



ENGIE GLOBAL MARKETS

ITALIAN BRANCH

**ORGANIZATION, MANAGEMENT AND CONTROL MODEL
PURSUANT TO LEGISLATIVE DECREE 231/01**

GENERAL PART

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1 ENGIE GLOBAL MARKETS ITALIAN BRANCH

ENGIE Global Markets is the energy trading platform of the ENGIE Group. Combining in-depth experience of the energy sector with know-how in the financial markets, EGM serves ENGIE's businesses around the world by making a crucial contribution in optimizing the Group's assets. The deep understanding of the target market, resulting from proximity to the business, enables EGM to offer the ENGIE Group market solutions tailored to the global and diversified ENGIE portfolio. EGM's expertise is also used to provide services such as market access and risk management solutions to third-party counterparties.

ENGIE GLOBAL MARKETS SAS is a company, under French law, under the supervision of the "*Autorité de Contrôle Prudentiel et de Résolution*" (ACPR) and authorized to provide investment services.

EGM's activities are carried out within the Global Energy Management & Sales (GEMS) Business Unit.

ENGIE GLOBAL MARKETS SAS, based in France and incorporated under the laws of that state, has the following objectives:

- provide access to new energy markets (both organized markets and "over-the-counter" (OTC) for electricity and gas generation and distribution activities, with the main objective of reducing the impact of price changes by making both physical and financial hedging transactions in the market;
- assist the Group's various entities in choosing and defining innovative pricing structures, with the aim of securing and maximizing the value of assets with respect to the markets in which they operate;
- acquire a market intermediation margin;
- encourage the concentration of counterparty risk in a single entity of high standing that can independently offer more collateral to other market counterparties;
- allow critical skills for the Group to be concentrated in a single trading facility.

ENGIE GLOBAL MARKETS SAS operates in the gas and power trading sector in Italy through its ENGIE Global Markets Italian Branch (hereinafter also referred to as "**ENGIE Global Markets**" or "**EGM**" or the "**Company**" for brevity), which is authorized for proprietary trading services and order execution for third parties and investment advice.

ENGIE GLOBAL MARKETS Italian Branch, headquartered in Rome, in Viale Giorgio Ribotta 31, with its own organizational and operational structure, its own employees and clientele, carries out its activities in the field of Energy Trading and Origination under the direction of an Instigator/Branch Manager.

EGM Italian Branch aims to pursue the following objectives:

- seize trading opportunities on energy commodities by also implementing hedging operations, if necessary, mainly on their own account;
- manage the flows associated with the activities carried out by the Italian companies of the ENGIE Group, offering hedging products, in particular, as part of the portfolio management of ENGIE Italia S.p.A.; EGM Italian Branch cover transactions, thus concluded, through bilateral OTC transactions with market counterparties or through transactions on regulated markets.

2 LEGISLATIVE DECREE NO. 231 OF JUNE 8, 2001

2.1 The Administrative Responsibility of Entities

Legislative Decree No. 231 of June 8, 2001, in implementation of Delegated Law No. 300 of September 29, 2000, provides for the "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality" (hereinafter, for brevity, also "**Legislative Decree 231/01**" or the "**Decree**"), which is part of a broad legislative process to combat corruption, and adapts Italian legislation on the liability of legal persons to some International Conventions previously signed by Italy.

Legislative Decree 231/01 establishes, therefore, a regime of administrative liability (substantially comparable to criminal liability), to be borne by legal persons (hereinafter, for the sake of brevity, the "**Entity(ies)/Bodies**"), which is in addition to the liability of the natural person (better identified below) perpetrator of the crime and which aims to involve, in the punishment of the same, the Entities in whose interest or advantage such crime was committed. This administrative liability exists only for the crimes exhaustively listed in the same Decree (so-called predicate crimes, see in this regard Section 2.2).

Individuals, who, by committing an offense in the interest or to the advantage of the Entity, may result in its liability, are listed below:

- (i) individuals who hold top management positions (representation, administration or management of the Entity or one of its organizational units with financial and functional autonomy or persons who exercise, de facto, management and control: hereinafter, for brevity, the "**Senior Persons**");
- (ii) individuals subject to the direction or supervision by one of the Senior Persons (hereinafter, for brevity, the "**Subordinates**").

In this regard, it is worth noting that it is not necessary for Subordinates to have a subordinate working relationship with the Entity, since this notion should also include *"those workers who, although not "employees" of the Entity, have a relationship with it such as to suggest the existence of a supervisory obligation on the part of the top management of the Entity itself: for example, agents, partners in joint-venture operations, the so-called parasubordinate employees in general, distributors, suppliers, consultants, collaborators, etc."*¹.

The Entity is not liable (Article 5, paragraph 2, of the Decree) if the aforementioned individuals acted in their own exclusive interest or that of third parties. In order for the Entity's liability to be affirmed, it is also necessary to ascertain its fault in the organization, to be understood as the failure to adopt preventive measures suitable for preventing the commission of the crimes specifically indicated in the Decree by the individuals referred to in points i) and ii) (see more in-depth section 2.5).

2.2 The Presumptive Offenses

The Decree refers to the following offenses (hereinafter, for brevity, the "**Predicate Offenses**"):

- **Offenses against the Public Administration**, referred to in Articles 24 and 25 of Legislative Decree 231/01. Article 25 was subsequently supplemented and amended by Law No. 190 of November 6, 2012, Law No. 69 of May 27, 2015, Law No. 3 of January 9, 2019, Law No. 112 of August 8, 2024, and Law No. 114 of August 9, 2024. Legislative Decree No. 75, of July 14, 2020, supplemented and amended Articles 24 and 25 of Legislative Decree 231/01. Article 24 was subsequently supplemented by Law No. 137 of October 9, 2023;
- **Computer crimes and unlawful data processing**, introduced by Article 7 of Law No. 48 of March 18, 2008, which inserted Article 24-bis into Legislative Decree 231/01, and subsequently amended and supplemented by Law No. 90 of June 28, 2024;
- **Organized crime offenses**, introduced by Article 2, paragraph 29, of Law No. 94 of July 15, 2009, which inserted Article 24-ter into Legislative Decree 231/01, subsequently supplemented by Law No. 172 of October 1, 2012, and amended by Law No. 69 of May 27, 2015, and most recently by Law No. 236 of December 11, 2016;
- **Crimes relating to forgery of money, public credit cards, revenue stamps and identification instruments or signs**, introduced by Article 6 of Decree Law No. 350/2001, converted by Law No. 409 of

¹ Thus textually Assonime Circular, November 19, 2002, No. 68.

November 23, 2001, which inserted Article 25-bis into Legislative Decree 231/01, subsequently supplemented by Article 15, paragraph 7, letter A), of Law No. 99 of July 23, 2009;

- **Crimes against industry and commerce**, introduced by Article 15, paragraph 7(B) of Law No. 99 of July 23, 2009, which inserted Article 25-bis.1 into Legislative Decree 231/01;
- **Corporate crimes**, introduced by Article 3 of Legislative Decree 61/2002, which inserted Article 25-ter into Legislative Decree No. 231/01, as amended by Law 69/2015, Legislative Decree No. 38 of March 15, 2017, and Legislative Decree No. 19 of March 2, 2023;
- **Crimes for the purpose of terrorism or subversion of the democratic order**, introduced by Law No. 7 of January 14, 2003, which inserted Article 25-quater into Legislative Decree 231/01;
- **Female genital mutilation practices**, introduced by Law No. 7 of January 9, 2006, which inserted Article 25-quater.1 into Legislative Decree 231/01, later supplemented by Law No. 172 of October 1, 2012;
- **Crimes against individual personality**, introduced by Law No. 228 of August 11, 2003, which inserted Article 25-quinquies into Legislative Decree 231/01, supplemented by Law No. 172 of October 1, 2012, and most recently by Law No. 199 of October 29, 2016;
- **Market abuse offenses**, provided for by Law No. 62 of April 18, 2005, which inserted into Legislative Decree 231/01 Article 25-sexies and, within the TUF, Article 187-quinquies "Liability of the entity";
- **Crimes of culpable homicide or serious or very serious injury** committed in violation of occupational health and safety regulations, introduced by Law No. 123 of August 3, 2007, which inserted Article 25-septies into Legislative Decree 231/01;
- **Crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin, as well as self-money laundering**, introduced by Legislative Decree No. 231 of November 21, 2007, which inserted Article 25-octies into Legislative Decree 231/01, later supplemented by Law No. 186 of December 15, 2014;
- **Copyright infringement crimes**, introduced by Article 15, paragraph 7, letter C), of Law No. 99 of July 23, 2009, which inserted Article 25-novies into Legislative Decree 231/01, and subsequently supplemented and amended by Law No. 93 of July 14, 2023;
- **Crime of inducement not to make statements or to make false statements to judicial authorities**, introduced by Article 4 of Law No. 116 of August 3, 2009, which inserted Article 25-decies into Legislative Decree 231/01;
- **Environmental crimes**, introduced by Legislative Decree No. 121 of July 7, 2011, which inserted Article 25-undecies into Legislative Decree 231/01, amended by Law No. 68 of May 22, 2015, Legislative Decree 21/2018, Legislative Decree 116/2020, and most recently, by Law No. 137/2023;
- **Transnational crimes**, introduced by Law No. 146 of March 16, 2006, "*Law of ratification and execution of the United Nations Convention and Protocols against Transnational Organized Crime*";
- **Crime of employment of third-country nationals whose stay is irregular**, introduced by Legislative Decree No. 109 of July 16, 2012, on the "Implementation of Directive 2009/52/EC introducing minimum standards on sanctions and measures against employers who employ third-country nationals whose stay is irregular," which inserted Article 25-duodecies into Legislative Decree 231/01, per as amended by Law No. 161 of October 17, 2017;
- **Crimes of racism and xenophobia**, introduced by Law No. 167 of November 20, 2017, which inserted Article 25-terdecies into Legislative Decree 231/01;
- **Offenses of fraud in sports competitions and abusive exercise of gaming or betting**, introduced by Law No. 39 of May 3, 2019, which inserted Article 25-quaterdecies into Legislative Decree 231/01;
- **Tax crimes**, introduced by Law No. 157 of December 19, 2019, which inserted Article 25-quinquiesdecies into Legislative Decree 231/01, later supplemented by Legislative Decree No. 75 of July 14, 2020. The article was subsequently amended by Legislative Decree No. 87 of June 14, 2024;
- **Offenses of smuggling**, introduced by Legislative Decree No. 75 of July 14, 2020, inserting Article 25-sexiesdecies into Legislative Decree 231/01;
- **Crimes concerning non-cash payment instruments and fraudulent transfer of valuables**, introduced by Legislative Decree of November 8, 2021, which inserted Article 25-octies.1 into Legislative Decree 231/2001. Article 25-octies.1 was supplemented by Law No. 137 of October 9, 2023 and subsequently amended by Decree Law No. 19 of March 2, 2024;
- **Crimes against cultural and landscape heritage**, introduced by Law No. 22 of March 9, 2022, which included two new families of crimes in Legislative Decree 231/2001: article 25-fid "Crimes against cultural

heritage"; article 25-duodevices "Laundering of cultural goods and devastation and looting of cultural and landscape heritage".

2.3 The Sanctions against the Entity provided for in the Decree

Legislative Decree 231/01 provides for the following types of sanctions, applicable to Entities to which the regulations apply:

- a) Administrative fines;
- b) Disqualifying sanctions;
- c) Confiscation of the price or profit of the crime;
- d) Publication of the judgment.

a) The **administrative pecuniary** sanction, governed by Articles 10 et seq. of the Decree, constitutes the "basic" sanction of necessary application, for the payment of which the Entity is liable from its assets or common fund. The Legislature has adopted an innovative criterion for the commensuration of the sanction, assigning to the Judge the obligation to carry out two different and successive appreciation operations. This entails a greater adjustment of the penalty to the seriousness of the act and the economic conditions of the Entity.

The first assessment requires the Judge to determine the number of shares (in any case not less than one hundred, nor more than one thousand), taking into account of:

- the seriousness of the fact;
- the degree of accountability of the Entity;
- the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offenses.

During the second evaluation, the Judge determines, within the minimum and maximum values predetermined in relation to the sanctioned offenses, the value of each share, from a minimum of 258.00 euros to a maximum of 1,549.00 euros.

b) The following **disqualifying sanctions** are provided for in the Decree and apply only in relation to the crimes for which they are expressly provided:

- disqualification from doing business;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- prohibition of contracting with the public administration, except to obtain the performance of a public service;
- exclusion from facilitations, financing, contributions and subsidies and/or the revocation of any already granted;
- ban on advertising goods or services.

In order for prohibitory sanctions to be imposed, at least one of the conditions set forth in Article 13, Legislative Decree 231/01, must be met, namely:

- *"the entity has derived a significant profit from the crime and the crime has been committed by persons in senior positions or by persons under the direction of others when, in this case, the commission of the crime was determined or facilitated by serious organizational deficiencies";* or
- *"in case of recurrence of offenses."*

Disqualification sanctions may also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure when:

- there are serious indications that the Entity is liable for an administrative offense dependent on crime;
- well-founded and specific evidence emerges to suggest that there is a real danger that offenses of the same type as the one being prosecuted will be committed;

- the Entity made a significant profit.

In any case, disqualification penalties shall not be applied when the crime was committed in the predominant interest of the perpetrator or third parties and the Entity did not gain an advantage or gained a minimal advantage, or the pecuniary damage caused is of particular tenuousness.

The Legislature has made it clear that business interdiction is residual in nature compared to other disqualifying sanctions.

c) Pursuant to Article 19, Legislative Decree 231/01, the **confiscation** - including for equivalent value - of the price (money or other economic utility given or promised to induce or determine another person to commit the crime) or profit (immediate economic utility obtained) of the crime is always ordered with the conviction, except for the part that can be returned to the damaged party and without prejudice to the rights acquired by third parties in good faith.

d) Pursuant to Article 36 of the Criminal Code, the judge, when applying disqualifying sanctions, may also order the **publication of the judgment** of conviction in one or more newspapers, either in excerpts or in full, together with posting in the municipality where the entity has its head office.

2.4 Attempted Crimes

The Entity's liability may also occur if the predicate crime is in the form of attempt (Art. 26), that is, when the agent performs suitable acts unambiguously directed at committing the crime and the action is not carried out or the event does not occur.

