the confidentiality obligations incumbent on the sole member (see the provisions of Article 5) is committed;
- vi) cases of unjustified absence from more than two consecutive meetings of the SB;
- vii) cases in which the office is carried out in the presence of a conflict of interest, either his own or of his family members, conflicting with the duties of autonomy, independence and impartiality incumbent on the sole member (see Articles 2.3.d) and 2.4.iii);

In any case, removal is ordered by resolution of the Board of Directors, subject to the opinion of the Sole Shareholder, from which the Board of Directors may dissent only with adequate justification.

In the event of expiry, revocation or resignation, the Board of Directors appoints the new SB without delay.

2.3. The requirements of the Supervisory Body

The Supervisory Body, in the performance of its functions, acts in full autonomy and the activities it carries out cannot be supervised by any other corporate body or structure.

More specifically, the requirements that the SB must meet and that must characterise its actions are as follows.

a) Autonomy and independence

In order both to guarantee the SB full autonomy of initiative, and to preserve it from any form of interference and/or conditioning, it is provided that the Board:

- has no operational tasks and does not interfere in any way in the Company's operations, in order not to compromise the objectivity of its judgement;
- in the performance of its function, is an autonomous and independent body, not subject to the hierarchical and disciplinary power of any corporate body or function;
- reports directly to the Board of Directors;
- determines its activities and make its decisions without any of the corporate functions being able to review them.

b) Professionalism

For the purposes of the correct and efficient performance of its duties, it is essential that the SB guarantee adequate professionalism, the latter being understood as the set of knowledge, tools and techniques necessary for the performance of the assigned activity, whether this be inspection or consultancy.

In this respect, both knowledge of legal matters, and in particular of the structure and the ways in which the offences referred to in the Decree may be committed, and adequate expertise in corporate auditing and controls, including, as regards risk analysis and assessment techniques, methodologies related to the flow charting of procedures and processes for the identification of weak points in the corporate structure and techniques for interviewing and processing the results, are relevant.

c) Continuity of action

In order to ensure an effective and constant implementation of the Model, the SB is a body dedicated exclusively and full-time to the performance of the assigned tasks, not therefore being assigned any other functions, and is endowed with an adequate budget and resources.

d) Integrity and absence of conflicts of interest

The person filling the role of the SB must not have personal or professional interests that conflict with the principles of autonomy, independence and professionalism required by the office. This prohibition extends to his family members.

However, this requirement must also be understood with reference to the provisions of Section 2.4 below.

2.4. The requisites of the person filling the role of the SB - Cases of ineligibility and disqualification

The following constitute grounds for ineligibility and/or disqualification of the sole member of the SB:

- i) disqualification, incapacitation, bankruptcy or, in any event, a criminal conviction (including the application of the penalty at the request of the parties - known as 'plea bargaining'), even if not *res judicata*, for one of the offences set out in the Decree or for serious offences to the detriment of the State, the Community or the Person that affect personal or professional morality (for example, offences against property, against public order, corporate offences, tax offences, bankruptcy offences, financial offences, serious intentional offences against the person) or, in any case, one of the penalties set out in Article 2 of Ministerial Decree No 162 of 30 March 2000, or entailing disqualification, including temporary disqualification, from public offices or the inability to exercise executive offices, without prejudice in any event to any cases of rehabilitation pursuant to Article 178 of the Criminal Code or any judicial declarations of extinction of the offence;
- ii) the existence of relationships of kinship, marriage or affinity up to the fourth degree with members of the Board of Directors of the Company, as well as with the same members (including Statutory Auditors) of the parent companies and/or any subsidiaries;
- iii) without prejudice to any employment relationship, the existence, now or in the two years preceding the appointment, of relationships of a financial nature between the members of the Supervisory Body and the Company or companies controlling it or companies controlled by it, such as to compromise the independence of the members.

