



# ESG focus for Investors

April 2024



# Our strategy for sustainable progress



Enel's sustainable strategy directly targets 4 SDGs while contributing to all the others



The ambition of **zero emissions** lies at the heart of the strategy Enel has been implementing, contributing to a **just transition** by taking concrete actions that address social impacts of climate change mitigation and adaptation measures, together with **employees, suppliers, communities** and **customers**



## Index

- Climate change
- Natural capital
- Human rights and Health & Safety
- Employees, Suppliers and Communities
- Growth accelerators
- Corporate Governance
- ESG Ratings

# Climate change

*Strategy and Targets*



# 1.5°C SBTi certification covering GHG emissions (Scope 1, 2 & 3) along the whole value chain



	2017 <i>Baseline</i>	2023 <i>Actual</i>	2026 <i>Short-term targets</i>	2030 <i>Medium-term targets</i>	2040 <i>Long-term targets</i>
<b>Scope 1 Generation</b> (gCO <sub>2e</sub> /kWh)	365	160 -56%	125 -66%	72 -80%	0 -100%
<b>Scope 1 &amp; 3 Integrated Power</b> (gCO <sub>2e</sub> /kWh)	332	168 -49%	135 -59%	73 -78%	0 -100%
<b>Scope 3 Gas Retail</b> (MtCO <sub>2e</sub> )	25.3	16.8 -34%	20.0 -21%	11.4 -55%	0 -100%

**No negative emission technologies or offsets will be deployed on the path to the zero-emission goal**

#% Reduction vs 2017



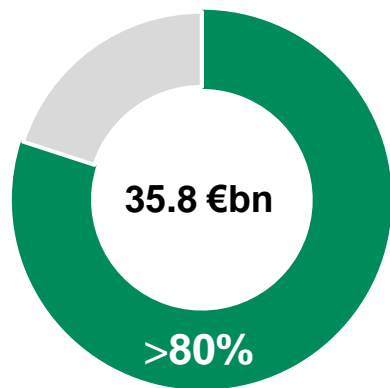
1.5°C SBTi certified

1. Target on additional Scope 1,2 & 3 emissions has also been certified by the SBTi as compliant with the 1.5°C pathway. 2030 target: 10.4 MtCO<sub>2e</sub> (-55% vs 2017); 2040 target: <2.5 MtCO<sub>2e</sub> (-90% vs 2017). The latter to be offset starting in 2040 through negative emissions technologies or offsets, to reach net zero.

# Capex plan aligned with our climate-related targets



## 2024-26 Gross Capex EU Taxonomy aligned<sup>1</sup>



Wind, solar, hydro, geothermal and BESS

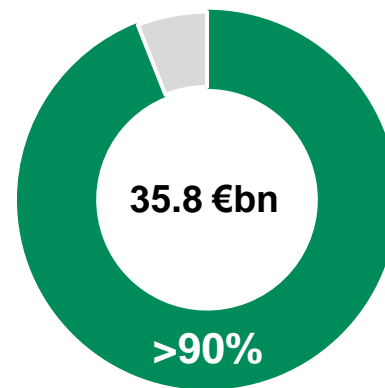


Distribution in Europe and Latam<sup>2</sup>



Majority of Enel X businesses<sup>3</sup>

## 2024-26 Gross Capex SDGs aligned



Renewable generation and power retail



Distribution



Enel X and other

# Sticking to our coal phase-out plan



## Torrevaldaliga Nord – 1.8 GW

- **Essential Plant:** No
- **Planned phase-out:** progressive within 2025<sup>1</sup>
- **Risk factors:** Authorities may delay closure authorization

## Sulcis – 0.5 GW

- **Essential Plant:** Yes
- **Planned phase-out:** 2027
- **Risk factors:** Plant closure subject to the realization of the transmission Tyrrhenian link Sardinia – Italy mainland

## Federico II – 1.8 GW

- **Essential Plant:** No
- **Planned phase-out:** progressive within 2025<sup>1</sup>
- **Risk factors:** Authorities may delay closure authorization

## Alcudia – 0.2 GW

- **Essential Plant:** No (production limitation)<sup>2</sup>
- **Planned phase-out:** 2027
- **Risk factors:** Plant closure subject to the realization of the second transmission link Mallorca – Spain mainland

## Termozipa – 0.2 GW







- **Essential Plant:** Yes
- **Planned phase-out:** 2027

For the reconversion of the coal-fired plants Enel will evaluate the best available technologies, based on the needs indicated by the national transmission grid operator, in integration with projects in no energy sector developed by third-parties