In cases of the commission, in the forms of attempt, of the crimes presupposed by the Decree, pecuniary penalties (in terms of amount) and disqualification penalties (in terms of time) are reduced by one-third to one-half, while the imposition of penalties is excluded in cases where the Entity voluntarily prevents the performance of the action or the realization of the event (Article 26 of the Decree).

2.5 The Conducted Outcomes

Articles 6 and 7 of Legislative Decree 231/01 provide specific forms of exemption from administrative liability for the Entity for crimes committed in the interest or to the advantage of the Entity by both Senior Persons and Subordinates.

Specifically, in the case of crimes committed by **Senior Persons**, Article 6 of the Decree provides for exoneration if the Entity itself proves that:

- a) the Management Body has adopted and effectively implemented, prior to the commission of the act, an Organization and Management Model suitable to prevent crimes of the kind that occurred (hereinafter, for brevity, the "**Model**");
- b) the task of supervising the operation of and compliance with the Model has been entrusted to a body of the Entity (hereinafter, for brevity, the "Supervisory Board" or the "SB"), endowed with autonomous powers of initiative and control;
- c) the persons who committed the offense acted by fraudulently circumventing the Model;
- d) there was no omission or insufficient supervision by the Supervisory Board.

In the event that the crime was committed by individuals subject to the management or supervision of top management personnel, the Entity will be held liable for the administrative offence only in the event of culpable deficiency in the obligations of management and supervision. In fact, Article 7 of the Decree provides for exemption from liability if the Entity has adopted and effectively implemented, prior to the commission of the crime, a Model suitable to prevent crimes of the kind that occurred.

However, the Entity's exoneration from liability is not determined by the mere adoption of the Model, but by its effective implementation to be achieved through the implementation of all protocols and controls necessary to limit the risk of commission of the offenses that the Entity intends to avert.

In particular, with reference to the characteristics of the Model, the Decree expressly provides, in Article 6, paragraph 2, the following preparatory steps for the proper implementation of the Model itself:

- a) identification of activities within the scope of which there is a possibility of crimes being committed;

- b) provision of specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;
- c) identification of methods of managing financial resources suitable for preventing the commission of such crimes;
- d) provision of information obligations to the Supervisory Board;
- e) introduction of an appropriate disciplinary system to punish non-compliance with the measures specified in the Model.

2.6 The Guidelines of the Trade Associations

At the express direction of the delegated Legislature, Models may be adopted on the basis of codes of conduct drawn up by representative trade associations that have been communicated to the Ministry of Justice, which, in consultation with the relevant ministries, may make comments within 30 days on the suitability of the models to prevent crimes.

The preparation of this Model is inspired, in addition to the Guidelines for the construction of the Organization, Management and Control Models pursuant to Legislative Decree 231/01, approved by Confindustria on 7 March 2002 and subsequently updated in March 2014 and, lastly, in June 2021, by the most recent ASSOSIM Guidelines² on the administrative liability of entities pursuant to Article 231/01, approved by the Ministry of Justice in April 2022 (hereinafter referred to as the "Reference Guidelines").

² As of 1 January 2024, the Association of Financial Market Intermediaries – ASSOSIM has changed its name to AMF Italia – Association of Financial Market Intermediaries.

3 OUTSOURCING / CENTRALIZATION OF ACTIVITIES

In order to optimize synergies among the Group Companies and to respond efficiently and effectively in the markets in which the Company operates and to business demands, EGM has outsourced some operational activities to the ENGIE Group Companies, through the formalization of special service contracts as further explained below.

3.1 Processes Outsourced to ENGIE Group Companies

The service relationships, between EGM Italian Branch and ENGIE Group Companies, are limited to the signing of a contract with ENGIE Italia S.p.A., which provides for and specifically identifies, among other things: (i) the respective obligations and responsibilities, (ii) the economic conditions, (iii) the service levels (qualitative and quantitative), (iv) the commitment of the parties to provide information and documents in a correct manner, guaranteeing and certifying their truthfulness and completeness, (v) the right of each party to verify compliance, by the other, with the contractual conditions, including through requests for information and documents, (vi) the commitment of the parties to monitor any conflicts of interest and to avoid that such conflicts may result in concrete terms, prejudices to the parties or to one of them, (vii) the protection of confidentiality and secrecy of information and documents, (viii) the commitment of each party to allow any checks and/or audits regarding the performance of the relationship by the Supervisory Board of the other party and, in particular with reference to processes, inherent to staff functions, managed through service contracts, (ix) express termination clauses for cases of serious breach by the other party and, if necessary, penalty clauses.

In particular, through the service contract with ENGIE Italia S.p.A., EGM Italian Branch outsources some of the administrative processes, such as: human resources management, information systems management, tax compliance management and contract management, as well as the management of HSE aspects.

4 THE MODEL OF ENGIE GLOBAL MARKETS - ITALIAN BRANCH

EGM Italian Branch places responsible growth at the core of its objectives; ethics, a culture of transparency and integrity permeate the management of its activities and support its managerial, business and operational practices.

4.1 The Purposes of the Model

The Model, prepared by EGM - IB, aims to:

- prepare a prevention and control system, aimed at reducing the risk of commission of crimes, relevant to the Decree, related to its activities;
- make all those who work in the name and on behalf of EGM - IB, and in particular those engaged in processes at risk of crime, aware that they may incur, in the event of violation of the provisions set forth therein, an offense liable to sanctions, on the criminal and administrative level, not only against themselves, but also against the Company;
- inform all third parties working with EGM - IB that violation of the requirements contained in the Model will result in termination of the contractual relationship.

4.2 The Recipients of the Model

The principles and provisions of this Model apply to all those who perform, even de facto, functions of management, administration, management or control, as well as consultants, collaborators, suppliers and, in general, all third parties acting on behalf of the Company, within the scope of activities considered "at risk of crime" (hereinafter, the "Recipients" of the Model). Those to whom the Model is addressed are therefore required to comply with its principles and provisions, including the fulfillment of duties of loyalty, fairness and diligence that arise from the legal relationships established with the Company. All those who have relations with the Company are in any case required to comply with the Code of Ethics and Conduct.

Each Recipient is required to know and comply with the principles contained in this document. Staff training and internal information on the contents of the Model are constantly ensured in the manner better described later.

4.3 The Construction of the Model

The Company ensures the constant implementation and updating of the Model, according to the methodology indicated by the Reference Guidelines and reference best practices. In particular, following its initial adoption, the Company has constantly updated the Model, also with the support of a leading consulting firm, in order to take into account intervening regulatory integrations, case history, organizational changes, and the Company's processes, progressively enhancing the controls in place in a logic of continuous improvement. The construction of the Model was divided into the phases described below:

- (i) preliminary examination of relevant corporate documentation in order to identify and/or update the offenses relevant to the Company under the Decree;
- (ii) identification and/or updating of: i) corporate processes "at risk" of crime, understood as organizational areas or activity flows in which the commission of the underlying crimes could abstractly take place (hereafter, for brevity, referred to as the "**Processes at risk of crime**"); ii) "sensitive" sub-processes, i.e., those to the performance of which the risk of committing the crimes provided for in the Decree is connected; iii) corporate functions involved;
- (iii) conducting interviews with key organizational roles of the Company, aimed at the detection and identification of the Entity's control system designed to prevent the commission of the Offenses Assumed.

The outcome of this activity was collected and formalized in a descriptive sheet, which forms an integral part of the Model, called "**Risk Area Identification Map**" (so-called MIAR), which identifies the following for each "Risk Process":

- crime-risk sub-processes;
- main crimes under Legislative Decree 231/01;

- predicate offenses;
- examples of potential ways of committing the crime or conduct instrumental to it;
- current regulatory instruments related to each identified risk process;
- functions involved.

The analysis was conducted using documentation relating to the Company (organizational and regulatory documents), as well as through a method of analysis (risk assessment), based on conducting interviews with process owners, who, due to their roles, appear to have the broadest knowledge of the operations of the relevant sector.

The involvement of the Company's professional figures for each area, where it was considered that the risk of committing offenses could be determined, made it possible to carry out the reconnaissance of the existing operating and management methods and the controls present to guard them.

In addition, the construction of the Model took into account the Company's membership in the ENGIE Group and, consequently, the constant monitoring and verification activities of the various processes, both locally and at the Group level.

In preparing the Model, therefore, consideration was given to the specific operational and organizational characteristics of the Company, the internal rules contained in the Company's and the Group's protocols and procedures, and the application of *ad hoc* French regulations (such as, the *Sapin II* anti-corruption regulations and the "Duty of Vigilance" law, regarding which please refer to the following paragraphs for more details).

Based on the risk assessment activities carried out, any areas for improvement ("gap analysis") were identified and the "strengthening plan" of the internal control system was defined accordingly.

EGM's Internal Control & Compliance department is in charge of updating the "Risk Area Identification Map", with respect to purely formal changes (such as, nominal changes in procedures or procedural updates that do not involve changes to the Model), and filing it, making it available - for possible consultation - to the Managing Director, the Supervisory Board and anyone authorized by the Company to view it.

4.3.1 The Concept of Acceptable Risk

In preparing a Model, the concept of acceptable risk cannot be overlooked. It is, in fact, essential to establish, for the purposes of compliance with the provisions introduced by Legislative Decree 231/01, a threshold that allows to limit the quantity and quality of the preventive tools that must be adopted in order to prevent the commission of the crime. With specific reference to the sanctioning mechanism introduced by the Decree, the threshold of acceptability is represented by the effective implementation of an adequate preventive system that is such that it cannot be circumvented unless intentionally, that is, for the purposes of the exclusion of administrative liability of the entity, the persons who committed the offense have acted by fraudulently circumventing the Model and the controls adopted by the Company.

4.3.2 The Structure of the Model and the Predicate Offenses relevant to its Construction

EGM - IB intended to prepare a Model that would take into account its organizational structure, consistent with its system of governance.

The Model, therefore, represents a coherent set of principles, rules and provisions that:

- affect the internal workings of the Company and how it relates to the outside world;
- regulate the diligent management of a system of control of Offense Risk processes, aimed at preventing the commission, or attempted commission, of the offenses referred to in the Decree.

The Model of EGM - IB consists of a "**General Part**," a "**Special Part**," subdivided in relation to the sensitive processes identified pursuant to Legislative Decree 231/01 and deemed relevant in relation to the offenses included in the catalog under Legislative Decree 231/01, and "Annex 1 - Catalogue of offenses under Legislative Decree No. 231/2001," in which the types of offenses under Legislative Decree 231/01, the relevant penalties applicable to the Company and the description of conduct exemplifying the cases are rubricated.

This General Part explains the essential components of the Model, with particular reference to the Supervisory Board, personnel training and dissemination of the Model in the corporate and non-corporate context, the Code of Ethics and Conduct, the Corporate Governance Model and the Internal Control and Risk Management System adopted (so-called "SCIGR"), the whistleblowing report management system, the disciplinary system, and the measures to be taken in case of non-compliance with its requirements.

The Special Part includes:

- its constituent sensitive processes and sub-processes, as identified in the Risk Assessment phase;
- 231 crime families and cases relevant to each sensitive sub-process;
- the general and specific control principles provided to avoid the risk of commission of the crime related to the identified sub-process;
- the behavioral indications that all Recipients of the Model must follow in order to avoid the occurrence of the offenses under Decree 231 (Area of Doing and Not Doing).

The Company is committed to continuous monitoring, aimed at enabling the adequacy of the Model over time and ensuring that the envisaged Special Part is up-to-date with respect to any significant changes in the Company's business sectors, organizational structure and processes.

The Model has been drafted taking into account the types of offenses considered to be of greater significance, the commission of which was concretely and not abstractly conceivable.

In any case, the ethical principles, on which EGM's Model and its governance structure are based, are aimed at preventing, in general terms, even those offenses that, due to their insignificance or irrelevance to the Company's business, do not find specific regulation in the Special Part of the Model.

4.4 The Adoption of the Model and its Updating

The adoption of the Model is delegated by the Decree itself to the Management Body, which is also assigned the task of updating the Model.

Therefore, the Company has continuously updated the Model, taking into account:

- the evolving regulatory framework;
- the Company's corporate organizational changes;
- the evolution of case law and doctrine;
- the practice of Italian companies in relation to models;
- the outcomes of supervisory activities.

4.5 The Adoption of the Models by other Companies and other Controlled Entities

The Company considers compliance with laws, industry regulations and the principles expressed in the Code of Ethics and Conduct an essential condition for maintaining and improving corporate value over time.

EGM - IB, while respecting the organizational, managerial and operational autonomy of the companies of the Group, where it is deemed appropriate in light of the specific business activities and related risks 231, promotes the possible adoption of Models by the subsidiaries, directly or indirectly, as well as by the associative and consortium structures in which it should assume control, taking into account the specific risk profiles related to the concrete operations of each of them, in pursuit of the following objectives:

- ensure correct behavior, in compliance with laws, industry regulations and ethical principles;
- make all those who operate within the context of the Group aware that any unlawful conduct may result in the application of criminal and administrative sanctions, with serious damage to the assets, operations and image, not only of the Company that may be affected, but also of EGM - IB and other Group companies;
- emphasize the choices on compliance, ethics, transparency and fairness pursued by ENGIE and the importance of related monitoring control and sanction mechanisms.

The Company also suggests, through its representative of the administrative body or at the shareholders' meeting, the possible promotion of the adoption of organization, management and control models, pursuant to Legislative Decree No. 231/01, by companies and other entities in which the Company itself participates, without holding control.

4.6 The Components of the Model

The Model is based on an architecture with the following components:

- A. a **Code of Ethics and Conduct**;
- B. an **internal control and risk management system**, formalized in procedures and other regulatory documents internal to the Company, some of which have been adopted in accordance with guidelines and indications coming from the Group. These regulatory instruments (so-called "protocols"), also aimed at regulating operating procedures in areas at risk, constitute the rules to be followed in carrying out the Company's activities, providing for the controls to be carried out in order to ensure their correctness, effectiveness and efficiency;
- C. an **organizational system**;
- D. a **management control system**, regulated by specific procedures, which is articulated in the various phases of annual budget preparation, analysis of periodic final balances and forecasting. This system ensures the ability to provide timely reporting of the existence and occurrence of critical situations through an adequate and timely system of information flows and reporting;
- E. a **financial resource management system**.