If, during the term of office, a cause for disqualification provided for in Article 2.3.d) or in this Article should arise, the professional holding the role of SB must immediately inform the Board of Directors.

If, in the course of the appointment, an interest of his own or of third parties should arise concerning activities that are the competence of the Body and/or of the Company, the person holding the role of SB must immediately inform the Board of Directors, specifying its nature, terms, origin and scope. The communication will be due even if such interest does not appear to constitute a cause of incompatibility in the strict sense of Article 2.3.d) or of this Article.

The eligibility requirements and/or cases of disqualification are also extended to company resources that the SB uses directly in the performance of its duties.

2.5. The resources of the Supervisory Body and coordination with corporate resources

The Board of Directors allocates - on an annual basis - the financial resources required by the SB for the performance of its assigned tasks.

These resources - which the SB disposes of autonomously and directly - will enable the said Body to perform its tasks in full autonomy, without limitations deriving from the insufficiency of the funds allocated. The Body may draw on the cooperation of the personnel of the Internal Audit Department of the parent company, and may also avail itself - under its own direct supervision and responsibility - of the assistance of external consultants; for the latter, remuneration is paid through the use of the financial resources allocated to the SB.

Where the SB has committed resources in excess of its spending powers, due to the occurrence of significant and urgent events that need to be dealt with immediately, it will request the BoD to amend the budget previously granted.

With specific regard to issues related to occupational health and safety, the SB may make use of all the Company's resources for the management of the relevant aspects, such as, for example, the person in charge of the prevention and protection service, the workers' safety representative, the location doctor, the first aid officers and the fire prevention officers.

All company departments and functions must cooperate with the SB and, in particular, must respond promptly to requests made by it, as well as make available all

documentation and, in any case, any information necessary for the performance of the supervisory activities.

The SB may also draw on the cooperation of all the corporate functions, requesting, for example, advice on matters of a specialised nature, availing itself, depending on the type of need, of the support of both individual contact persons and possibly multifunctional teams.

The same confidentiality obligations provided for the resources of the SB will be extended to the corporate functions that, in providing such support, become aware of information deemed sensitive. If, on the other hand, the task is assigned to external consultants, the relative contract must contain clauses obliging the latter to respect the confidentiality of the information and/or data acquired or in any case known or received in the course of the activity.

2.6. The Rules of Procedure of the Supervisory Body

Once it has been appointed, the SB draws up its own rules of procedure governing the main aspects and modalities of the exercise of its action.

In particular, the following items are to be regulated by these rules of procedure:

- a) the type of verification and supervisory activities carried out by the SB;
- b) the type of activities related to updating the Model;
- c) the activity connected with the fulfilment of the tasks of informing and training the addressees of the Model;
- d) the management of information flows to and from the SB;
- e) the handling of reports under the whistleblowing system;
- f) the functioning and internal organisation of the SB.

As regards, specifically, the scheduling of meetings, the Rules will provide that the SB will meet at least once every two months and, in any case, whenever the specific needs connected to the performance of the SB's activities so require.

3. THE TASKS AND POWERS OF THE SUPERVISORY BODY

3.1. The tasks of the Supervisory Body

In accordance with the provisions of Article 6. paragraph I of the Decree, the SB is entrusted with the task of supervising the operation of and compliance with the Model and ensuring that it is updated.

In general, therefore, the SB has the following tasks:

- 1) verification and supervision of the Model, namely:
 - verifying the adequacy of the Model, i.e. its suitability for preventing the occurrence of unlawful conduct, as well as for highlighting its possible realisation; in this respect, the SB is required to examine and assess all the reports of alleged unlawful conduct or alleged breaches of the Model, received by the Body through the channels assigned to it;
 - verify the effectiveness of the Model, i.e. the correspondence between the concrete behaviours and those formally provided for by the Model;
 - for these purposes, monitor corporate activities, as well as the functionality of the overall preventive system adopted by the Company;
- 2) updating of the Model, i.e.:
 - see to the updating of the Model, proposing, if necessary, to the Board of Directors or any competent corporate functions the adaptation of the same, in order to improve its adequacy and effectiveness, also in consideration of any subsequent regulatory changes and/or changes in the organisational structure or corporate activity and/or significant breaches of the Model;
- 3) information and training on the Model, i.e.:
 - promote and monitor initiatives aimed at fostering the dissemination of the Model among all persons required to comply with its provisions (hereinafter also referred to as the '**Addressees**');