1. Potential advance request for single units

2. Current production limitation: 500 hours per year

# Operating positioning to reach short and medium-term decarbonization targets

	2023	2026	2030
 RES capacity on total <sup>1</sup>	71%	78%	~85%
 GHG free production on total <sup>2</sup>	75%	86%	~90%
 Unitary consumption (MWh/cl/Y) <sup>3</sup>	2.65	~2.9	~3.5
 Gas volumes (bcm)	8.3	8.4	5.3
 Distributed generation connections (mn)	2	4	~6
 Digitalized grid customers	64%	71%	~100%

1. It includes managed capacity and BESS 2. It includes managed production 3. Power B2C free Italy and Iberia

# Our long-term climate strategy: partnering with all our stakeholders in the fight against climate change



**Financial  
Community  
& Partners**

- Enel capex plan fully aligned with 2040 Net Zero targets
- Sustainability-linked instruments to finance Enel decarbonization strategy



**Planet**

- Exit from coal power generation by 2027 & gas power generation by 2040
- 100% renewable fleet by 2040



**Clients**

- Exit gas retail by 2040 pushing on electrification of uses
- 100% sales from renewables by 2040



**Employees,  
Suppliers &  
Communities**

- Decarbonize the supply chain by 2040
- Dialogue, engagement and collaboration in line with the principles of a just transition



# Advocating for climate actions aligned to the Paris Agreement



## Direct advocacy

- Enel's positioning on key climate related issues is reflected by its direct advocacy **activities with the EU and other governmental authorities**. Among other things, Enel:
  - promotes climate ambition in line with the **Paris Agreement**
  - supports the **emissions trading system** and the introduction of a **Carbon Border Adjustment Mechanism**
  - supports the revision of the **EU Renewable Energy Directive**
  - supports the **hydrogen and gas market decarbonization EU strategy**
  - supports the US Inflation Reduction Act (**IRA**)

## Indirect advocacy

- Enel discloses the **list of all the main associations it collaborates with on climate** related issues and their **level of alignment** with the Paris Agreement<sup>1</sup>
- Enel systematically verifies that the positions of such associations are **consistent with the Paris Agreement** and the **Group's climate policies, before and after joining the association**:
- In **case** the level of **alignment with the Paris Agreement** for an association result to be **"low"**:
  - Enel raises the issue within the association and initiates an in-depth discussion with the aim of improving the alignment
  - If the assessment is "low" for two consecutive years, the CEO will assess possible counteractions which may also include the decision for Enel to leave the association

1. The assessment is carried out on the basis of six main dimensions: Climate Science, Climate Policy, Carbon Pricing Climate Policies, Non-Carbon Pricing Climate Policy, Communication, Energy Transition & Zero Carbon Technologies. The alignment of the association to the Paris Agreement can be: high, medium/high, medium, medium/low, low.

# Weathering climate-related events



## Climate adaptation approach

### Resiliency measures

Increasing asset resilience and profitability to reduce climate physical risk by implementing adaptation measures on existing assets and ensuring resilience by design for new ones

### Response management

Preparedness to respond to adverse events leveraging on weather and climate analyses, to prioritize efforts and ensure quick services restoration

### Opportunities

New business opportunities or product design to adapt to climate changes and facilitate adaptation for all stakeholders

## Main steps towards Group adaptation plan



### Climate hazard assessment

Climate scenarios to assess expected changes in physical phenomena globally



### Vulnerability to physical phenomena

Quantifying potential damages on assets and business interruptions as a function of intensity and probability of phenomena



### Economic impact

Assessing the expected economic impact of climate change considering hazard and vulnerability of climate change