5 CODE OF ETHICS AND CONDUCT

Ethics and compliance are a top priority for the ENGIE Group. The Code of Ethics and Conduct (hereinafter referred to as the "Code") reflects the ENGIE Group's, and the Company's, commitment to integrity, accountability and zero tolerance for all forms of corruption and fraud, respect for people's rights, applicable laws and regulations, and the Group's social and environmental policies.

The Code of Ethics and Conduct, representing the foundation of the Company's entire compliance system, is an objective of the Model and is an essential element of the preventive control system within the Model itself. The Code, in fact, aims to increase the Company's safeguards, aimed at reducing the risk of the commission of offenses, relevant under Legislative Decree 231/01, by recommending or prohibiting the adoption of certain conduct.

The dictates of the Code of Ethics and Conduct as well as the Model are to be understood as mandatory and binding, and any breaches of the provisions must be reported to the Supervisory Board.

5.1 The Code of Ethics and Conduct

The ENGIE Group's Code of Ethics and Conduct is a guide to behavior, accessible to all.

The Code includes: an introductory part on the ENGIE Group's ethical commitment, a central part devoted to the ENGIE Group's principles and actions, and a concluding part, in which the main reference texts and glossary are provided.

The introductory section expresses the Group's commitment to responsibility and integrity. This commitment involves each and every employee and aims to promote sustainable and lasting changes for the community. Ethics is an indispensable element of the operational excellence that identifies the ENGIE Group and is an integral part of the corporate identity and culture.

The basic ethical principles, described in the central part of the Code, are to be applied in professional practices and in the behavior adopted towards all stakeholders of the ENGIE Group. Each principle is accompanied by concrete examples of behaviors to be followed and prohibited conduct.

The Group's 5 core ethical principles are:

- 1. Zero tolerance of corruption and fraud.** No form of corruption or trafficking in illicit influence is tolerated. It is prohibited to make payments contrary to the law, participate in financing political figures, and issue invoices that do not correspond to goods or services received. It is also necessary to conduct mandatory training courses and comply with rules regarding gifts and hospitality.
- 2. Act in accordance with laws and regulations.** This means, first and foremost, complying with international trade and sanctions regulations, operating in accordance with competition and business and market practices, complying with data protection regulations, and protecting corporate information and all its assets.
- 3. Behave with integrity and loyalty in dealing with third parties.** The use of business consultants is permitted only in cases where it is not possible to perform the service directly, and one must, in any case, maintain constant vigilance over the intermediary. One must operate with transparency with respect to the authorities. Sponsorship and partnership activities must be carried out in compliance with Group policies and the principles of the Code.
- 4. Respect human rights.** The work environment must be respectful and inclusive. Any form of violence or harassment is unacceptable. The ENGIE Group rejects all forms of forced labor and child labor. Trade union freedom must be respected, as must local communities.
- 5. Commitment to environmental protection.** The Group's ambition is to provide affordable and safe energy that is produced and consumed with respect for people and the environment. The ENGIE Group requires its suppliers to comply with the Group's environmental and human rights principles. Projects must be designed and evaluated, in light of their environmental impact and dialogue with stakeholders.

These principles apply to the 4 categories within which the ENGIE Group carries out its activities:

1. all employees and entities of the Group as a whole;

2. suppliers and partners;
3. customers and stakeholders of the Group;
4. civil society as a whole, wherever the Group is present.

The Code is also applied to the Recipients of this Model.

The Code of Ethics and Conduct provides for the following actions:

1. Empowerment of each individual on compliance with ethical and anti-corruption principles. Integration of ethics into the Group's strategy, management and practices. The Governing Body is responsible for promoting and ensuring, at all levels of the organization, compliance with ethical principles. Implementation of policies, articulated on several operational and control levels (according to the "comply or explain" principle).
2. Employee training: All employees, depending on their assigned assignment, must participate in dedicated ethics trainings. Acquisition of information on the integrity and reputation of third parties (through so-called ethical due diligence). Observance of ethics policies and implementation of other ethical risk prevention tools (such as supplier qualification and control of purchases of goods and services, conflict of interest management, gift management, hospitality and technical travel).
3. Ethics Incident Reporting: The Governing Body must make a report of ethical incidents, which must be recorded and processed, in accordance with Group procedures and tools. Ethical incidents must be reported and processed at all levels of the Group, within the framework of the prepared solutions. The Group has implemented a whistleblowing system, accessible to all employees and third parties (suppliers, subcontractors, unions, NGOs, customers, etc.).
4. Sanction of violations of ethical principles of conduct. Those who violate the Group's ethical and anti-corruption principles shall receive disciplinary and/or economic sanctions.

5.2 Relationship between Code of Ethics and Conduct and Model

The prescriptions and rules of conduct, contained in this Model (with reference to both the General Part and the Special Part), are integrated, to the extent compatible by applicable laws, with those of the Code of Ethics and Conduct and with those provided by the other policies of the ENGIE Group in the area of ethics.

Consequently, the Code of Ethics and Conduct is an integral and substantial part of this Model.

Any doubts about the application of the principles and rules, contained in the Code of Ethics and Conduct, pertaining to Legislative Decree 231/01, must be promptly discussed with the Supervisory Board or with the Ethics Officer & 231 Compliance function. Anyone who becomes aware of violations of the principles of the Code or other events likely to alter its scope and effectiveness is required to promptly report them, as more specifically described in Section 9 "Handling of Whistleblowing Reports". Failure to comply with the principles and rules of conduct, contained in the Code, may result in the application of the sanctions contained in the corporate disciplinary system, set forth in the Model.

6 THE CORPORATE GOVERNANCE MODEL

Corporate governance is defined as the set of corporate tools, rules, relationships, processes and systems, aimed at proper and efficient management and control of the enterprise, understood as a system of balancing the interests of minority shareholders, controlling shareholders and directors of a company. The structure of corporate governance thus expresses the rules by which decision-making processes in a company are articulated, the ways in which corporate objectives are decided upon as well as the means for achieving and measuring the results attained.

EGM's governance model and, in general, the entire organizational system is entirely structured to ensure that the Company implements its strategies and achieves its goals.

In fact, EGM's structure was created with the need to equip the Company with an organization that would ensure maximum operational efficiency and effectiveness in mind.

6.1 The Organizational System

The term "organizational system" refers to the proper identification of roles and responsibilities in each person in the corporate organization.

As also suggested by the Reference Guidelines, the organizational system must be sufficiently formalized and clear, especially with regard to the allocation of responsibilities, the lines of hierarchical dependence, and the description of tasks with specific provision for control principles, such as, for example, the contraposition of functions.

Therefore, verification of the adequacy of the organizational system was carried out, based on the following criteria:

1. formalization of the system;
2. clear definition of assigned responsibilities and lines of hierarchical dependence;
3. existence of the opposition of functions;
4. correspondence between the activities actually carried out and what is envisaged in the strategic plan, defined by the Company.

The corporate governance mechanisms, adopted by the Company, are geared toward making its organizational structure compliant with the provisions contained in the Decree and suitable for overseeing the various risk processes as well as preventing unlawful conduct. EGM's corporate governance mechanisms are based on the fundamental principles of unity of command and strategies, simplification and clarification of areas of responsibility and control that are thus assigned.

The organizational structure and corporate governance mechanisms have been defined, according to logics, aimed at best presiding over certain key factors in the different areas:

- achievement of business objectives;
- compliance with legal regulations;
- presiding over and managing the various risk processes.

In order to make the roles and responsibilities within the corporate decision-making process immediately clear, EGM has developed a summary document in which the entire organizational structure, including business and staff functions, is schematized. Specifically, specified in that organizational chart are:

- the areas into which business activities are divided;
- the lines of hierarchical dependence of individual business entities;
- the individuals working in each area and their organizational role.

These documents decline the organizational structure and are subject to constant and prompt updating, in accordance with actual changes in the organizational structure. The summary documents indicated are the

subject of official communication to all relevant personnel, including through their publication on the corporate intranet.

The organizational structure is defined in such a way as to be consistent with the Company's activities, suitable for ensuring the correctness of behavior, as well as guaranteeing a clear and organic allocation of tasks and an appropriate segregation of functions.

Board of Directors

The Board of Directors is entrusted with the management of the Company and carries out the operations necessary to implement the corporate purpose.

In accordance with the Bylaws, the Board of Directors may appoint one or more Managing Directors and determine their powers and compensation.

The Board has delegated operational powers to a Managing Director, who has been entrusted with the operational management of the Company and to whose direct dependence the Branch Manager, appointed to manage the activities of the Italian Branch acts.

6.2 The Authorization System

With reference to the authorization system, the Reference Guidelines require that authorization and signatory powers be assigned consistently with the defined organizational and managerial responsibilities, providing, when required, a precise indication of the approval thresholds for expenditures, especially in areas considered at risk of crime, as provided for in the delegations and powers of attorney granted.

The system of proxies and powers of attorney is defined consistently with organizational and managerial responsibilities and clearly indicates who is delegated and what powers are assigned.

Each delegation is conferred by providing specific limitations and thresholds to the spending powers granted.

The system of proxies and powers of attorney is structured consistently with the principle of segregation, and the following principles are adhered to:

- no person may be given unlimited powers;
- direct solutions must be provided to enable control over the exercise of delegated powers;
- the application of sanctions for violations of delegated powers must be indicated;
- the system must be consistent with company protocols and procedures and other internal regulations, applied by the Company.

Those who, in order to perform their duties, require specific powers of representation are given "power of attorney", consistent with lines of hierarchical dependence and identified functional ties.

The system of company proxies and powers of attorney (including those in accident prevention and environmental matters) is periodically updated, in light of both regulatory changes and any changes in the organizational system. This system is summarized in the "Register of Proxies" and duly regulated by an internal procedure to guarantee the proper supervision of processes. During the definition/revision of the corporate organization and the consequent identification of corporate roles/responsibilities, the Company ensures, with the support of the Legal function, the care and maintenance of the document.

7 THE SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

The Internal Control and Risk Management System (hereinafter referred to as "SCIGR"), consists of the set of people, tools, organizational structures, standards, procedures and corporate rules, aimed at enabling and contributing to the sound, proper and consistent conduct of the ENGIE Group with corporate objectives, through an adequate process of identification, measurement, management and monitoring of key risks, the structuring of adequate information flows, aimed at ensuring the circulation of information and coordination of the various actors in the SCIGR and in order to ensure the safeguarding of the Company's assets, the efficiency and effectiveness of processes, the reliability of information provided to the corporate bodies and compliance with laws, regulations, the Articles of Association, the Code of Ethics and Conduct and internal procedures and policies.

This system is integrated into the more general organizational and corporate governance arrangements, adopted by the Companies and the ENGIE Group, and is inspired by existing national and international best practices. The SCIGR, adopted by the ENGIE Group, is defined consistently with the ISO 31000 Framework and COSO (Committee of Sponsoring Organizations of the Treadway Commission) standards - 2013 - Internal Control - Integrated Framework and 2017 Enterprise Risk Management - Integrated Framework.

The risk assessment is updated periodically in relation to changes in the Company's business and organization as well as relevant regulations.

The assessment of Offense Risk processes under Legislative Decree 231/01 is part of a broader process of assessing and managing all relevant enterprise risks, adopted at the Group level (see the next section on the Enterprise Risk Management - ERM process).

To guard against the risks assessed as significant, and in compliance with the Reference Guidelines, the ENGIE Group has implemented an internal control system, articulated in a complex system of manual and computerized procedures (formalized within the "**regulatory system**" for which please refer to the next paragraph for more details), aimed at regulating the performance of business activities, also providing for the controls to be carried out in order to ensure the correctness and effectiveness of the same.

For this purpose, the Company adopts, as a preventive instrument of control in individual Offense Risk Processes, the separation of duties among those who carry out crucial phases or activities of a process, verifying that company procedures and/or operating practices are periodically updated and constantly take into account changes or novelties that have occurred in company processes and the organizational system.

As part of the internal control system, adopted by the ENGIE Group, appropriate **IT procedures** operate for the management of the administrative and financial area, which guarantee a high standard of quality, as well as a high level of standardization and compliance, since the processes managed by these applications are validated upstream of the software release.

In this context, therefore, compliance with the following principles is ensured in the performance of activities:

- encourage the involvement of multiple parties in order to arrive at an appropriate segregation of duties through the juxtaposition of functions;
- take measures to ensure that every operation, transaction, action is verifiable, documented, consistent and congruent;
- prescribe the adoption of measures to document the controls carried out with respect to the operations and/or actions performed.

7.1 The Regulatory System

In compliance with the Reference Guidelines, the ENGIE Group has structured a complex system of procedures, aimed at regulating the performance of company activities, including those of EGM, also providing for the controls to be carried out in order to ensure their correctness and effectiveness.

For this purpose, the Company adopts, as a preventive means of control in individual Offense Risk Processes, the separation of duties among those who carry out crucial phases or activities of a process, verifying that company procedures and/or operating practices are periodically updated and constantly take into account changes or novelties that have occurred in company processes and in the organizational system as well as at the legislative level.

The components of the internal regulatory system are listed below, with separate indication of the function and hierarchy of each instrument:

- ENGIE Policies (Corporate Governance, Gender Equality);
- Organizational Model 231 and Code of Ethics and Conduct;
- Manuals (of the Management System/Operational Manuals) / Guidelines;
- Procedures;
- Operational Instructions;
- Technical Operations Documents;
- Registrations.

In addition, the Company applies, where compatible with its organizational and business reality, the policies, rules and working methodologies, defined by the French parent company. In addition, for policies of more general application within the Company's organization, specific procedures are adopted in order to facilitate their more effective implementation.

Management establishes policies, such as, *Corporate Governance, Gender Equality Policy*, to ensure commitment to the implementation and development of ENGIE's Integrated Management System in Italy, the continuous improvement of its effectiveness, and the promotion and dissemination of its understanding.

The *SGI Manuals* report the structural and systemic approach, adopted by the Company in implementing the Company Management Systems, according to the relevant standards (UNI EN ISO 9001, UNI EN ISO 14001, ISO 45001, ISO 50001, FGAS, ESCO, SA8000, UNI PDR 25, etc.).

The *Operations Manuals* broadly and comprehensively describe and regulate processes related to a specific business activity. Both *SGI Manuals* and *Operations Manuals* are issued by HSE, approved by the relevant business area, and maintained by HSE. They are updated when there are substantial changes in business processes and, following changes, are reviewed and approved by the same functions as above.