- promote and monitor initiatives, including courses and communications, aimed at fostering adequate knowledge of the Model by all Addressees;
 - meet the appropriate timelines, also by preparing appropriate opinions, the requests for clarification and/or advice coming from the corporate functions or resources or from the administrative and control bodies, if connected and/or related to the Model;
- 4) management of information flows to and from the SB, i.e.:
- examine and evaluate all information and/or reports received and related to compliance with the Model, including with regard to suspected breaches thereof;
 - inform the competent bodies, specified below, about the activity carried out, its results and the activities planned;
 - report to the competent bodies, for it to take the appropriate measures, any breaches of the Model and the persons responsible;
 - in the event of inspections by institutional bodies, including the Public Authority, provide the necessary information materials/media to the inspection bodies.

In performing the tasks assigned to it, the SB is always required:

- to promptly document, also by compiling and keeping special registers, all the activities carried out, the initiatives and measures adopted, as well as the information and reports received, in order to ensure the complete traceability of the actions taken and the indications provided to the corporate functions concerned;
- to record and keep all documentation drawn up, received or otherwise collected in the course of its assignment and relevant to the proper performance of said assignment.
- to guarantee and protect the confidentiality of the identity of persons who report alleged unlawful conduct or alleged breaches of the Model, informing the Company, for it to take due disciplinary action, of any discriminatory or retaliatory conduct suffered by the reporter as a result of the reports made.

3.2. The powers of the Supervisory Body

In order to perform the tasks assigned to it, the SB is granted all the powers necessary to ensure timely and efficient supervision of the operation of and compliance with the Model, excluding none.

The SB, also by means of the resources at its disposal, has the power, by way of example:

- to carry out, including unannounced, all checks and inspections deemed appropriate for the proper performance of its tasks;
- to freely access all functions, archives and documents of the Company, without any prior consent or need for authorisation, in order to obtain any information, data or document deemed necessary;
- arrange, where necessary, to hear employees who can provide useful indications or information about the performance of company activities or on any dysfunctions or breaches of the Model;
- to avail itself, under its direct supervision and responsibility, of the assistance of all the structures of the Company or of external consultants;
- to dispose of the financial resources allocated by the Board of Directors for any requirements necessary for the proper performance of its tasks.

4. INFORMATION FLOWS INVOLVING THE SUPERVISORY BODY

4.1. Reporting to the Supervisory Body by employees, corporate bodies and third parties

Article 6(2)(d) of the Decree stipulates that the Model must provide for obligations regarding the informing of the SB, so that it can perform its verification activities to the best of its ability.

The SB, therefore, must be promptly informed by all the Addressees, that is to say, by the Directors, its employees, including executives, without exception, and all those who, although external to the Company, work, directly or indirectly, for EDP (e.g., proxies,

collaborators in any capacity, consultants, suppliers, business partners, contractors, companies assigned to perform certain functions in outsourcing; all the aforementioned parties are collectively referred to hereinafter as 'Addressees') of any information concerning the existence of possible breaches of the principles contained in the Model and/or in the Group's Code of Ethics.

In particular, the Addressees must report to the Body any news concerning the commission or potential commission of offences or deviations in behaviour from the principles and prescriptions contained in the Model and/or in the Group's Code of Ethics. Executives must also, and in particular, report breaches of the Model committed by employees who report hierarchically to them.