### Adaptation plan

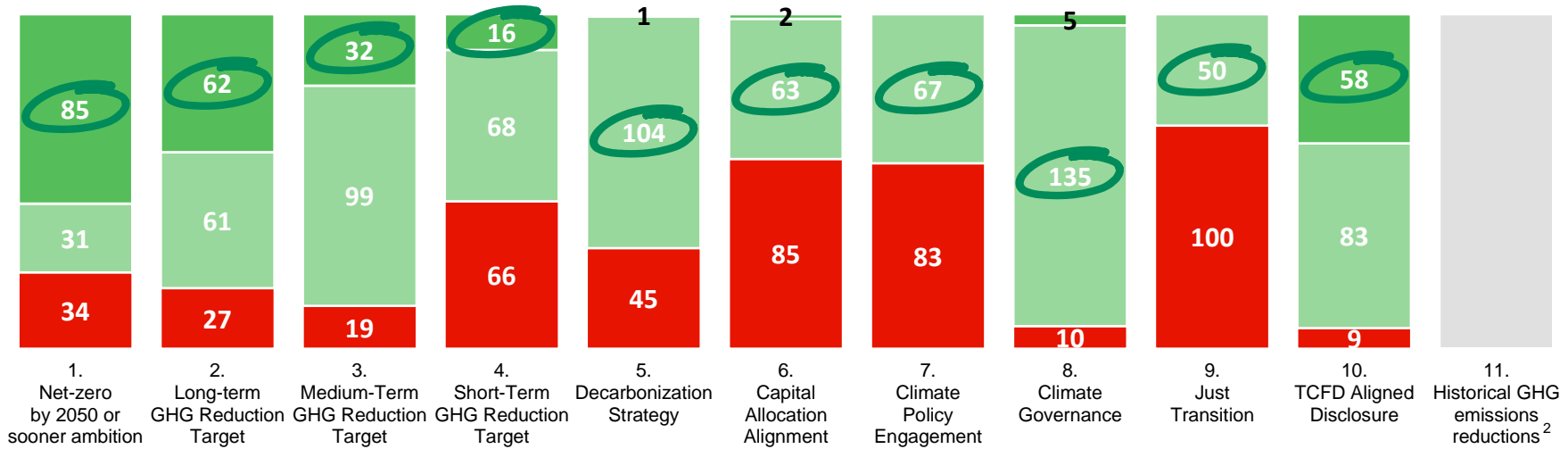
Define adaptation measures to be implemented while incorporating climate analysis into capital allocation

**A climate change proof company: leveraging on climate and asset data analysis to develop effective adaptation measures to preserve profitability, foster resilient business models and exploit opportunities**

# Climate Action 100+ Net Zero Company Benchmark



**Enel in the top 3 globally and best performer among the electric utilities<sup>1</sup>**



■ YES: All metrics for a sub indicator or indicator are Yes  
■ PARTIAL: At least one (not all) metrics for a sub indicator or indicator is Yes  
■ NO: All metrics for a sub indicator or indicator are No

Enel Score

1. 150 companies targeted by the Net Zero Company Benchmark.  
 2. Assessment not publicly disclosed.

# Natural Capital

*The flip side of climate*





# Environmental Sustainability | Biodiversity



The Biodiversity Policy was updated in 2023 and Enel's roadmap on biodiversity conservation is in line with the Kunming-Montreal global biodiversity framework.

The Policy foresees the application of the Mitigation Hierarchy Principle in all project phases

- ◆ Including **Biodiversity Risks Assessment** to evaluate company-wide risk
- ◆ Developing a **Biodiversity Action Plan** taking into account the specific aspects of **local environments**
- ◆ **Minimizing** the impact of Enel sites on **habitats** and threatened **species** included on the **IUCN<sup>1</sup> Red List**

## Enel's Commitment

- ◆ **No Go in UNESCO World heritage natural site areas<sup>2</sup>**
- ◆ **No Net Loss on selected projects in high biodiversity areas starting from 2025**
- ◆ **Biodiversity No Net Loss for new infrastructures by 2030**
- ◆ **No Net Deforestation by 2030**

### 2023

- ◆ Consolidation of the Group **indicators** and the biodiversity performance **monitoring process**
- ◆ Internal deployment of the **TNFD<sup>3</sup> Guidelines for impacts, risks and opportunities evaluation**

### 2024-26 Targets

- ◆ Consolidation of **nature-related impacts, risks and opportunities** assessment and update of related action plan
- ◆ **Awareness campaigns** on Environmental or Nature Capital conservation Topics

1. International Union for Conservation of Nature

2. Commitment related to new generation infrastructures

3. Taskforce on Nature-related Financial Disclosures

# Environmental Sustainability | Water



Enel applies an integrated approach for optimal management of use of water resources and their protection