The *Guidelines* are the tool used by ENGIE in Italy to direct the management of a given area, according to cardinal principles and macro directions, which enable the Recipients to understand the spirit that guides the processes related to it. As reflected in the architecture of the SGI, these are documents that are characterized by a broad slant. They are issued by the relevant functions and verified by HSE.

Procedures represent the description of a process in discursive form, highlighting process steps, actors involved and their responsibilities and interactions. They may also encapsulate a graphical representation of the process itself through flowcharts showing the activities and interactions among the various actors involved.

Operating Instructions represent the descriptive documents in which activities, responsibilities, tools and timeframes are detailed for the implementation of specific micro-processes. They generally involve specific functions and illustrate operational actions to be implemented in carrying out a process. Normally, operating instructions are used by the specific operator of a unit to properly carry out the activities provided, for example, within a procedure.

Technical Operating Documents are the tool used by individual Business Functions to define the required characteristics of a product/service/activity (levels of quality or usage properties). These documents are not

centrally managed but codified following the operational needs of the specific functions and disseminated internally to the actors/functions concerned by the Head of the issuing Function/organizational unit. In some cases, they may be managed through the use of document information technology platforms.

Registrations are the tool used by individual business functions to record, plan and manage certain activities described within procedures or instructions (e.g., Gift and Hospitality Log, Non-compliance Log, etc.). Depending on the need, they may be part of the business processes, regulated in the SGI and may be included as attachments or mentioned with an indication of the location where they are available (e.g., company intranet, shared network folder of the owner of the process described, etc.). They can also be related to technical-operational documents managed directly by individual business functions (see previous par.). Records are used during the course of business activities and constitute a kind of "snapshot" of an action carried out at a given time, and as such are useful and indispensable tools for verifying the adequacy and effectiveness of the management system since they constitute evidence of whether or not a regulatory requirement has been met.

7.2 The Policy - Corporate Governance (Integrated Management System Quality, Environment, Energy, Safety)

An important tool of the ENGIE regulatory system, in Italy, is the Policy - Corporate Governance, relating to the Integrated Management System, valid under ISO 9001, ISO 14001, ISO 50001, SA8000, ISO 45001 certifications and expressly referring to Legislative Decree 231/01, which identifies the guidelines to inspire and conform to all choices concerning the quality of services provided, management of environmental impacts, rational use of energy, Social Responsibility and Workers' Health and Safety, applicable to all Group Companies.

This Corporate Governance, conveyed to all levels of ENGIE's organization, in Italy, and to all social stakeholders consistent with the Code of Ethics and Conduct, the Group's values, is based on a set of principles to which strategies and objectives must adhere.

The principles that ENGIE in Italy refers to include:

- compliance with applicable national and local regulations, international conventions related to personnel management and Group Guidelines, compliance obligations arising from the analysis of the context and stakeholders;
- compliance with the standards of environmental protection, efficient use of energy, safeguarding health and safety, quality, and ethical and social responsibility;
- participation of employees in the process of risk prevention, environmental protection and health and safety protection towards themselves, colleagues and third parties;
- satisfaction of applicable requirements and expectations of all corporate stakeholders as a fundamental prerequisite to the creation of value for its customers and the organization.

This policy document defines and documents the commitment of ENGIE in Italy in:

- availability of resources necessary to ensure the proper functioning of the Management Systems implemented by the organization;
- establishment and implementation of corporate objectives and the continuous improvement of working conditions, performance and quality of its products/services, reduction;
- environmental impacts, prevention of accidents and occupational diseases as well as the implementation of actions on Social Responsibility;
- identification of Major Risks related to workplaces and the appropriate control of risks associated with them;
- continuous improvement of the safety management of all workplaces, with specific attention to the risks associated with activities on industrial sites;
- reduction of energy waste through improved processing and utilization processes, the purchase of energy-efficient products and services, and the proper operation and maintenance of facilities;

- selection of suppliers, who are sensitive to ethical, environmental, and occupational safety issues, with a view to continuous improvement, so that they ensure compliance with those principles to which the ENGIE Group adheres;
- dialogue with the Authorities and the Community, collaboration with institutions and any other stakeholder, within the context in which the ENGIE Group operates, ensuring the utmost fairness and transparency in relations, providing complete, reliable and clear information;
- optimization of its products/services to meet the needs of Customers, ensuring that their requirements are determined, understood and met on a regular basis, and that the entire organization is constantly focused on improving their satisfaction;
- promotion, involvement, and professional development of all staff; consultation with workers on safety and health; respect for cultural, human, and religious values; and support and transfer of skills to developing populations that lack access to essential energy, health, and educational services;
- training and raising the awareness of its management and all staff on ethical, environmental, internal control, safety risk management and quality issues;
- the periodic evaluation, against established criteria and indicators, of the performance of the Integrated Management System as a tool for applying this *Corporate Governance*.

The review of the timeliness of the *Corporate Governance* document, as well as the appropriateness of changes to it, takes place periodically and concurrently with the Governing Body's review activity, in light of Internal Audits, based on any corporate changes, changing circumstances, and commitment to continuous improvement.

7.3 The INCOME Control System

The implemented Internal Control System is complemented by "INCOME" (Internal Control Management & Efficiency) controls, which is a program of controls, defined by the ENGIE Group and subsequently detailed and implemented by all Group Companies, including EGM, in order to ensure with a reasonable level of assurance, the achievement of the following objectives:

- compliance with applicable laws and regulations;
- reliability of accounting and financial information;
- Optimization of operational activities.

In relation to the first two objectives, the implementation of the INCOME program also ensures compliance with the "Loi de Sécurité Financière", which is the French legislation that requires the governing body of listed companies in France to indicate, in a report attached to the annual financial statements, among other things, the internal control procedures put in place by the company in order to prevent and control the risks associated with its activities, in particular the risks of error or fraud, with specific reference to the accounting and financial areas.

The INCOME Internal Control System is based on the following three basic principles:

1. All internal control systems are based on business or operational processes that have been identified, described, and evaluated. A business or operational process is a set of activities that are coordinated and organized, according to objectives in order to produce measurable results. This includes the implied notion of information or data processing. Within these processes, control activities are designed and then implemented locally to ensure that the process operates efficiently and safely;
2. The INCOME program is organized on the basis of a number of processes, considered essential for the Group, identified in the process map and grouped by domain, including:
 - sales;
 - supplies;

- commodities management;
- treasury;
- IT and cybersecurity;
- taxation;
- data protection;
- proxies;
- accounting;
- health and safety and environment;
- industrial processes;
- compliance with ethical principles.

Each process is described in a control framework that indicates the main risks associated with the process and the controls to be implemented;

3. A properly managed internal control system, within the entity, enables *management* to give assurance on the quality of the internal control system itself and confirm this formalized commitment through an attestation letter, signed by the Company's CEO and CFO.

In detail, the application of the INCOME program involves some basic steps:

- conducting, by the Business Process Owner, an annual self-assessment, aimed at evaluating the quality of the implemented internal control system;
- carrying out independent review missions regarding the quality of the self-assessment carried out by the Business Process Owner and any action plan defined; these reviews can be carried out by the Group Internal Control and Internal Audit functions, as well as by second-level internal controllers.

7.4 The ERM System

The ENGIE Group has implemented an Enterprise Risk Management (ERM) system that aims to preserve and enhance the Group's value and reputation by encouraging thoughtful, reasonable, and economically sustainable risk management, with particular reference to legal and regulatory, social, and human aspects. The implementation of a risk management system makes it possible to increase the probability for the Group to achieve strategic, financial, and operational objectives, in an environment where energy services market is constantly changing, by planning in advance the appropriate decisions for risk management and seizing the opportunities that the market offers.

The ERM system implemented by the Group, and declined on the subsidiaries, includes:

- the definition of specific roles and responsibilities for managing the system;
- the key processes to be evaluated;
- a framework for implementing the different phases of the system;
- a specific tool to assess and monitor risks.

With reference to processes, the Group has defined a "risk catalog", that is, a list of the main possible risks that the Group will have to manage in carrying out its activities.

EGM's Risk Officer (at the central level) draws from this list, which in any case should not be considered exhaustive, to decline, and subsequently assess, according to the criteria and methodology defined in the Group's policy, the risks applicable to their company.

Risks are grouped into the three macro-categories of strategic risks (related to the competitive environment, the regulatory and legal environment, technological developments, corporate reputation, etc.), financial risks (liquidity risk, price and rate fluctuation risk, etc.), and operational risks (related to occupational health and safety, industrial and environmental safety, ethics, compliance with applicable rules and regulations and internal regulatory instruments, etc.). The Group requires all companies to have certain risks mandatorily assessed, among these is "ethical risk" related to non-compliance with the Ethics & Compliance Program (on this, see the following section).

Group policy defines the criteria by which to carry out risk assessment, in terms of:

- impact resulting from the occurrence of the event, both financial and therefore quantitative, definable in terms of impact on EBITDA, and non-financial, inherent in the consequences on image and reputation, social context, environment, etc.;
- probability of occurrence of the event within a predefined time horizon, which can be assessed on the basis of statistical data, historical information, common experience, etc.;
- control measures aimed at preventing the occurrence of/containing the effect of any/responding to the occurrence of undesirable events, with substantial effect in terms of reducing the probability of occurrence/impact.

Upon completion of the risk assessment, the Reporting phase involves the development and preparation of management reporting, addressed to the various levels of responsibility, aimed at facilitating decision-making processes. The Company's management then has the necessary information to decide how to manage the risk and develops an action plan, aimed at mitigating the identified risks, the implementation of which is constantly monitored.

7.5 The Ethics & Compliance Program

The ENGIE Group has implemented an **Ethics & Compliance Program**, aimed at ensuring the conduct of its managers and employees in line with applicable laws in each country in which it operates and with the ethical values of the Company. This program is sponsored and supervised by the senior managers of the ENGIE Group and in particular the Chief Executive Officer, members of the Executive Committee, and the Secretary General of the ENGIE Group.

The Ethics & Compliance Program also incorporates the provisions and requirements of the French anti-corruption law *Sapin II* (LOI no 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique), which is fully applicable to ENGIE GLOBAL MARKETS, being a subsidiary of the ENGIE Group. Indeed, this law has made it mandatory for French companies with certain characteristics to adopt corruption prevention programs.

Such a program must include at least the following elements:

- Code of Ethics and Conduct, describing behaviors to be avoided in order to prevent corruption;
- whistleblowing system;
- risk mapping, updated periodically, which allows for the analysis and prioritization of the risk of the commission of the crime of corruption within the Company;
- due diligence procedures to be applied to at-risk customers, suppliers and intermediaries, as identified based on the outcomes of risk mapping;
- accounting controls, internal or external, designed to ensure that false accounting records are not made in order to conceal the commission of the crime of bribery;
- training programs for resources most exposed to corruption risk;
- disciplinary system that provides penalties for violating the code of conduct;
- internal control and evaluation system of the measures taken.

The law *Sapin II* also established the French Anti-corruption Agency (Agence Française Anticorruption - AFA), which is tasked with preventing and detecting cases of corruption and conflict of interest as well as assessing the effectiveness of prevention systems, adopted by companies.

The Group's Ethics & Compliance Program is, therefore, very detailed and is based on:

- adoption of the ENGIE Group's Code of Ethics and Conduct;
- appointment of an Ethics Officer in each country with direct functional reporting to the Group Ethics & Compliance function, with: i) precise responsibilities on implementation, dissemination and training of staff on the Ethics & Compliance program; ii) a support role for management and employees on any doubts and interpretations regarding ethical issues and specific cases; iii) responsibilities in reporting and handling ethics reports and incidents, anonymously; and iv) obligation to prepare the annual compliance report, as described below;
- **risk mapping** that is carried out **annually** in relevant ethics areas with a specific focus on risks related to corruption, human rights protection and health, safety and environment. This mapping follows a specific methodology, based on detailed checklists, and also includes a quantification of the risk and a possible plan of action where it emerges that additional controls should be put in place;
- a set of **procedures and codes of conduct**, aimed at putting in place stringent controls in risk areas (corruption, fraud, human rights protection, etc.) that must be adhered to by all entities of the ENGIE Group (a brief description of the most significant procedures and codes of conduct is given below);
- **whistleblowing**: a Group ethics whistleblowing management system that is open to all employees and stakeholders (suppliers, subcontractors, customers, unions, etc.). This system is easy to use, confidential and anonymous.

Any Group employee, who is a victim or witness to unethical conduct, in addition to being able to contact the Company's or the Group's Ethics Officer directly, can make a report via telephone (**00 800 2348 2348**) or e-mail (ethics@ENGIE.com). This report will be collected by the external provider, which will then submit it to ENGIE SA anonymously in order to protect the identity of the reporter. The reporter will receive a number with which they can keep track of how their report is being handled.

The Group ensures that employees, who have used the whistleblowing system or refused to engage in conduct contrary to the Group's principles, will not be subject to retaliatory measures of any kind, provided that they have acted in good faith; likewise, inappropriate or abusive use of the whistleblowing system may result in sanctions.

- **Management of "ethical incidents"**: Each Group company is obliged to report anonymously any ethical incident, even if only suspected, as soon as it has evidence of it. Ethical incidents relate to the following areas: business in ethical relations, financial integrity, conflict of interest, social responsibility and human rights, confidential information, protection of intangible assets, and privacy. The ethics incident disregards economic impact, and it must be reported anonymously. For each incident, there is an obligation to conduct an investigation. To this end, an information system (*Common Ethic*) is used in the Group to ensure the reporting and tracking of the management of such incidents until their closure, also providing evidence of any actions taken. If there is evidence of an ethics incident, specific sanctions are to be dispensed. The ENGIE Group's Compliance Committee is responsible for monitoring the management of such incidents for all Group subsidiaries;
- **Training** on the Ethics & Compliance Program, which must be provided to managers and employees of the Company. To this end, more general training for all employees and more detailed and specific training, with a focus on the prevention of corruption and fraud, for top managers and employees most exposed to the risk of corruption, is provided on a mandatory basis;
- **Compliance Report**: An annual Compliance Report sent to the Group, detailing both the activities put in place by the Company in implementing the rules and procedures of the Ethics & Compliance Program and any further specific actions taken in that area. This report is accompanied by a

compliance letter, signed by the CEO of ENGIE Italia S.p.A., certifying his responsibility and commitment in applying this program throughout the Company;

- **Control system:** Compliance with ethical principles and the Ethics & Compliance Plan is an integral part of the ENGIE Group's INCOME internal control system. The controls outlined are regularly subjected to specific internal or external audits, aimed at assessing the level of implementation of procedures and, where appropriate, identifying areas for improvement.