The SB must be promptly informed by all company personnel, as well as by third parties required to comply with the provisions of the Model, of any news concerning the existence of possible breaches thereof.

Breach of this duty to inform constitutes a disciplinary offence, penalised in accordance with the provisions of the Model.

In any case, the following must necessarily be sent to the SB:

- A. immediately, information that may be relevant to breaches, even potential breaches, of the Model, including but not limited to:
 - 1) any orders received from a superior and deemed contrary to the law, internal rules, or the Model;
 - 2) any request for or offer of money, gifts (exceeding a modest value) or other benefits from, or intended for, Public Officials or Persons in Charge of a Public Service or private persons;
 - 3) any significant deviations from the *budget* or expenditure anomalies revealed by requests for authorisation in the Management Control phase;
 - 4) any omissions, neglect or falsification in the keeping of accounts or in the storing of documents on which the accounting records are based;

- 5) measures and/or news issued by the Judicial Police or any other authority from which it can be inferred that investigations are being carried out involving, even indirectly, the Company, its employees or members of its corporate bodies;
- 6) requests for legal assistance made to the Company by employees pursuant to the CCNL, in the event that criminal proceedings are brought against them;
- 7) news about ongoing disciplinary proceedings and any penalties imposed or the reasons for their dismissal;
- 8) any reports of retaliatory, discriminatory or detrimental behaviour towards anyone who in good faith reports a breach of the Model or internal rules;
- 9) any reports not promptly acknowledged by the competent functions, concerning both deficiencies or unsuitability of the premises, work equipment, or protective devices made available to the Company, and any other hazardous situation connected with occupational health and safety;
- 10) any breach, even potential, of environmental legislation as well as of the procedures issued by the Company on the matter;
- 11) any deviation found in the tender evaluation process from the company's procedures or set criteria;
- 12) information on the existence of an actual or potential conflict of interest with the Company;
- 13) any critical issues with respect to any public tenders or tenders of public relevance in which the Company has participated or should participate; as well as any critical issues with respect to any contracts obtained following private negotiations;
- 14) any critical issues or anomalies encountered in the context of the consultancy services applied in other areas (legal, IT, tax, etc.);

- 15) any communications from the Sole Shareholder concerning any critical issues that have arisen, including with regard to possible shortcomings in internal controls;
 - 16) any accident or illness leading to an inability to attend to normal activity for a period of at least forty days;
 - 17) the criticalities resulting from the level one control activities carried out by the various corporate functions involved in the areas at risk of offences;
 - 18) minutes resulting from inspections carried out by public officials or persons in charge of a public service;
 - 19) final reports of verification audits - drawn up in-house or by consultants - relating to risk areas, instrumental areas and/or sensitive activities, as referred to in the Model (including those relating to Health, Safety and Environment issues);
 - 20) any measures and acts notified/formalised by the tax authorities;
 - 21) any initiation of assessment or inspection actions by bodies of the tax authorities;
 - 22) any finding of particularly significant anomalies requiring more in-depth tax audits.
- B. periodically, as set out below, information relating to the Company's activities, which may be relevant to the SB's performance of its assigned tasks, including, but not limited to, the following:
- 23) news of changes in the organisation or in existing company procedures (quarterly);
 - 24) updates of the proxy and powers of attorney system (quarterly);
 - 25) the agenda of the minutes of the board of directors (quarterly);
 - 26) periodic reporting on occupational health and safety, and, in particular: a) the minutes of the periodic meeting referred to in Article 35 of Legislative Decree no. 81/2008 (annual);
b) the annual expenditure/investment budget report

prepared in order to carry out the necessary and/or appropriate safety improvements; c)
all data on accidents at work occurring at the Company's sites (annual);