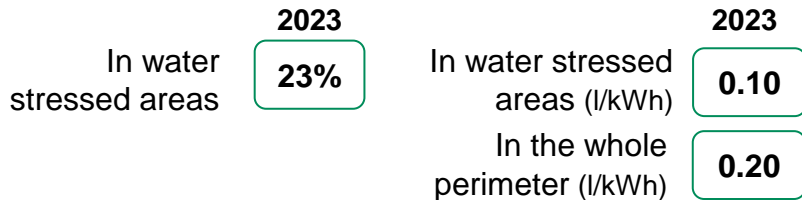
## Water quality conservation

Downstream of internal **recoveries and reuses**, wastewater discharged from the plants is returned to the surface water body. Discharge always takes place downstream of a **treatment process** that removes any pollutants present to a level where they will **not** have a **negative impact** on the receiving **water body**, in compliance with the limits provided for under national regulations and by operating permits

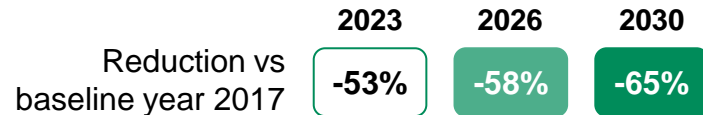
## Strategic goals

Enel is constantly **monitoring** all its production sites located in **water stressed areas** in order to ensure that **water** resources can be **managed efficiently**

### Actual freshwater withdrawal



### Specific freshwater withdrawal (whole perimeter)<sup>1</sup>



1. Ratio between: a) all the freshwater withdrawal quotas from surface, groundwater and third parties and b) the total production. It excludes new green hydrogen production plants

# Environmental Sustainability | Pollutants and Waste



## Air Quality

Enel's commitment to **improving** the **air quality** in **areas** where the **Group operates** is testified by the constant reduction of the main atmospheric pollutants associated with thermal production



## Pollutants

Enel adopts the **best available techniques** for the **reduction** of the pollutants



## Waste Reduction

Constant commitment towards **reduction of waste** production, as well as to the definition of new methods of reuse, recycling and recovery in the perspective of a **circular economy**

### Reduction vs baseline year 2017

	2023	2026	2030
SO <sub>2</sub> Specific Emissions (g/kWh)	-75%	-81%	-85%
NO <sub>x</sub> Specific Emissions (g/kWh)	-53%	-51%	-70%

	2023	2026	2030
Dust Specific Emissions (g/kWh)	-54%	-54%	-60%
Waste (Mt)	-51%		-55%

# Human rights and H&S

*Putting people at the  
centre*





# Human Rights: Our commitment



## Enel's Human Rights policy

It refers to internationally recognized human rights as defined in the **International Bill of Human Rights** and in the **International Labor Organization Conventions**<sup>1</sup>

It **addresses employment practices** and **community relations** and **society** through 12 principles, including:

- Rejection of practices like modern slavery, forced labor, and human trafficking
- Commitment to promoting diversity, inclusion, and equal treatment and opportunity, guaranteeing that people are treated fairly and valued for their uniqueness
- Focus on protection of the environment since a safe, clean, healthy and sustainable environment is integral to the full enjoyment of a wide range of human rights
- Respecting the rights of local communities, including the rights of indigenous and tribal peoples

Embedding the commitment across relevant internal functions and processes is key to prevent and mitigate adverse human rights impacts as well as fostering decent work, inclusive economic growth and sustainable development



1. Underlying the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and applicable to business practice



# Human Rights: Our due diligence process



Involvement of both internal and external stakeholders, with the aim of identifying if any of our operating procedures and processes require an improvement plan to ensure adherence with the commitments undertaken in our Human Rights Policy



## Perceived risk assessment

Identification of salient human rights issues to better understand where to focus our efforts and resources, through consultation with the relevant stakeholders

## Gap analysis

Assessment of our operating and risk monitoring processes and identification of any potential shortfall

## Improvement plans

Definition of the necessary remedies to tackle the residual risk identified in the gap analysis and implementation of the actions