In relation to the procedures and codes of conduct that are part of the Ethics & Compliance Program, a brief description of the most significant ones is given below:

- **Integrity Referential:** gathers policies and procedures dedicated to the prevention of fraud, corruption, influence trafficking. The highest international standards (UK Bribery Act, US Foreign Corrupt Practices Act (FCPA), French Sapin II law) served as the basis for establishing the ENGIE Group's anti-corruption program.
- **Human Rights Referential** (*Human rights policy, Health and safety policy, Environmental and societal responsibility policy*): outlines the Group's commitment to respect and promote human rights in their many forms. Provides a clear operational approach that incorporates human rights into the Group's overall management framework, ethical compliance processes, and analysis of risks and impacts on operations.
- **Business Consultant Policy:** outlines the process of selecting, negotiating and executing contracts with Business Consultants. In light of the sensitivity of agreements with such counterparties, in terms of corruption risk, the Group must pay special attention both during the selection of Business Consultants and in overseeing the objectives and activities entrusted to them.
The Group's ambition to base its development on a culture of integrity requires all Group entities and their employees, as well as all third parties with whom they work, including Business Consultants, to act in accordance with the Group's ethical standards.
- **Gifts, Hospitality & Technical Trips Policy:** defines the rules to be followed in order to prevent corruption in the management of gifts and hospitality and technical trips. Gifts, hospitality and technical trips must be made in good faith, have a professional character and be related to the development of the Company's activities and business or to improving the quality of the working relationship between the ENGIE Company and its stakeholders, customers and partners. Fundamental rule is that gifts, hospitality and technical trips never influence the decision-making processes of the ENGIE Company's business or make others perceive such influence. They are also subject to registration and approvals on an ENGIE Group's information system, according to defined rules and criteria.
- **Code of conduct in supplier relations:** outlines the requirements and commitments of the ENGIE Group in supplier relations with the aim of offering competitive and sustainable solutions and providing a safe working environment, in accordance with the principles of ethical business conduct. In order to support the implementation of ethical standards, this policy details the 7 principles that are followed in supplier relations and how the ethical procedure is to be applied in practice.
- **Due diligence policy for suppliers and subcontractors:** aims to pursue the development of a culture of integrity and to strengthen the ENGIE Group's ethics process by making the analysis of ethical risks related to relationships with suppliers and subcontractors systematic. This policy imposes minimum integrated due diligence measures regarding preferential and strategic group suppliers and critical suppliers at the BU/Entity level ("Business Unit/Entity at risk suppliers").
- **Code of conduct for lobbying:** defines the behavior to be had by all individuals who carry out lobbying activities on behalf of the ENGIE Group, towards institutional entities and professional associations. Whether these activities are carried out by ENGIE Group employees or managed with the support of external companies, all behavior must be inspired by principles of transparency, integrity and reliability, in full compliance with applicable external regulations and the Group's Code of Ethics and Conduct.

- **Due Diligence policy on partners related to Investment Projects:** aims to pursue the development of a culture of integrity and to strengthen the ethical process of ENGIE Group Companies by making the analysis of ethical risks related to projects and project partners systematic. This policy imposes integrated due diligence measures on all projects and all partners associated with them. The depth of the due diligence checks to be conducted varies depending on the level of exposure of the Group and the country where the project is to take place.
- **Policy for the prevention of conflict of interests:** focused on the prevention and management of conflicts of interest, it aims to i) avoid any doubts that may arise on the occasion of decisions or actions taken by an ENGIE Group employee with reference to the employee's impartiality and loyalty to the Group in the performance of his or her duties; ii) draw appropriate conclusions if a conflict of interest is identified, in order to avoid any violation of integrity or, more generally, of the Group's ethical rules.
- **Embargo policy:** defines the rules to be followed within the Group for any matter relating to sanctions and restrictive financial, economic or trade measures against a foreign country or foreign persons or entities, defined as part of a government's foreign and security policy.
- **Policy on the incorporation of ethics into HR processes:** reiterates and details the Group's ethics requirements for human resource management processes. It applies to all Group employees and Group entities (BUs, subsidiaries, functional lines and other management entities) that ensure its implementation.
- **Note on ethics due diligence for external recruitment:** the document covers the ethical due diligence to be carried out in the recruitment of external and internal Group personnel, personnel who are most exposed to risks of corruption and trafficking in influence. The purpose of the document is to define the principles, framework, scope and methods through which such due diligence is to be carried out.
- **Guidelines for managing early warning signs:** governs the early identification and management of early warning signs in order to prevent and avoid the occurrence of an ethical incident and/or the commission of illegitimate conduct, and should the same be put in place, put an end to it as quickly as possible while minimizing negative impacts.
- **Due diligence policy in the context of patronage and sponsorships:** defines how to perform due diligence on the possible risks of sponsorships and patronage, including regulating its principles, prohibitions and required internal approvals.
- **Group whistleblower process:** defines the overall Group system for handling ethics reports.
- **Cyber Security Policy:** defines a consolidated and common vision of cyber security within the ENGIE Group. It identifies the objectives to be pursued by all Group Entities in order to ensure the protection of information and "Critical Cyber Assets". The policy applies both to Group Companies and to services outsourced to third parties.
- **Annual ethics compliance procedure / My ethics report:** defines an articulate and detailed annual report that, with reference to the application of all ethics policies, reports indicators/evidence of the activities carried out with an indication of the reasons for any non-application.

7.6 The Antitrust Compliance Program

ENGIE, in Italy, has adopted an Antitrust Code of Conduct, which is mandatory for all personnel of ENGIE Group Companies in Italy and is designed to facilitate and promote compliance with competition law.

The Antitrust Code of Conduct aims to:

- illustrate the basic principles of competition law;
- provide guidance on how to behave when dealing with competitors;
- provide guidance on how to behave when dealing with suppliers, customers, and distributors;
- provide other general rules of conduct.

7.7 The Group Vigilance Plan

Legislation has been introduced in the French legal system that provides for the "*Duty of Vigilance*" (law of March 27, 2017), i.e., the duty for French companies to draw up a "Vigilance Plan" that includes reasonable supervisory measures, aimed at **identifying and preventing serious violations of human rights, fundamental freedoms, people's health and safety, and the environment**, both with regard to the Group's own activities and those of its suppliers and subcontractors.

The ENGIE Group has provided for the annual preparation of a Vigilance Plan, which is also applicable to subsidiaries, and the preparation of a report on its implementation and enforcement at the end of the year.

The elements that make up the Vigilance Plan of the ENGIE Group are:

- Risk mapping in the above areas;
- Regular and periodic evaluation of the company, subsidiaries, subcontractors and suppliers;
- Risk prevention and mitigation action plan;
- System for whistleblowing reports;

System for monitoring and evaluating the actual effectiveness of the plan.

To this end, the ENGIE Group's policies are also applicable to EGM on:

- Human Rights;
- Health and Safety;
- Corporate Social Responsibility;
- Purchasing management and supplier qualification;
- Ethical due diligence of suppliers.

ENGIE GLOBAL MARKETS applies the provisions of the Vigilance Plan, prepared by the ENGIE Group.

7.8 The Financial Resource Management System

Article 6, paragraph 2 lett. c, of Decree 231 stipulates that the Models shall provide for methods of managing financial resources suitable for preventing the commission of crimes. The reason for this provision is to be found in the fact that numerous types of crimes, relevant to these regulations, can be carried out through the Company's financial resources.

Specifically, the specific internal procedures related to dispositive finance can be depicted below:

- existence of different actors, operating in the following stages/activities of the process:
 - request for the payment arrangement to discharge the obligation;
 - execution of the payment;
 - audit/reconciliation on final accounts;
- existence of limits on the autonomous use of financial resources through the determination of authorization levels for the provision of payment, broken down according to the amount and nature of the transaction;
- existence and dissemination of signature specimens in relation to the authorization levels, defined for the payment arrangement;
- existence of monitoring on the proper execution of the different stages of the process:

- check the correspondence between goods received and goods ordered by the requesting unit;
 - check the invoice received from the supplier;
 - request for specifically formalized payment arrangement;
 - authorization of the competent Function;
 - verification of payment;
- traceability of acts and individual steps in the process (with specific reference to the cancellation of documents that have already originated a payment).

8 THE SUPERVISORY BODY

8.1 Characteristics of the Supervisory Board

As a further fulfillment for the purposes of exemption from liability, Article 6, paragraph 1, letter b) of Legislative Decree 231/01, EGM has established a body of the entity with autonomous powers of initiative and control, which is entrusted with the task of supervising the operation and compliance with the Model (hereinafter, for brevity, "SB" or "**Supervisory Board**").

According to the provisions of Legislative Decree 231/01 (Articles 6 and 7), as well as the indications contained in Reference Guidelines, the characteristics of the Supervisory Board, such as, to ensure effective and efficient implementation of the Model, must be:

- a) autonomy and independence;
- b) professionalism;
- c) continuity of action.

Autonomy and independence

As also specified by Reference Guidelines, the position of the Body in the entity "must guarantee the autonomy of the control initiative from any form of interference and/or conditioning by any component of the entity" (including the Management Body). Therefore, the Body must be included as a staff unit in a hierarchical position (as high as possible) with the provision of reporting to the company's top operational management. Not only that, in order to guarantee its necessary autonomy of initiative and independence, it is indispensable that the Supervisory Board, understood as a body and not as an individual member, should not be assigned operational tasks that, by making it a participant in operational decisions and activities, would undermine its objectivity of judgment at the time of conduct and Model audits.

The SB enjoys autonomy and independence from the corporate bodies against which it exercises its control activities.

It is in no way involved in management activities nor is it in a position of hierarchical dependence.

The activities carried out by the SB cannot be syndicated by any function, body or corporate structure, without prejudice to the Executive Body's power-duty to supervise the adequacy of the intervention carried out by the Body in order to ensure the updating and implementation of the Model.

The SB, in carrying out its functions, has adequate financial means to ensure its operation.

Professionalism

This requirement refers to the specialized technical skills with which the Body must be equipped in order to carry out the activity that the standard assigns to it. In particular, the Supervisory Board must have specific knowledge in relation to any useful technique for carrying out the activity of inspection, consulting analysis of the control system and of a legal nature. The Supervisory Board must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objectivity of judgment.

To this end, the Supervisory Board must possess the necessary knowledge and experience to collectively ensure safe and effective operational control and supervision, within the limits established by the Model, with respect to all company procedures subject to supervision.

Continuity of action

The SB must:

- continuously carry out the activities necessary for the supervision of the Model with adequate commitment and the necessary powers of investigation;

- be a structure reportable to the Company, so as to ensure due continuity in supervisory activities.

To ensure the effective existence of the requirements described above, these individuals must possess, in addition to the professional skills described above, the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g., honorability, absence of conflicts of interest and family relationships with corporate bodies and top management, etc.). EGM ensures the effective and efficient implementation of the Model also through the appointment of members of the SB who meet these characteristics.

8.2 Appointment and Composition of the Supervisory Board

The Supervisory Board is appointed by the Governing Body, through a special resolution, which also determines the duration and remuneration for the appointment.

The appointment may be renewed by resolution of the Governing Body, which defines the financial resources to be allocated to the Supervisory Board.

In view of the requirements and tasks outlined above and taking into account the size and complexity of the Company's activities, in compliance with the Decree, as well as in accordance with the Reference Guidelines and in order to better ensure the independence and fairness of the decision-making by the said Body, the Company has opted for a monocratic composition of the same with an external member, who has experience in issues related to Legislative Decree 231/01, internal control and compliance.

Decisions regarding the identification, appointment and emolument of the member of the SB, as well as the budget allocated to the SB, are referred to the Governing Body.

The appointment of the SB shall be made known to and accepted by the person identified. Adequate notice of the appointment will be given to all levels of the Company.

8.3 Term of Office and Causes of Termination

In order to ensure the effective and constant implementation of the Model, as well as continuity of action, the term of office of the Supervisory Board is set at 3 (three) years, which may be renewed by resolution of the Company's Governing Body.

Termination of the SB may occur for any of the following causes:

- expiration of tenure;
- revocation for cause of the Supervisory Board by the Governing Body;
- resignation of the member of the SB.

Suspension or **revocation** of the SB can only be ordered for just cause, and such should be understood to include, but not be limited to, the following:

- gross negligence in the performance of duties related to the assignment;
- involvement of the Company in a proceeding, criminal or civil, that is related to an omitted or insufficient supervision, including negligence;
- case in which it is found that the confidentiality obligations, stipulated for the SB, have been violated.

The termination of the member's appointment may occur:

- following resignation from the position, formalized by appropriate written notice sent to the Governing Body with at least 3 (three) months' notice;
- should any of the grounds for disqualification set forth in the following paragraph arise;
- following revocation of the appointment by the Governing Body.

Removal of the SB and each member may only occur for just cause, subject to a resolution of the Governing Body.

If a member is removed or resigns, the Governing Body will promptly appoint a new Body.

In case of expiration, the outgoing Body is required to perform all the functions provided for in the Model until the resolution to appoint the new member.

8.4 Cases of Ineligibility and Disqualification

The following constitute grounds for ineligibility and/or disqualification of the member(s) of the SB:

- a) disqualification, incapacitation, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offenses provided for in the Decree or, in any case, to one of the penalties referred to in Article 2 of Ministerial Decree No. 162 of March 30, 2000, or which implies disqualification, even temporary, from public offices or the inability to exercise executive offices;
- b) a conviction of the Company, pursuant to the Decree or a plea bargaining sentence, which has become final, where it appears from the record that the Supervisory Board omitted or provided insufficient supervision, in accordance with the provisions of Article 6, paragraph 1, letter d) of the Decree;
- c) involvement of the Company in a proceeding, criminal or civil, that is related to an omitted or insufficient supervision, including negligence;
- d) failure to attend more than three consecutive meetings without a justified reason;
- e) gross negligence in the performance of their duties;
- f) conflicts of interest, even potential ones, with the Company that compromise its independence;
- g) existence of relationships of kinship, marriage or affinity, within the fourth degree, with the members of the Company's Governing Body, as well as with the same members of the parent and/or possibly controlled companies or with the external auditors;
- h) without prejudice to any employment relationship, the existence of relationships of a financial nature between the member(s) and the Company or its parent companies or companies controlled by it, such as to compromise the independence of the member(s);
- i) existence of ongoing working relationships that could reasonably be expected to compromise their independence.

