

# TAX POLICY

## INTRODUCTION

The Tax Policy defines the fundamental principles by which the Edison Group is inspired in the management of the tax variable and in its relations with the tax authorities. By adopting these principles, the Edison Group intends to promote the dissemination of a tax culture within the company, as well as to enable the strengthening of tax risks management to protect and safeguard corporate assets.

The Edison Group has drafted and approved its Tax Policy in line with the OECD provisions on the subject, as well as in consideration of its **Code of Ethics**, which defines the principles, the founding values of business ethics and the rules of conduct, applicable to Edison S.p.A. and the Group Companies, in Italy or abroad, and inspired by the guidelines adopted by the **EDF Group**.

## EDISON GROUP'S COMMITMENT

Proper management of the fiscal variable and proper compliance with regulatory obligations to participate in public spending are fundamental for the Edison Group to contribute to the creation / maximization of value for all its stakeholders, particularly employees and collaborators, shareholders, and institutional stakeholders.

To this purpose, in the performance of all activities, the Edison Group promotes and implements a **tax management aimed at minimizing the risk of operating in violation of tax regulations**, or contrary to the principles and/or purposes of tax systems, also in order to **prevent disputes in tax matters, maintaining an attitude of transparency and dialogue** with the tax authorities of the Countries in which it operates.

With the adoption of this Tax Policy, the Edison Group intends to make explicit the **fundamental principles and guidelines of its own tax policy, aimed at:**

- **ensuring the correct and timely fulfillment of tax obligations** and, more generally, **compliance with the tax regulations** applicable to the Group in the countries in which it operates; and
- **ensuring proper and efficient management of the Group's taxation**, avoiding, within legitimately permissible limits, double taxation phenomena and/or unjustifiably excessive tax burdens.

In line with international *best practices*, to ensure the full achievement of the objectives outlined above, Edison has extended its Internal Control and Risk Management System to the tax area as well, through the adoption of a "**Tax Control Framework**" that enables a structured approach to the **detection, assessment, management, and active control of tax risk**.

This governance model requires a systematic exchange of information among the various corporate players to enable preventive analyses of the potential tax impacts associated with the introduction of new regulations, as

well as business development operations, and with the ultimate goal of informing the Top Management in a timely manner regarding the most significant tax impacts arising from strategic and operational transactions planned and/or executed by Edison.

## APPLICABILITY AND RECIPIENTS

The fundamental principles and guidelines set forth in this document apply **to the management of all types of taxes and fees** related to the conduct of business.

The Tax Policy applies, in Italy or abroad, to Edison S.p.A., its subsidiaries and investee companies and/or Joint Ventures ("JVs") that have entrusted Edison, through specific service contracts, with the management of their administrative and tax activities. In this context, it is therefore binding on the expected behavior, on an individual level, of the following **Recipients**:

- All those who, in any capacity and regardless of the type of contractual relationship, contribute to the achievement of the company's goals and objectives:
  - employees and contractors;
  - tax consultants;
  - Directors, of Edison S.p.A. and its subsidiaries.
- In the context of investee companies or JVs, it applies equally, to the extent of Edison's responsibility, to the company's Board of Directors, management, and personnel (i.e., Edison personnel) working in that area.

Edison promotes a culture of tax compliance and, to this purpose, requires that the principles and guidelines of the Tax Policy also be observed by all those with whom the Group comes into contact in connection with the management of tax issues (investee or associated companies, partners, customers, suppliers, professionals, and other types of external parties). Failure to comply with these principles may result in the activation of legal action and the adoption of measures against the Recipients, consistent with the provisions of and regulated within the Group's Code of Ethics.

## APPROVAL, PUBLICATION, VALIDITY AND UPDATING

The Tax Policy is approved by the Board of Directors of Edison S.p.A., which thus assumes the responsibility of guaranteeing its knowledge and ensuring its application, together with the specific task of disseminating the culture and values underlying it. As a preliminary step, the document is submitted to the Control and Risk Committee for validation. The Tax Policy comes into effect from the first day following the date on which it is approved by the Board of Directors and is published on the institutional website ([www.edison.it](http://www.edison.it)).

In case of uncertainty about the application of the guidelines defined in this document, corporate Functions / Departments may refer to the Tax Department, which is responsible for supporting the various corporate actors in the correct interpretation of the policy, taking care of its updating, as well as providing guidance in case of significant changes in the applicable regulations, the strategy adopted or the organizational and operational model of the company.

## 1 FUNDAMENTAL PRINCIPLES

The Tax Policy of the Edison Group is based on the following four fundamental principles:

- **Corporate culture:**  
Edison is committed to fostering the dissemination and development over time of a corporate culture marked by the management and prevention of tax risk, as well as full cooperation between the Tax Affairs Function and the Business Departments / Functions, to foster sustainable business development aimed at creating value for all stakeholders.
- **Tax compliance:**  
In implementing its business and financial strategies, the Group is committed to formal and substantive compliance with applicable laws, regulations, and provisions, in the geographic areas in which it operates, also considering the relevant practice and case law.
- **Tax risk management:**  
The Group adopts tools and procedures aimed at facilitating the timely identification and active management of tax risks, which could also originate in the processes managed daily by line functions, and not only from the mere management of tax compliance.
- **Management of relations with tax authorities:**  
In managing relations with Italian and foreign tax authorities, Edison is committed to maintaining a cooperative and transparent attitude to ensure constructive relations and minimize possible disputes.