- 27) any updates to the DVR (annual);
- 28) the reporting by the location doctor of abnormal situations found during periodic or scheduled (six-monthly) visits;
- 29) any periodic audits carried out by the certification bodies of the integrated management system (e.g. OHSAS 18001 - annual);
- 30) the balance sheet, together with the explanatory notes, as well as the half-yearly (annual) statement of assets and liabilities;
- 31) news aimed at providing a constant update on the main developments in the facts and circumstances connected with and underlying the acts notified/formalised by the Tax Authorities referred to in the event reports already forwarded to the SB (quarterly);
- 32) communication vouching for the fact of having submitted the tax returns for each tax period by the deadlines laid down by the relevant legislation (annual);
- 33) information and related documentation concerning Occupational Health and Safety training activities (annual);
- 34) annual copy of the MUD (Modello Unico Dichiarazione Ambientale - Single Environmental Declaration Model), if any.

The persons responsible for sending the information flows outlined above (so-called key officers) are identified on the basis of the first-level control carried out by the Functional Managers on the corporate processes involved and/or on the basis of the responsibilities assigned in relation to the corporate process involved (process owner).

Lastly, it is noted that, in line with the regulatory provisions of European origin, Law No. 179 of 30 November 2017 regulates the forms of protection provided for authors of reports of crimes or

other internal irregularities, discovered by reason of their office, whether in the private or public sector (so-called whistleblowing).

As far as the private sector is concerned, Article 2 of the Law introduces three new paragraphs to Article 6 of the Decree and requires entities to update the Model so that it is fully compliant with the provisions of the relevant regulations.

The Model must, indeed, include:

- ✓ one or more channels enabling senior and **subordinate persons** to submit, for the protection of the **entity's integrity**, detailed reports of allegedly unlawful conduct or breaches of the Model, as well as at least one alternative reporting channel;
- ✓ the **prohibition of retaliatory or discriminatory acts against** the whistleblower;
- ✓ penalties, specifically provided for in the Disciplinary System, for those who retaliate against the whistleblower or for those who make **unfounded reports wilfully** or with **gross negligence**;
- ✓ express provision for the nullity of any retaliatory or discriminatory measures taken against the whistleblower.

EDP has therefore implemented a reporting system fully compliant with the aforementioned discipline, with a view to strengthening the culture of transparency of corporate operations, through virtuous cooperation of the addressees of the Model in combating unlawful phenomena.

In addition, the Company has adopted a specific Group policy ("EDP Code of Ethics Regulations") with the aim of regulating the process of receiving, analysing and processing Reports, sent or delivered by anyone, including anonymously.

The aforementioned policy applies to all EDP Group Companies - including EDP Energia Italia - and, where applicable, also to third parties that have business relationships with the Company.

Employees, and those who are aware of facts potentially subject to reporting, will have the opportunity to deliver detailed reports of unlawful conduct, or breaches of Model 231, of which they have become aware, through the communication channels set up by the Company:

- Certified email box (organismodivigilanzaedpitalia@pec.it)
- Ordinary mailbox (odv_edpeitalia@edp.com)

- Ordinary mail to the address: Organismo di Vigilanza, EDP Energia Italia S.r.l., via Roberto Lepetit, 8 20124, MILANO (MI).

The Whistleblowing System implemented by EDP Energia Italia also foresees that any retaliatory or discriminatory behaviour towards the whistleblower may be reported by the latter, not only through the aforementioned channels, but also to his/her hierarchical superior or to the HR Department of EDP Comercial - Comercialização de Energia, SA.

The Company has introduced appropriate disciplinary penalties - set out in the Disciplinary System - to safeguard the confidentiality of the whistleblower, to prohibit any form of discrimination or retaliation against the whistleblower and, lastly, to counteract and punish any use of unfounded reports for wilful intent or gross negligence.

In this context, a central role is played by the SB, which, as the ultimate addressee of the aforementioned flows and reports, verifies their grounds, through the instruments and powers at its disposal. The SB, in the course of the in-depth examination or investigation that follows the report, is required to act in such a way as to ensure that the persons involved are not subject to retaliation, discrimination or, in any case, penalisation, ensuring the confidentiality of the identity of the person making the report.