If, during the course of the appointment, a cause for disqualification should arise, the member of the Supervisory Board is required to inform the Governing Body immediately.

8.5 Functions, Duties and Powers of the Supervisory Board

The **function of the Supervisory Board** generally consists of the following:

- supervise the effective application of the Model in relation to the different types of crimes considered by the Model;
- verify the effectiveness of the Model and its adequacy, that is, its suitability to prevent the commission of the crimes in question;
- identify and propose to the Governing Body updates and amendments to the Model itself in relation to changing regulations or business needs or conditions, as well as in the event of violations of the requirements of the Model itself;
- promote and monitor all information activities of Recipients that it may deem necessary or appropriate, as well as promote and monitor the implementation of training initiatives, aimed at fostering adequate knowledge and awareness of the Model and related procedures, in order to increase the culture of control and ethical values within the Company;
- meet with the appropriate timeliness, also through the preparation of suitable opinions, requests for clarification and/or advice coming from company functions or resources or from the administrative and control bodies, if connected and/or related to the Model.

Within the scope of the function described above, the SB is responsible for the following **tasks**:

- prepare the annual program of supervisory activities within the Company's structures and functions, consistent with the principles and contents of Model 231;
- periodically carry out, on the basis of the activity plan, targeted audits and inspections of specific operations or acts carried out within the scope of Offense Risk Processes;
- collect, process and store relevant information regarding compliance with the Model, as well as update the list of information that must be mandatorily transmitted to the same SB;

- conduct internal investigations to ascertain alleged violations of the prescriptions of this Model, brought to the attention of the SB, by specific reports or arising in the course of the SB's supervisory activities;
- verify that the elements, provided in the Model for the different types of offenses (standard clauses, procedures and related controls, system of delegated powers, etc.), are actually adopted and implemented and meet the requirements of compliance with Legislative Decree 231/01, providing, if not, to propose corrective actions and updates of the same.

The SB draws up its own internal "Rules and Regulations", an expression of its operational and organizational autonomy, governing the main aspects and methods of the exercise of its action.

To carry out the above functions and tasks, the following powers are granted to the SB:

- broad and widespread access to company information and documents, without the need for prior consent and/or authorization;
- conduct audits and inspections, including unannounced ones;
- avail itself of the support and cooperation of the various corporate structures and corporate bodies that may be interested, or otherwise involved, in control activities;
- award specific consulting and assistance assignments to professionals, including those outside the Company.

8.6 Resources of the Supervisory Board

The Governing Body assigns to the SB the financial and human resources, deemed appropriate, for the purpose of carrying out the assigned task.

As far as human resources are concerned, the administrative body assigns corporate resources, in a number appropriate to the size of the Company and the tasks incumbent on the SB itself. All assigned resources, while continuing to report to their hierarchical contact person, are allocated to the SB and functionally report to it with regard to the activities carried out on its behalf.

In order to further strengthen the requirements of autonomy and independence, the Supervisory Board is provided, for any needs necessary for the proper performance of its duties, with the budget that the Governing Body assigns to it, on an annual basis.

If it deems it appropriate, during its term of office, the SB may request the Governing Body, by means of a reasoned written communication, to allocate additional human and/or financial resources.

In addition to the abovementioned resources, the SB may use, under its direct supervision and responsibility, the assistance of all the Company's structures as well as external consultants. In particular, for the latter, compensation is paid through the use of the financial resources allocated to the SB.

These economic resources will be available to the Supervisory Board in full autonomy, subject to the need to report on the use of the budget itself, at least on an annual basis.

8.7 Operation of the Supervisory Board

The member of the SB is required to verbalize any situation of conflict of interest that may arise in the course of his or her activities and immediately notify the Governing Body.

The minutes and all documentation produced and received must be kept in a special file, accessible only to the member of the SB, and if present, to the members of the technical secretariat of the SB or persons delegated by the SB.

8.8 The Information Flows

8.8.1 Information Flows to the Supervisory Board

Article 6, 2nd paragraph, lett. d) of Legislative Decree 231/01, requires the provision within the Model of information obligations towards the SB, called upon to supervise the functioning and observance of the Model within the Company.

The requirement for structured information flows is designed as a tool for the SB to:

- a) enable it to concretely supervise the effectiveness and efficacy of the Model;
- b) verify, ex post, of the causes that made possible or contributed to the occurrence of the offenses under Legislative Decree 231/01;
- c) improve its control planning activities.

The information requirement is addressed to all company departments and functions, but first and foremost to those facilities deemed to be at risk of crime, according to the Company's risk mapping document.

EGM has a specific protocol to regulate information flows between the Company and the Supervisory Board.

As required by the Reference Guidelines and best application practices, information flows to the Supervisory Board are distinguished into:

- periodic information;
- ad hoc information flows.

These dedicated communication channels are as follows:

- e-mail address: Odv-EGM-Ita@ENGIE.com specifically dedicated to communications for the SB;
- traditional mail address: Supervisory Board of ENGIE GLOBAL MARKETS - Italian Branch; at the headquarters of the Company.

8.8.2 The Periodic Information Flows

Relevant information (with the obligation to make available to the SB the relevant documentation, where available) relating to the Company's activities, which may be pertinent as to the performance by the SB of its assigned duties, such as, but not limited to:

- organizational and procedural changes;
- any changes, or identified deficiencies, in the corporate or organizational structure;
- updates to the system of delegation and authority;
- periodic reporting on the progress of training activities in the area of Legislative Decree 231/01;
- decisions related to the application for, disbursement, and use of public funds;
- changes in Offense Risk Processes;
- copies of the resolutions of the Governing Body and the minutes of the Members' Meeting;
- copies of periodic reports on occupational health and safety;
- statement of truthfulness and completeness of the information contained in corporate communications;
- outcomes of the verification and monitoring activities of environmental compliance carried out by the Company;
- any safety and environmental inspection reports from Public Authorities and/or Control Authorities and any other relevant safety and environmental documents;
- procedures put in place to protect health and safety in the workplace, any changes that affect EGM's organizational structure and protocols concerning the subject matter, and documents relevant to the occupational health and safety management system.

8.8.3 Ad hoc Information Flows

Ad hoc information flows, addressed to the SB by corporate officers or third parties, pertain to current or potential critical issues and may consist of, but are not limited to:

- measures notified by the Judicial Authority to the Company or to the Management Body, managers or employees from which it can be inferred that investigations are being carried out by the same Authority for administrative offenses under Legislative Decree 231/01 or for related predicate offenses;
- evidence of disciplinary proceedings conducted for violations of the Model, their outcomes and reasons and any sanctions imposed;
- measures and/or news coming from judicial police bodies, or any other authority, concerning the conduct of investigations involving EGM, its employees or members of corporate bodies regarding possible offenses under Legislative Decree 231/01;

- reports that may be prepared by the heads of other bodies and organizational units and corporate functions as part of their control activities and from which facts, acts, events or omissions with profiles of criticality with respect to compliance with the Decree may emerge;
- requests for legal assistance made by employees in the event of the initiation of legal proceedings against them and in relation to the crimes under the Decree, unless expressly prohibited by the judicial authority;
- news of disciplinary proceedings, as well as of any sanctions imposed or of the measures of dismissal of such proceedings with the relevant reasons, if they are related to the commission of crimes or violation of the Model's rules of conduct or procedures;
- possible existence of situations of conflict of interest between one of the Recipients of the Model and the Company;
- any significant deviations from the budget or spending anomalies revealed in the final accounting phase;
- any non-standard ways of managing financial resources;
- commissions of inquiry or internal reports/communications from which responsibility for the offenses set forth in Legislative Decree 231/01 emerges;
- any accidents in the workplace, or measures taken by the Judicial Authority or other Authorities on the subject of occupational health and safety, including in the form of measures adopted pursuant to Legislative Decree No. 758 of 1994, from which violations of occupational health and safety regulations emerge;
- any measures taken by the Judicial Authority or other Authorities in the field of the environment, from which an actual or potential violation of environmental regulations and/or authorizations governing the company's activities appears.

All Recipients of the Model are required to inform the SB of any act, behavior or event of which they become aware and which could result in a violation of the Model or, which, more generally, is potentially relevant for the purposes of the Decree.

The reporting obligations do not imply for the SB an activity of punctual and systematic verification of all the phenomena represented in the documents and acts that are sent to the SB by the various corporate structures, but only those phenomena that may entail liability under Legislative Decree 231/01.

8.8.4 Information Flows from the Supervisory Board

The SB reports on the implementation of the Model and the occurrence of any critical issues.

In particular, the Supervisory Board provides the following periodic reports to the Governing Body:

- communicates, by means of the Annual Report, at the beginning of each financial year and imperatively within the first half of the current year, the plan of activities that it intends to carry out in order to fulfill the assigned tasks as well as, the progress of the program together with any changes made to it, reporting on the implementation of the Model, the verification and control activities carried out and the outcome of the same, as well as on proposals for revising and updating the Model.

In addition, the SB must report promptly to the Governing Body (so-called ad hoc information flows) on:

- any violation of the Model that is deemed well-founded, of which it has become aware through reporting or that the Body itself has ascertained;
- detected organizational or procedural deficiencies capable of determining the concrete danger of commission of crimes relevant for the purposes of the Decree;
- lack of cooperation from corporate facilities;
- existence of criminal proceedings against individuals working on behalf of the Company, or against the Company in relation to crimes relevant under the Decree.

Meetings with the corporate bodies to which the SB reports must be minuted. Copies of such minutes will be kept by the SB and the corporate bodies involved from time to time, respectively.

Notwithstanding the above, the Supervisory Board may also communicate/report, evaluating individual circumstances:

- (i) the results of its findings to the heads of functions and/or processes if the activities give rise to aspects susceptible to improvement. In such a situation, it will be necessary for the SB to obtain from the

process managers a plan of actions, with corresponding timelines, for the implementation of activities susceptible to improvement as well as the result of such implementation;

- (ii) behaviors/actions not in line with the Model to the Management Body in order to:
- acquire from the same all the elements to make any communications to the structures in charge of the evaluation and application of disciplinary sanctions;
 - give directions for the removal of deficiencies to prevent a recurrence.

Finally, the Body is obliged to immediately inform the Board of Directors if the violation concerns the Management Body of the Italian Branch.

8.8.5 Relations between Group Supervisory Bodies

EGM's Supervisory Board may define channels of communication with the Supervisory Board of ENGIE Italia S.p.A. and, if necessary, with the Supervisory Boards of the affiliated companies, on an annual basis, while respecting the autonomy of the various bodies and the confidentiality of information pertaining to the different companies, in order to share any relevant information, also in relation to the service contracts in place between the companies.

9 WHISTLEBLOWING REPORT MANAGEMENT SYSTEM

In accordance with the provisions of Legislative Decree No. 24 of March 10, 2023, which amended Article 6 of the Decree, the Company has activated the appropriate dedicated internal reporting channels, aimed at enabling the persons, specifically identified by Article 3 of Legislative Decree No. 24/2023, the drafting of reports concerning violations of European Union law or national regulatory provisions of which they have become aware within their own work context (i.e. employees, self-employed workers, collaborators, freelancers, consultants, trainees, shareholders, members of the administration and control bodies, etc.).

Pursuant to Legislative Decree No. 24/2023, violations are behaviors, acts or omissions likely to harm the public interest or integrity of the public administration or private entity inherent in:

a) violations of national and European provisions, consisting of offenses concerning specifically identified areas (public procurement; services, products and financial markets and prevention of money laundering and terrorist financing; product safety and compliance; environmental protection; public health; consumer protection; privacy and personal data protection; network and information system security; etc.);

(b) violations of European provisions consisting of (i) acts or omissions that harm the financial interests of the Union; (ii) acts and omissions concerning the internal market; and (iii) acts and conduct that frustrate the object or purpose of the provisions of Union acts in the areas mentioned above;

c) violations of national provisions that consist of: i) administrative, accounting, civil or criminal offenses; ii) illegal conduct relevant under Legislative Decree No. 231/2001 or violations of organizational models (not included in the previous categories of violations of national and European provisions).

The Company, in accordance with the provisions of the whistleblowing regulations and the Group's Ethics & Compliance Program, has defined the following anonymous reporting channel, (including anonymously) suitable for guaranteeing the confidentiality of the reporter's identity and the security of information: computer tool that guarantees the security and protection of data and the confidentiality of information and the identity of the reporter, through an advanced system of encryption of communications, in line with the provisions of the relevant regulations: <https://ENGIE-globalmarkets.wbisweb.it/#/>

Reports may also be sent, specifying that it is a confidential communication pursuant to Legislative Decree 24/2023, to the Company's Local Compliance Officer:

- via e-mail to: claudia.sech@ENGIE.com;
- through regular mail by writing to: To the attention of the Local Compliance Officer, Claudia Sech - Viale Giorgio Ribotta 31, 00144 Rome, Italy c/o GEMS

ENGIE GLOBAL MARKETS - Italian Branch has entrusted the management of internal reporting channels to the Local Compliance Officer (the "Manager"), who is responsible for ensuring compliance with regulatory requirements for receiving, analyzing and responding to incoming reports.

The reporter may use the external reporting channel, established by **the Italian National Anti-corruption Authority (ANAC)**, where one of the following conditions exists:

- in the work context, internal channel activation is not planned as mandatory or, if planned, has not been activated;
- the report was not followed up;
- there are reasonable grounds to believe that if he/she made the internal report, it would not be followed up or that he/she would face retaliation;
- there are reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.

It should be noted that violations, pertaining to illegal conduct relevant under Legislative Decree No. 231/2001 or violations of the Organization, Management and Control Model (where they do not fall under violations of national and European provisions), may be made only through the internal reporting channels set up by the Company.

In compliance with the obligation of confidentiality provided for by Legislative Decree No. 24/2023 and applicable company procedures, the Manager shall promptly notify the Supervisory Board of the receipt of any reports concerning violations of the Model and/or unlawful conduct constituting the predicate offenses of the Decree, including potential ones, and update it on the results of the analysis and investigation activities carried out.

If the Supervisory Board receives reports through the dedicated e-mail or regular mailbox (see Section 8.8), it will forward them to the Manager within 7 days of their receipt, also giving simultaneous notice of the transmission to the reporter.

The Company has provided for specific measures to protect the whistleblower and other persons identified in Article 3 of Legislative Decree No. 24/2023, so that they are not subject to retaliation, discrimination or, in any case, penalization related to reporting.