## 2 GUIDELINES

The fundamental principles are set out in guidelines, which the Recipients of the Tax Policy must follow, to ensure the achievement of the objectives pursued by the Edison Group.

### 2.1 CORPORATE CULTURE

1. Promote the dissemination within the Group of a culture marked by compliance and tax risk prevention, raising awareness of tax issues among Recipients for preventive assessment of risks as well as opportunities.

2. Ensure full and constant collaboration between Functions / Departments / Business Divisions and the Tax Affairs Function to ensure timely identification, assessment and proper management of process tax risks.
3. Activate the necessary information and consultation flows to Tax Affairs when planning strategic and/or non-routine transactions, to enable timely and advance analysis of potential tax impacts.
4. Ensure adequate training, specialization and updating for the staff of the Tax Affairs Function, so that it can preside not only over tax compliance aspects, but also assume the role of "business partner" and ensure adequate support for the Business in achieving strategic objectives and creating value.
5. Ensure adequate training, specialization and updating also to the personnel of other Departments / Functions / Divisions of the Edison Group involved in the management of tax-relevant obligations and activities, to ensure compliance with the standards of compliance required by the regulations.
6. Encourage awareness, information and training initiatives towards Edison employees aimed at the dissemination of a culture of taxation and the management of risks related to the tax variable (so-called Tax Culture) with the ultimate goal of ensuring that all personnel involved, depending on the role held and the activities performed, have the necessary skills when faced with tax-related issues.
7. Ensure compliance with tax conduct by employees and Management aimed at ensuring compliance with the general principles established in the Group's Code of Ethics, Tax Policy and Guidelines inherent in the operation of the tax risk management and control system.

## 2.2 TAX COMPLIANCE

8. Manage commercial and financial transactions with third parties and/or intercompany in compliance (both formally and substantively) with tax regulations, domestic and international, applicable to the Group.
9. Where several alternatives exist to achieve the same business objective, undertake, in full compliance with regulations, the most tax-efficient alternative, taking into consideration practice, case law guidance, and any opinions issued by legal and tax advisors.
10. Not to take part, directly or indirectly (e.g., through third parties), and not to incentivize the execution of transactions, or contrived tax optimization schemes, with the sole purpose of obtaining undue tax advantages / benefits, as well as to discourage investments in countries with low taxation (so-called tax havens) with the exclusive objective of reducing the tax burden (so-called profit shifting).
11. Fulfill tax reporting and payment obligations, as well as disclosure and reporting requirements under applicable laws in the Countries in which the Group operates.
12. Operations and transactions with counterparties located in "non-cooperative" Countries must be supported by relevant and explicit business reasons. Specifically:

- a. Not to establish legal entities (companies, branches, etc.) in such Countries unless there are reasons attributable to the Group's business activities;
- b. not to conduct business transactions and financial activities with counterparties residing in such Countries unless there are reasons attributable to the Group's business activities.

**13.** Manage Transfer Pricing regulations in accordance with Organization for Economic Cooperation and Development (OECD) principles and domestic regulations, and avoid double taxation phenomena.

### **2.3 TAX RISK MANAGEMENT**

**14.** Pay attention to and assess the tax implications, in business, ordinary and extraordinary activities, to seize any opportunities or benefits and to promptly report potential tax risks arising from operations and transactions and, when required, provide support to the Tax Affairs Function in analyzing and assessing such risks.

**15.** Comply with the requirements for regular feeding of information flows under the Tax Control Framework and actively cooperate in the identification of potential tax risks, including in relation to new business activities or initiatives.

**16.** Comply with the procedures and execute the controls set forth in the Tax Control Framework, adopted by the Group to facilitate the active detection, assessment, management and control of tax risk.

### **2.4 MANAGEMENT OF RELATIONS WITH TAX AUTHORITIES**

**17.** Manage relations with tax authorities in compliance with the behavioral norms defined in the Code of Ethics and referred to in the Organization Model adopted pursuant to Legislative Decree 231/2001, marked by principles of transparency, clarity, accuracy, completeness and timeliness.

**18.** Maintain a constructive and professional attitude on every occasion of dialogue with Tax Authorities, to prevent and minimize the impacts of any disputes, and foster the development of relationships based on cooperation and mutual trust.

**19.** Establish complete and accurate information flows to Tax Authorities to share in advance, where possible, business developments and significant tax issues related to the planning of complex or potentially controversial transactions, to discuss any underlying tax interpretation issues.

**20.** Participate in discussions and proposal development with any industry-specific tax groups, regional and international organizations where possible and appropriate.

**21.** Do not hinder in any way the possible verification activities of Tax Authorities by responding to requests received with professional diligence.

**22.** If the opportunity arises, consider entering into prior agreements (e.g., Advanced Pricing Agreement) between Edison Group companies and the relevant tax authorities.