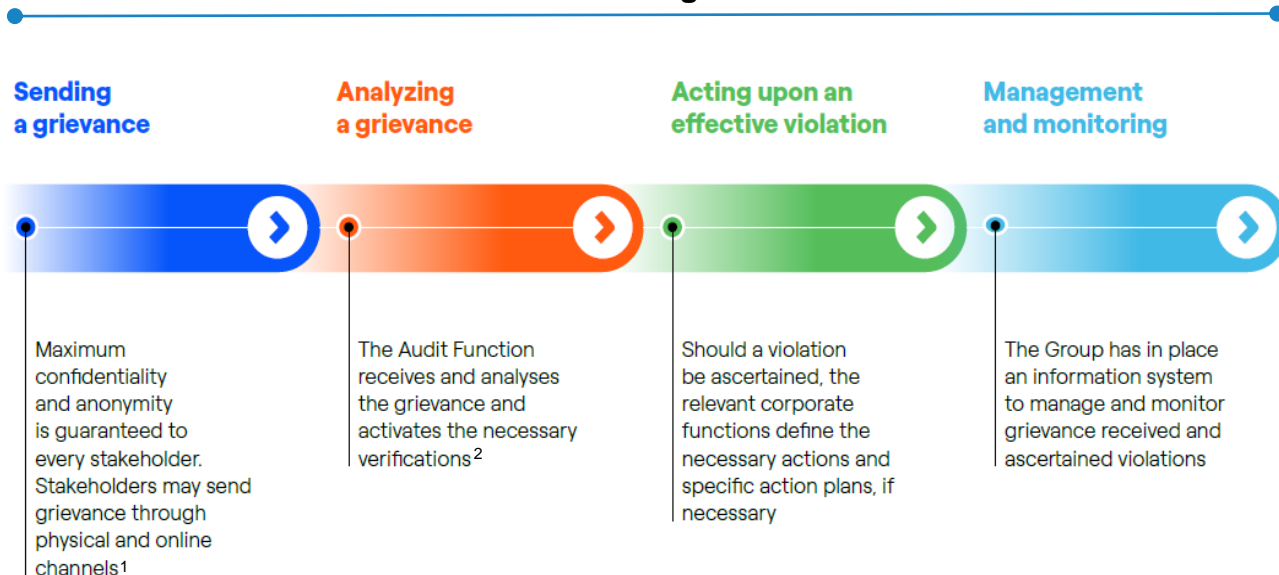
# Human Rights: Access to remedy



## Grievance mechanism

- A whistleblowing channel, available to internal and external stakeholders
- Several processes and tools available to the communities in the influence area of our operations
- Customers complaints or information channels

## Whistleblowing channel



1. There are also channels at local level and this ensures accessibility to all potentially affected stakeholders in their own language  
2. The Audit function reports the violation to the Control and Risks Committee, the Chairman and the CEO, who assess if the BoD should be informed about the most significant cases

# Health & Safety



Health & Safety Management system is based on hazard identification, on qualitative and quantitative risk analysis. Certification of the whole Group according to ISO 45001 and relative implementation

## Safety Awareness Reinforcement

- **Communication campaign “Safety is done together”** aimed to promote everyone’s personal contribution to safety improvement (target: 100% Enel Group employees and diffusion to contractors)
- **Awareness raising video** focused on fatalities "No More" (75% of Enel employees)
- **Training** campaign focused on **cross risks prevention (97.5% of the identified target)**

## Digitalization & Innovation

- Development of **digital tool to support safety management processes** (i.e. dashboard to manage attendance of emergency response officers)
- **23 innovative projects ongoing to arise Safety Level/Awareness** within Enel Group (i.e. new training methodology based on “nudge”)