Any act taken in violation of the above measures and the provisions of Legislative Decree No. 24/2023 is null and void.

Without prejudice to the sanctions that may be imposed by the civil or criminal authorities, pursuant to Article 16 of Legislative Decree No. 24/2023, and without prejudice to the administrative sanctions applied by ANAC, pursuant to Article 21 of Legislative Decree No. 24/2023, the Sanctions System, adopted by the Company (referred to in Paragraph 10 of this Model), provides, among other things, for the imposition of disciplinary measures against anyone who violates the provisions of Legislative Decree No. 24/2023 on the subject of reporting unlawful conduct.

The management of reports by the Manager is governed by a specific procedure "Whistleblowing Report Management", which regulates the reporting channels activated by the Company and its operation, the relevant reports and the individuals who can make them, the competence and management methods of analysis and investigation activities, resulting from the reports and their terms, the protection measures for the reporter, and the conditions for making external reports and/or public disclosure.

10 PENALTY SYSTEM

10.1 General Principles

Article 6 of Legislative Decree 231/2001 explicitly states that the entity must put in place an appropriate disciplinary system in order to punish non-compliance with the measures set forth in the Model.

The establishment of a penalty system, commensurate with possible violations, serves a twofold purpose:

- (i) increase the likelihood of the Model's effectiveness by serving as a deterrent to violations;
- (ii) strengthen the effectiveness of the control action operated by the SB.

To this end, EGM provides for a graduation of applicable sanctions, in relation to the different degree of dangerousness that behaviors may present with respect to the commission of crimes.

The penalty system is declined within the document "Disciplinary Code for all ENGIE Group Companies in Italy and their subsidiaries".

To ensure the effectiveness of the sanctions system, any violation of the Model and the procedures established to implement it, committed by anyone, must be immediately reported to the SB. The duty to report rests on all Recipients of the Model.

The application of the sanctions described in the sanctions system is irrespective of the outcome of any criminal proceedings, since the rules of conduct, imposed by the Model, the Code of Ethics and Conduct and the related procedures, are assumed by EGM in full autonomy and regardless of the type of offenses referred to in Legislative Decree 231/01.

10.2 Sanctionable conduct

Penalties may be imposed under the Disciplinary System for actions and/or conduct carried out in violation of the Model, internal operating procedures, and failure to comply with any indications and prescriptions coming from the Supervisory Board, in compliance with the rules set forth in the national collective bargaining agreement, as well as with the laws or regulations in force.

Sanctionable violations can be divided into the categories listed below, in ascending order of severity:

- violations of the Model, of operating procedures constituting mere non-compliance with operational requirements (e.g., non-compliance with procedures, failure to communicate prescribed information to the SB, failure to carry out controls, etc.) of minor significance;
- breaches of the Model, of operational procedures constituting mere non-compliance with operational prescriptions of greater significance, in terms of the importance of the object and potential consequences;
- violations of the Model, of operating procedures not unambiguously directed to the commission of one or more offenses, but nevertheless objectively, such as, to entail the concrete risk of them;
- infractions of the Model, of operating procedures uniquely directed to the commission of one or more crimes, regardless of the actual realization of the criminal purpose;
- violations of the Model, of operating procedures - or, in any case, adoption of conduct - such as, to determine the concrete application against the Company of any of the sanctions provided for in the Decree.

By way of example and without limitation, the following constitute sanctionable conduct:

- failure to comply with procedures prescribed in the Model and/or referred to therein;
- failure to comply with information requirements prescribed in the control system;
- omission or false documentation of transactions in accordance with the principle of transparency;
- omission of controls by responsible parties;
- failure of Recipients to participate in training activities related to the content of the Model and the Decree and, in general, unjustified failure to comply with training obligations;
- failure to monitor the dissemination of the Code of Ethics and Conduct by responsible parties;
- adoption of any act circumventing the control systems;
- obstruction of the Supervisory Board's control activities;
- violation, including by omissive conduct and in possible concurrence with others of the principles and procedures, provided for in the Model or established for its implementation;
- failure to prepare the documentation required by the Model or the procedures established for its implementation;
- preparation of documentation or the provision of information governed by the Model, possibly in conjunction with others, that is false;
- removal, destruction or alteration of documentation concerning the implementation of the Model;

- hindrance of access to information and documentation requested by those responsible for implementing the Model;
- performance of any other conduct suitable for circumventing the control system provided by the Model;
- adoption of conduct that exposes the Company to the imposition of the penalties set forth in Legislative Decree 231/01.

The violation of the provisions of Legislative Decree No. 24/2023, regarding the reporting of unlawful conduct, also constitutes grounds for the application of the disciplinary measures, provided for in this Disciplinary System. In particular, the following are disciplinary sanctions:

- conduct of those who maliciously or grossly negligently make reports that turn out to be unfounded, without prejudice to the sanctions that may be imposed by civil or criminal authorities, pursuant to Article 16 of Decree 24/2023, and without prejudice to the ANAC administrative sanctions, pursuant to Article 21 of the aforementioned Decree;
- retaliatory conduct in violation of Article 17 of Legislative Decree No. 24/2023³, i.e., conduct, acts or omissions, even if only attempted or threatened, put in place as a result of the report and which may directly or indirectly cause the reporter unjust damage;
- conduct likely to hinder reporting;
- violations of whistleblower protection measures with reference to the obligation of confidentiality;
- failure to establish or inefficient management of the internal reporting channel.

Disciplinary measures and related sanctions, where adoptable in relation to the Recipients of the same, are identified by the Company on the basis of the principles of proportionality and effectiveness, in relation to their suitability to carry out a deterrent and, subsequently, sanctioning function, as well as taking into account the different qualifications of the persons to whom they apply.

Given the seriousness of the consequences for the Company, in the event of misconduct by employees, any failure to comply with the Model and procedures configures a violation of the employee's duties of diligence and loyalty and, in the most serious cases, is to be considered detrimental to the relationship of trust established with the employee. The aforementioned violations must therefore be subjected to the disciplinary sanctions provided for in the disciplinary system, regardless of any judicial finding of criminal liability, this is because the violation of the rules of conduct, adopted by the Company with the Model, is relevant regardless of whether such violation constitutes a criminally relevant offense.

With regard to the investigation of violations, it is necessary to maintain a distinction between individuals linked to the Company by an employment relationship and other categories of individuals. For the former, the disciplinary procedure can only be the one already regulated by the "Workers' Statute" (Law No. 300/1970) and the applied national collective agreement (CCNL) and the Corporate Disciplinary Code, adopted by all ENGIE Group Companies in Italy.

³ By way of example:

- (a) dismissal, suspension or equivalent measures;
- (b) demotion in rank or non-promotion;
- (c) change of duties, change of workplace, reduction of salary, change of working hours;
- (d) suspension of training or any restriction of access to it;
- (e) negative merit notes or negative references;
- (f) adoption of disciplinary measures or other penalty, including fines;
- (g) coercion, intimidation, harassment or ostracism;
- (h) discrimination or otherwise unfavorable treatment;
- (i) failure to convert a fixed-term employment contract into an employment contract of indefinite duration, where the employee had a legitimate expectation of such conversion;
- (l) non-renewal or early termination of a fixed-term employment contract;
- (m) damage, including to a person's reputation, particularly on social media, or economic or financial harm, including loss of economic opportunities and loss of income;
- (n) improper listing, on the basis of a formal or informal sectoral or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future;
- (o) early termination or cancellation of the contract for the provision of goods or services;
- (p) cancellation of a license or permit;
- (q) request to undergo psychiatric or medical examinations.

For other categories of individuals (directors, collaborators, partners), the appropriate measures to be taken will be determined within the scope of and according to the rules superintending the exercise of the relevant functions, as described in the following paragraphs.

10.3 Criteria for the Imposition of Sanctions

Penalties, imposed for violations, must, in all cases, respect the principle of gradualness and proportionality to the seriousness of the violations committed.

The determination of the type, as well as the extent of the sanction to be imposed, following the commission of relevant infractions, including relevant offenses under Legislative Decree 231/01, must always be based on verification and evaluation:

- of the intentionality of the behavior from which the violation resulted;
- of the negligence and/or recklessness and/or inexperience demonstrated by the perpetrator in the commission of the violation, especially with reference to the actual possibility of foreseeing the event;
- of the significance and possible consequences of the violation or wrongdoing;
- of the position held by the perpetrator within the corporate organization, especially in view of the responsibilities associated with his or her duties;
- by the existence of any aggravating and/or mitigating circumstances that may be noted in relation to the Recipient's conduct including, but not limited to, the existence of previous disciplinary sanctions;
- of the complicity of several Recipients, in agreement with each other, in the commission of the violation or offense.

10.4 Disciplinary Measures for Workers Employees

The disciplinary system is applied to employees with the status of blue-collar, white-collar, middle or executive worker with reference to the provisions of Article 7 of Law No. 300 of May 20, 1970 (Workers' Statute), the applied CCNLs, as well as the "Corporate Disciplinary Code adopted by all ENGIE Group Companies in Italy" and an integral part of this Model.

Conduct by employees in violation of the rules, contained in the Model and procedures, are defined as disciplinary offenses.

The Company informs its employees that the Model constitutes an expression of the employer's power to issue provisions for the execution and discipline of work (Article 2104 of the Civil Code).

The Model constitutes a set of principles and rules with which the Company's employees must comply, also in accordance with the provisions of the respective collective bargaining agreements on rules of conduct and disciplinary sanctions.

Violation of the provisions of the Model and the implementation procedures entails the application of the disciplinary procedure and related sanctions, pursuant to the Law and the aforementioned CCNLs, in addition to the compensatory liability for any damages caused.

In particular, violation by employees of the prohibitions and obligations, contained in the rules of conduct, specifically detailed in the current Disciplinary Code, entails, in relation to the seriousness of the infraction, the adoption of the following disciplinary sanctions, within the limits established by the collective agreement applicable to the employment relationship:

- fine;
- suspension;
- dismissal with or without notice.

The sanctions of fine and suspension will be taken in the case of infractions that, in view of the specific circumstances giving rise to them, are not so serious as to make a different sanction applicable.

The sanction of dismissal with or without notice, on the other hand, may be taken against employees guilty of misconduct that is so serious as not to permit the continuation of the relationship, or in the case of recidivism,

or if the purpose of the conduct is to secure a personal or Company advantage regardless of the seriousness of the breach.

The application of the disciplinary sanction is irrespective of the establishment and outcome of any criminal proceedings against the employee and is in any case without prejudice to the Company's right to claim damages.

10.4.1 Non-management Employees

EGM applies, as noted above, to its employees in non-management positions, the disciplinary measures provided for by the various CCNLs applied to individual employment relationships and by the Corporate Disciplinary Code, adopted by all ENGIE Group Companies in Italy.

Sanctions will be imposed by the Human Resources Department and reported to the Supervisory Board.

10.4.2 Executives

With regard to executives, the Company considers it appropriate to extend the disciplinary system, provided by the various CCNLs applied to non-executive employees and by the Corporate Disciplinary Code, adopted by all ENGIE Group Companies in Italy, with the due adaptations, determined by the particularity of the executive relationship, considering that the executive relationship is characterized by its fiduciary nature. Indeed, the executive's behavior is reflected not only within the Company, but also externally; for example, in terms of image with respect to the market and in general with respect to the various stakeholders.

Therefore, compliance by the Company's managers with the provisions of the Model and the obligation to enforce it is considered an essential element of the managerial working relationship, since it constitutes an incentive and example for all those who are hierarchically dependent on them.

In the event of violation by executives of the principles, rules and internal procedures set forth in the Code of Ethics and Conduct or the Model or the adoption, in the performance of activities included in the sensitive processes, of a behavior that does not comply with the requirements of the Code of Ethics and Conduct or the Model, disciplinary measures, related to the seriousness of the violations committed, will be applied against those responsible.

Disciplinary measures will be taken both in cases where a manager expressly allows or for failure to supervise employees hierarchically subordinate to him/her to engage in conduct that does not comply with the Code of Ethics and Conduct or the Model and/or in violation thereof, and in cases where the infraction is committed by them.

Also in view of the special bond of trust that characterizes the relationship between the Company and the executive, again in accordance with the provisions of the current legal provisions and the CCNL *Dirigenti*, applied to the individual relationships, dismissal with notice or without notice will be applied, depending on the seriousness of the violation committed.

For less serious infractions, sanctions may be applied, ranging from a written warning to suspension from service and pay up to a maximum of 10 days, depending on the case and in proportion to the seriousness of the behavior.

10.5 Disciplinary Measures against the Governing Body

In cases of violation of the Model by the Management Body, the Supervisory Board shall inform without delay the Board of Directors of EGM SAS itself, which, according to their respective competencies, shall proceed to take one of the following initiatives, taking into account the seriousness of the violation and in accordance with the powers provided by law and/or the Articles of Association:

- statements in the minutes of the meetings;
- formal warning;
- revocation of the powers delegated by the Board of Directors or the assignment given;
- request for the convening or calling of a General Meeting of Shareholders with, on the agenda, the adoption of appropriate measures against the individuals responsible for the violation, including the exercise of legal action, aimed at the recognition of the director's liability to the Company and compensation for damages suffered. In the event that the violations of the Model are deemed to undermine the relationship of trust with the director or there are otherwise serious reasons related to

the protection of the interest and/or image of the Company, the Board of Directors shall convene the Shareholders' Meeting to deliberate on the possible revocation of the Management Body.

If the violation is contested against a Director linked to the Company by a subordinate employment relationship, the sanctions provided for Executives or employees in the preceding paragraphs concerning them shall be applied. In such a case, if the sanction of dismissal, with or without notice, is imposed, the removal of the Director from office shall also be arranged.

10.6 Measures against Third Parties

This Disciplinary System has, in addition, the function of sanctioning violations of the Model committed by Recipients external to EGM IB. These are, in particular, all persons who are nevertheless required to comply with the Model by virtue of the function performed on behalf of the Company (hereinafter collectively referred to as "Third Party Recipients").

Contracts entered into with Third Party Recipients (e.g., consultants, partners, suppliers, etc.) must contain specific express termination clauses that can be enforced by the Company in the event of conduct that conflicts with the lines of conduct set forth in the Model and such as to entail the risk of committing an offense sanctioned by the Decree.

The Company is committed to taking all measures so that external collaborators are informed and aware of the lines of conduct set forth in the Organizational Model.