4.2. The reporting by the Supervisory Body to the corporate bodies

The Supervisory Body carries out constant and precise reporting to the corporate bodies. Indeed, the SB:

- reports in writing on a half-yearly basis to the Board of Directors and the Sole Shareholder;

The reporting activity will focus in particular on:

- a) the activities, in general, carried out by the SB;
- b) any problems or critical issues that have come to light during the course of the supervisory activities, both in terms of conduct or events within the Company and in terms of the effectiveness of the Model;
- c) the corrective actions proposed to ensure the effectiveness and efficiency of the Model, as well as the implementation status of the corrective actions decided by the Board of Directors;
- d) the detection of conduct not in line with the Model or the Group's Code of Ethics;

- e) the detection of organisational or procedural shortcomings such as to expose the Company to the risk of commission of offences under the Decree;
- f) any omission or lack of cooperation by the Corporate Functions in the performance of their verification and/or investigation duties;
- g) any regulatory changes that require the updating of the Model;
- h) in any case, any information deemed useful for the purposes of the taking of urgent decisions by the competent bodies;
- i) a statement of expenses incurred;
- j) activities that could not be carried out for justified reasons relating to time and resources.

In the context of its reporting activity, the Supervisory Body informs the Board of Directors and the Sole Shareholder in writing when it verifies a breach of the Model and/or of the Group's Code of Ethics committed by a Board Member, or by an Executive, which may entail a liability for the Company.

If the breaches verified have been committed by an employee or a Third Party, the Supervisory Body will inform the Country Manager and the competent Corporate Functions, as set out in the EDP Disciplinary System.

The Body may also, for the purposes of the implementation of the Model, request information from it at any time concerning relevant information acquired by it in the course of its activity.

In any case, the Supervisory Body may refer to the Country Manager or the Board of Directors, in cases of urgency or, in any case, whenever it deems it appropriate for the effective and efficient performance of the tasks assigned to it.

Meetings must be minuted and copies of the minutes must be kept at the offices of the SB, which are located at the company's headquarters.

Annually, the Body submits to the Board of Directors and the Sole Shareholder the activity plan for the following year, requesting the allocation of a budget for the performance of the aforementioned activities and checks.

5. ETHICAL STANDARDS GOVERNING THE ACTIVITY OF THE SUPERVISORY BODY

The SB is called upon to strictly observe, in addition to the general ethical and behavioural standards issued by EDP, the additional and specific standards of conduct set out below.

They apply both to the SB and to all other resources (internal or external) that provide support to the Board in the performance of its activities.

During the course of its mandate, the SB is obliged:

- a. to ensure that the tasks assigned it are performed with honesty, objectivity and accuracy;
- b. to ensure a loyal attitude in the performance of its role by avoiding committing or enabling, through its own action or inaction, a breach of the ethical and behavioural standards of the Company;
- c. not to accept gifts or advantages of any other kind from the Company, its employees, customers, suppliers or persons representing the Public Administration with whom EDP has a relationship;
- d. to avoid any conduct that might harm the prestige and professionalism of the SB or the company organisation as a whole;
- e. to signal to the Board of Directors any causes of incompatibility, disqualification or which in any case make it impossible or difficult to perform the activities falling within its competence;
- f. to ensure, in the management of the information acquired during the performance of its activities, the utmost confidentiality, with particular regard to the identity of the persons who report, through the channels assigned for this purpose, any unlawful conduct or alleged breaches of the Model; in any case, it is forbidden to use confidential information when this could lead to breaches of the rules on privacy or any other rule of law, bring personal advantages of any kind to the person using it or to any other resource inside or outside the Company, or harm the professionalism and/or integrity of the SB, of other corporate functions or of any other person inside or outside the Company;

- g. to faithfully report the results of its activities, accurately showing any facts, data or documents that, if not manifested, would create a distorted representation of reality.