## Data driven approach to contractors' qualification and management

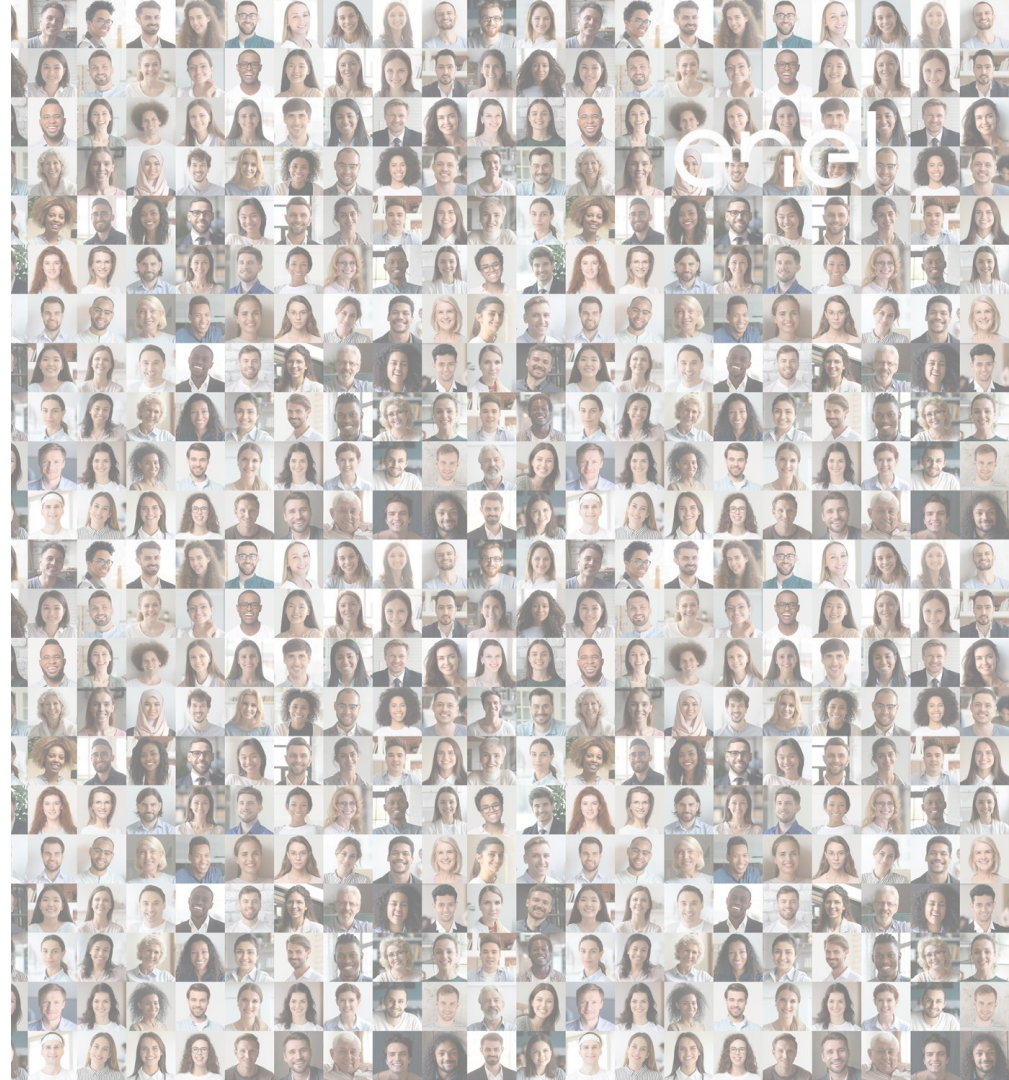
- Reinforcement of **data driven approach** to safety contractor management. Pilot in Grids of a **monitoring dedicated KPI** (Fatality Risk Index) for specific Merchandise Group (100% of high/medium risk MGs monitored)
- Adoption of a **risk-based methodology** to assess the **level of H&S risk** of Merchandise Groups (MGs) and define related qualification path (**100% MGs** involved)

	2023 <sup>4</sup>
Lost Time Injury Frequency Rate (LTI FR) <sup>1</sup>	0.61
More than 3 days Frequency Rate (FR>3 dd) <sup>2</sup>	0.50
High Potential Accident FR (HiPO FR) <sup>3</sup>	0.070

1. LTI FR: ratio between number of occupational accidents with at least one day absence and millions worked hours.  
 2. FR > 3 dd: Ratio between number of occupational accidents with more than three days absence and millions worked hours.  
 3. HiPO FR: ratio between number of occupational accidents whose dynamic, independently from the damage, could have resulted in a Life Changing or in a Fatal Accident and millions worked hours.  
 4. Consolidated KPIs values for 2023 are not comparable with those of previous years due to Company’s perimeter changes (exit of Russia, CELG - Goias, Gridspertise, Transmission Chile, Fortaleza P.P., CIA Interconnexión Energetica, Costanera P.P., Dock Sud P.P., EGP Australia)

# Employees, Suppliers and Communities

*Ensuring progress  
across the value chain*





# Just Transition | Enel people



## Plan

Social dialogue, social protection and wage guarantees in line with International Labor Organization (ILO) standards

## Engagement

Social dialogue and listening

## Transition out

Upskilling/reskilling, redeployment, knowledge sharing, retirements<sup>1</sup>

## Transition in

Upskilling/reskilling to green jobs and digital

## Lines of work

### Actions taken in 2023

- 30% of people leaving coal power plants **redeployed** and attended upskilling/reskilling programs; the remaining **70% retired/early retired**
- Coal redeployed people: **~80%** within GPG perimeter, **~20%** to other Enel business areas
- 45%** of overall training dedicated to total employees conducted on **reskilling and upskilling**
- In 2020-23 > **1.8 €bn** provisions dedicated to managing Enel people affected by the energy transition