Failure to comply with the prescriptions and procedures, established or referred to in the Model by Third Party Recipients, may result in the following sanctions against them and in accordance with the provisions of the specific contractual relationship:

- warning to timely compliance with the provisions and principles, established in the Model, if the violation of one or more of the behavioral rules provided therein constitutes a minor irregularity;
- application of a penalty, if contractually required;
- immediate termination of the relevant contract, without prejudice to the right to claim compensation for damages incurred as a result of said conduct, including damages caused by the application by the court of the measures provided for in Legislative Decree 231/01, if the violation of one or more behavioral rules provided for in the Model results in financial damage to the Company or exposes it to an objective situation of danger to the integrity of corporate assets.

In the event that the above violations are committed by administered workers or within the framework of contracts for works or services, the sanctions will be applied, upon the positive determination of the violations by the worker, against the administrator or contractor.

Therefore, for external collaborators, infractions may result in the contractual termination, even without notice, of the relationship and, in any case, the Company's right to recourse for any damage and/or liability that may be caused to it by the conduct of external collaborators in violation of the Organizational Model remains valid.

10.7 Measures against Members of the Supervisory Board

The measures to be taken against the members of the Supervisory Board, in the face of conduct in violation of the rules of the Model and internal procedures, as well as negligent conduct that has resulted in failure to control the implementation, compliance and updating of the Model itself, are the responsibility of the Management Body and may consist of suspension or revocation of the member of the SB.

10.8 Measures against those who Violate the Whistleblower Protection System

In the event that retaliatory or discriminatory conduct is found against the person who has made a report pursuant to the procedure provided by EGM IB, or in the event of violation of the reporter's obligations of confidentiality provided for in the reporting management procedure, the person who made the report will be subject to the disciplinary measures set forth in the preceding paragraphs with respect to the company position held. A whistleblower, who has made unfounded reports with malice or gross negligence, shall be subject to the same sanctions.

10.9 Measures on Whistleblowing

In any case, for all the cases described above, in deference to the provisions of Article 19, paragraph 3, of Legislative Decree No. 24/2023, retaliatory or discriminatory dismissal of the reporter is void.

Moreover, null and void are the change of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures taken against the reporter that may cause him or her "unfair harm", according to the provisions of Article 2 c.1 letter m) of Legislative Decree No. 24/2023.

In the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or subjecting the reporter to any other retaliatory measure, having direct or indirect negative effects on working conditions, subsequent to the submission of the report, it is presumed that such conducts or acts were carried out because of the report. The Employer has the burden of proving that such conduct or acts are motivated by reasons unrelated to the report, according to the provisions of Article 17 c.2 and c.3 of Legislative Decree No. 24/2023.

10.10 The process of Imposing Sanctions on Employees

The sanctions described in the preceding paragraphs are imposed, according to the procedure described below and articulated, in relation to each category of Recipients, in the two stages of (i) contestation of the violation to the person concerned and (ii) determination and subsequent imposition of the sanction.

This procedure originates following the receipt, by the corporate bodies involved from time to time and indicated below, of the communication in which the SB reports that the Model and procedures have been violated.

After the verification and control activities are completed, the SB assesses, based on the elements collected, whether a sanctionable violation of the Model and procedures has actually occurred. If positive, it reports the violation to the Management Body and the Human Resources Department; if negative, it forwards the report to the Human Resources Department so that the latter can assess the possible relevance of the conduct with respect to other applicable laws or regulations.

10.10.1 With Respect to Non-management Employees

If a violation of the Model and related procedures is detected by a person who qualifies as an Employee, the procedure for ascertaining the violation is carried out in compliance with the requirements of Article 7 of the Workers' Statute as well as the applicable CCNL.

Specifically, the SB submits to the Governing Body and the Human Resources Department a report containing:

- 1) the details of the person responsible for the violation;
- 2) the description of the conduct (active or omissive) engaged in and detected;
- 3) an indication of the provisions of the Model violated by such conduct;
- 4) any documents and/or other evidence of the violation.

Within ten days of acquiring the report of the SB, the Company, through the Human Resources Department, shall contest the violation reported by the SB to the person concerned, by means of written notice. The latter must indicate, in a punctual manner, what the contested conduct is and the relevant provisions of the Model that have been violated, the notice of the right to formulate any deductions and/or written justifications within five days of receiving the notice.

Following any counterclaims by the person concerned, the Human Resources Department shall make a decision on the determination and application of the penalty.

Disciplinary measures may not be imposed until five days have elapsed since the person concerned has received the charge, and it must be notified to the person concerned by the Human Resources Department, in accordance with the deadlines stipulated in each applicable collective bargaining agreement.

The Human Resources Department also takes care of the effective application of the sanction imposed.

The Supervisory Board, for its part, verifies the application of the measure, imposing the sanction, which is communicated to it from time to time by the Company.

10.10.2 With Respect to Executives

If a violation of the Model and related procedures is found to have been committed by an Executive, the SB shall send a report containing:

- 1) the details of the person responsible for the violation;
- 2) the description of the conduct (active or omissive) engaged in and detected;
- 3) an indication of the provisions of the Model violated by such conduct;
- 4) any documents and/or other evidence of the violation.

Within ten days of the acquisition of the SB's report, the Company, through the Human Resources Department, charges the person concerned with the violation reported by the SB, by means of written notice. The latter must indicate, in a punctual manner, what the contested conduct is and the relevant provisions of the Model that have been violated, the notice of the right to make any written deductions and/or justifications.

Following this, the Governing Body will evaluate, in consultation with the Human Resources Department, the position of the person concerned as well as the implementation of the relevant sanction procedure.

If the person, for whom the contestation procedure has been activated, holds an apical role with delegated powers by the Board of Directors, and in the event that the investigation activity proves his or her involvement under the Decree, it is provided that:

- the Board of Directors may decide on the merits of revoking the delegated powers granted based on the nature of the assignment;
- the Chairman of the Board of Directors can take action to define the person's position and implement the relevant sanctioning process.

Disciplinary measures may not be imposed until five days have elapsed after the person concerned has received the charge, and it must be notified to the person concerned by the Human Resources Department.

As part of the process described above, it is expected that the Board of Directors of EGM will be informed in all of the above cases about the outcomes of internal audits and the sanction profile applied.

The Human Resources Department sees to the effective application of the sanction.

The Supervisory Board, for its part, verifies the application of the measure, imposing the sanction, which is communicated to it from time to time by the Company.

10.10.3 Against the Governing Body

If it is found that the Management Body violates the Model and related procedures, the SB shall submit a report to the Board of Directors containing:

- 1) the details of the person responsible for the violation;
- 2) the description of the conduct (active or omissive) engaged in and detected;
- 3) an indication of the provisions of the Model violated by such conduct;
- 4) any documents and/or other evidence of the violation.

Following the acquisition of the Supervisory Board's report, the Chairman of the Board of Directors shall convene, within (and no later than) thirty days of the receipt of the report, a meeting of the Board for the hearing of the Person concerned.

Such a summons shall be in writing and must (i) specify the conduct complained of and the provisions of the Model violated and (ii) indicate the date of the meeting, with notice to the interested party of the right to make any remarks and/or deductions, whether written or verbal.

The call must be signed by the President or at least one other member of the Board of Directors.

At the meeting of the Board of Directors, which the Supervisory Board is also invited to attend, arrangements are made for the hearing of the interested party, the acquisition of any deductions made by the latter, and the completion of any further investigations deemed appropriate.

The Board of Directors, taking into account the elements acquired, determines the sanction deemed applicable, giving reasons for any disagreement with the proposal made by the SB.

If the sanction deemed applicable consists in the revocation of the office, the Board of Directors shall promptly convene the Shareholders' Meeting for the relevant resolutions.

The resolution of the Board of Directors and/or that of the Shareholders' Meeting shall be communicated in writing by the Board of Directors to the person concerned as well as to the Supervisory Board in order to carry out the appropriate checks.

10.10.4 With Respect to Third Parties

If violations of the Model and related procedures are found to have been committed by collaborators and contractual counterparts or, more generally, by third-party Recipients, the Supervisory Board shall send a report containing:

- 1) the details of the person responsible for the violation;
- 2) the description of the conduct (active or omissive) engaged in and detected;
- 3) an indication of the provisions of the Model violated by such conduct;
- 4) any documents and/or other evidence of the violation.

Within ten days after acquiring the report of the SB, the Company, through the relevant corporate function and in consultation with the Human Resources Department, shall make a decision on the determination and concrete application of the measure.

The Company then sends a written notice to the person concerned, containing an indication of the conduct complained of and the Model provisions that have been violated, activating the contractually provided remedy applicable to the case.

The SB, to whom the notice is sent for information, verifies the application of the contractual remedy.

10.10.5 With Regard to the Supervisory Board

The sanction procedure, applicable to the Governing Body in Section 10.10.3, also applies, *mutatis mutandis*, if the violation of the Model, by the member of the SB, is found.

In such a case, the report of the violation will be passed on to the Governing Body, which will prepare an appropriate report.

10.11 Communication of the Disciplinary and Sanctions System

EGM ensures promotion of the Disciplinary and Sanctioning system by posting to places accessible to all and through other systems (i.e. publication on the company intranet, dissemination by special circular or communiqué, presentation in training courses, etc.).

11 TRAINING AND DISSEMINATION OF THE MODEL

It is EGM's goal to ensure that Recipients are properly acquainted with the content of the Decree and their obligations under it.

It is with this in mind that the Company, with the effective and concrete support of the SB, develops a training and communication plan in order to arrive at the correct knowledge and implementation of the Code of Ethics and Conduct, the Model and related procedures.

11.1 The Communication of the Model

In line with the provisions of the Decree and the Guidelines, EGM shall give full publicity to this Model (e.g., through appropriate organizational and informational communications to Recipients) in order to ensure that Recipients are aware of all of its elements. Communication should be widespread, effective, clear and detailed, with periodic updates related to changes in the Model.

Therefore, the actual communication plan, regarding the essential components of this Model, should be developed, consistent with the principles defined above, through the company's means of communication deemed most appropriate, such as, for example, sending e-mails or posting on the company intranet.

In fact, adequate and appropriate forms of communication are provided, on the occasion of each update and/or amendment made to the Model and/or its annexes.

The Model, with its annexes, is formally communicated to all corporate bodies and present resources through an internal briefing note. New employees are adequately informed and receive training on the Decree, the related Model and the Code of Ethics and Conduct. More specifically, the Model is disseminated to Employees and Senior Management of the Company through publication on the company intranet. In this regard, appropriate methods are established to certify the receipt of the Model by the Company's personnel.

11.2 Staff Training

Internal training is an indispensable tool for effective implementation of the Model and widespread dissemination of the principles of behavior and control, adopted by EGM, in order to reasonably prevent the crimes referred to in Legislative Decree No. 231/2001.

To this end, the Company, in sharing with the SB, promotes the implementation of a specific training plan of the Recipients of this Model, regarding the contents of this document and the Decree.

The requirements that said training program must meet are as follows:

- be appropriate to the position held by the individuals within the organization (newly hired, employee, cadre, manager, etc.);
- content should differentiate according to the activity performed by the person within the company (risk activities, control activities, non-risk activities, etc.);
- the periodicity of the training activity should be a function of the degree of change to which the external environment in which the company acts is subject to as well as the learning capacity of the learners and the degree of management's commitment to lend authority to the training activity carried out;
- the speaker must be a competent and authoritative person in order to ensure the quality of the content covered as well as to make explicit the importance of the training in question for EGM and the strategies it intends to pursue;
- participation in the training program must be mandatory, and appropriate control mechanisms must be established to verify the attendance of subjects and the degree of learning of each participant.

Training can be classified as general or specific. Specifically, general training should involve all levels of the organization in order to enable each individual to:

- be familiar with the precepts established by Legislative Decree No. 231/2001 and to be aware that EGM intends to make them its own and make them an integral part of the corporate culture;
- know the objectives that the Company aims to achieve through the implementation of the Model and the ways in which everyone's duties can contribute to the achievement of them;
- have cognizance of their role and responsibilities within the internal control system present in EGM;

- know what behavior is expected or acceptable and what behavior is not acceptable by the Company;
- know the appropriate reporting channels for the type of information to be communicated and the person to whom the communication is to be sent, and, in particular, to know to whom to report and how to report the presence of anomalies in the performance of company activities;
- be aware of the disciplinary measures applicable in case of violations of the rules of this Model;
- know the powers and duties of the SB.

Specific training, on the other hand, concerns all those individuals who, due to their activity, require specific skills in order to manage the peculiarities of the activity itself, such as, personnel operating within the scope of activities reported as potentially "crime-prone". These should be the Recipients of both general and specific training. In particular, specific training should enable the person to:

- have awareness of the potential risks that can be associated with their activity as well as the specific control mechanisms to be activated in order to monitor that activity;
- know the risk assessment techniques inherent in the activity it performs as well as the exact manner in which it is carried out and/or the procedures that govern it, in order to acquire the ability to identify any anomalies and report them in the manner and timeframe useful for the implementation of possible corrective actions.

Individuals in charge of internal control, who are responsible for monitoring activities found to be potentially at risk, will also receive specific training in order to make them aware of their responsibilities and role within the internal control system as well as the sanctions they face if they disregard these responsibilities and this role.

In the event of significant changes and/or updates to the Model, in-depth modules will be organized, aimed at learning about the changes that have occurred.

Lastly, specific modules will be organized for new hires to work in at-risk areas.

Participation in the above training programs is mandatory. Failure to participate, unjustified, in the aforementioned training programs will result in the imposition of a disciplinary sanction, which will be imposed, according to the rules indicated in the specific chapter of this Model.

11.3 The Disclosure to Third Party Recipients

EGM also promotes awareness of and compliance with the Model and the Code of Ethics and Conduct among Third Party Recipients.

It provides for the dissemination of the Model to persons who have non-subordinate collaborative relationships with the Company, consultancy relationships, agency relationships, commercial representation relationships and other relationships that result in a professional, non-subordinate service, whether continuous or occasional (including persons acting for suppliers and partners, in the form of a temporary business association as well as joint ventures) (hereinafter, for brevity, the "Third Parties").

In particular, the Company provides Third Party Recipients with appropriate information in relation to the Company's adoption of the Model pursuant to the Decree.

Commitment to compliance with the law and the reference principles of Model 231 by Third Parties, having contractual relations with the Company, is provided for by a special clause in the relevant contract and is subject to acceptance by the third party contractor.