### 2024-26 targets

- 80%** of people leaving coal power plants will be redeployed; the other **20%** will be involved in early retirement plans
- 40%** in 2026 of overall training dedicated to total employees conducted on **reskilling and upskilling**
- Strengthening of 'internal training' approach

1. Retirements, early retirements, voluntary terminations



# Diversity and Inclusion | Enel people



## Purpose

Enel has a clear commitment to respecting diversity, inclusion, and equal treatment and opportunity, to guaranteeing the right to working conditions that are respectful of personal dignity as well as creating a working environment where people are treated fairly and valued for their uniqueness

### Empower the growth and increase representation of women in the organization

	2023	2026
Women in selection processes <sup>1</sup> (%)	52	50
Female middle managers (%)	33.1	>34
Female managers (%)	26.2	>27

### Promote initiatives to spread intercultural inclusion culture

	2023	2026
Intercultural initiatives <sup>2</sup> (# countries)	9	12

Initiatives to increase inclusion of different ethnicity and raise awareness on diversity (workshops, training programs and communication campaigns)

1. Selection processes involving blue collars, or similar technical roles, and related to USA and Canada perimeter are not included as a result of local anti-discriminatory legislation which does not allow gender to be monitored in the recruiting phase 2. # of countries of implementation of such initiatives



# Sustainability and Innovation in the Procurement Process | Suppliers and Contractors

## Supplier qualification system



All **sustainability dimensions** are **evaluated**: health and safety, environment and human rights

## Tender and contracting process



Inclusion of **sustainability** and **incentive factors**

- Human Rights clauses
- Carbon footprint target
- Material Passport
- Incentive Factors for: Renewable energy mix; low carbon emissions transport; materials recovery; etc.

## Monitoring systems



Evaluation of **suppliers' performances** based also on **sustainability dimensions**

	2023	2026
Suppliers' tenders amount covered by ranking / target based on carbon footprint values (%)	76	>70
Suppliers' value covered by Carbon Footprint certification (%)	66	68

## Innovation

Innovation challenges open to suppliers to promote sustainable impact





# Engaging communities



Our strategy is based on a model of business development and management in continuous interaction with the communities to create long-term shared value, in full respect of human rights

A well-defined stakeholder engagement process, in line with relevant international standards (such as the **UN Guiding Principles on Business and Human Rights** and the **OECD Guidelines for Multinational Enterprises**) to:

- ◆ incorporate responsible business conduct into policies and management systems
- ◆ prevent or mitigate impacts
- ◆ monitor the implementation of improvement plans and results
- ◆ communicate how impacts are managed

## Stakeholder engagement process

- ◆ Identify the stakeholders in the area of influence, ensuring representation of all groups affected
- ◆ Conduct socio-economic and environmental context analyses
- ◆ Ensure that the consultation is free, preventive, inclusive, adapted to the local context, bidirectional and well documented, in line with international reference standards
- ◆ Share all the relevant information about the project
- ◆ Involve independent third parties in negotiation processes
- ◆ Support local communities in project monitoring through local training
- ◆ Provide an access channel for any reports from people who need to contact us

# Growth accelerators

*Supporting progress of  
sustainability*

enel

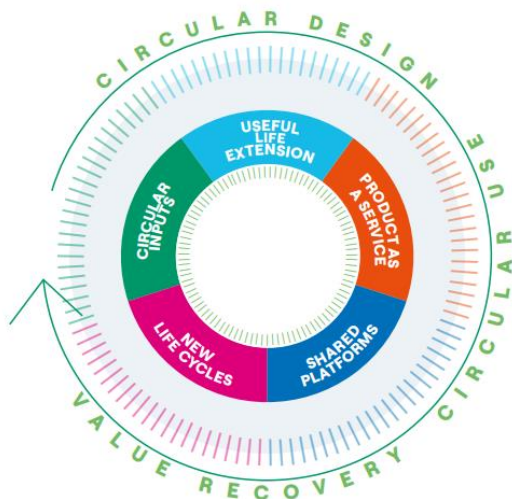


# Circular economy



Circular Economy is a strategic lever for Enel with the aim of separating its business activities from raw materials consumption and waste generation

## Enel's circular economy pillars



## Main circular levers

- **Design and input materials**  
Eliminate the need for new resources, especially critical ones (e.g. material substitution, redesign, use recycled inputs)
- **New models for asset use**  
Extend products life (e.g. through design, maintenance, regeneration)
- **New life cycle**  
Recover and reintroduce raw materials at the end of the life (e.g. recycling, reuse)

**Technological innovation and a circular approach allow to minimize pressure on materials critical for the energy transition, thus reducing risk<sup>1</sup>**

1. Limiting the dependence on raw materials while reducing economic, social and geopolitical risks (with potential disruptions to supply chains)

# Circular economy – Focus Wind



## Inputs Material

- Main materials used:
  - Steel
  - Fiberglass
  - Copper
  - Aluminium



## Useful Life

- **25 years** average lifetime
- **Expected volume** at end of life considering the installed capacity<sup>1</sup>:
  - ~1.5 GW before 2030
  - ~1.3 GW 2030-35
  - ~2.0 GW 2035-40
  - ~11.3 GW after 2040



## New Life Cycle

- **Current recyclability ~85 %** (steel, aluminum, copper already fully recycled)
- **Estimated recyclability at 2030 ~92%** (improvement in the recycling of fiberglass)

## Key initiatives (examples)

### Wind repowering and new life program



Life extension of wind farm (e.g. in Italy and Spain) through repowering also in order to increase energy production and identification of New Life strategies for recovered components using reuse/recycling/reselling business models

### Recycling plant for wind blades



Collaborate with specialized Partners to the development of recycling plants in Italy and Spain with the aim of reusing recycled fiberglass back into several industrial sectors (e.g. insulating panels, distribution cabinets)

# Circular economy – Focus Solar



## Inputs Material

- Main materials used:
  - Aluminium
  - Glass
  - Copper
  - Polysilicon
  - Silver



## Useful Life

- 25 years average lifetime
- No significant volume at the end of life expected before 2040 considering the installed capacity<sup>1</sup>



## New Life Cycle

- **Current recyclability ~80/85%** (steel, aluminium, copper, glass already fully recycled)
- **Estimated recyclability at 2030 ~90%** (improvement in the recycling rate of precious materials such as silver)

## Key initiatives (examples)

### PV recycling



To further improve PV recyclability, Enel is collaborating on innovation projects with the aim to identify a suitable treatment for the recovery of precious materials reaching a total recycling rate of 90% or more

### PV agrivoltaics



In addition to reducing the consumption of raw materials, through agrivoltaics (the sharing of land for agriculture and solar panels), efficient use of the land is guaranteed, while promoting the recovery of abandoned land (projects Italy, Spain and US)

# Circular economy – Focus BESS



## Inputs Material

- Main materials used:
  - Lithium
  - Grafite
  - Iron
  - Phosphorus
  - Aluminium
  - Copper



## Useful Life

- 15 years average lifetime
- No significant volume at the end of life expected before 2040 considering the installed capacity<sup>1</sup>



## New Life Cycle

- Current recyclability ~75% (steel, copper fully recycled)
- Estimated recyclability at 2030 ~85% (improvement in the recycling of cells material)

## Key initiatives (examples)

### Pioneer project (2nd life for batteries)



Development with ADR - Aeroporti di Roma at Fiumicino Airport (Italy) of a **storage system** with a capacity of around 10 MWh **reusing around 780 end of life battery packs** from electric vehicles

### Battery recycling



Collaborate with specialized Partners to the **development of a battery recycling plant in Spain** (with a target capacity of 8.000 tons/year) to recover precious materials as cobalt, nickel, lithium

# Innovation projects samples



## AI for Energy Management

Use of **Machine Learning** and **Artificial Intelligence** to support Energy Management Business by improving forecasting models. Principal projects are focused on predicting commodities prices and market dynamics. The main objective is **to optimize hedging** activities.

Some projects are already in operation in 2023



## Long Duration Energy Storage

Construction and first operation of **Vanadium Redox Flow Battery (1.1 MW \ 5.5 MWh)** in Son Orlandis (Spain)

**First non-lithium battery in Enel fleet**, to boost Enel's know-how and competitive advantage related to the execution & operation of **long duration energy storage** systems to enable **energy shift** and **renewable growth**.

July 2023: first synchronization



## Robotics for Safety Improvement

Development of **Skybot robotic platform** remotely controlled by operators, that executes **maintenance and construction** tasks on the **electrical grid** (both on deenergized and live voltage conditions) zeroing all risk of falls and electrocutions and increasing efficiency and quality of service. Prototype successfully tested in live working.

Extended field evaluation trial in Italy in 2024



## Space Based Solar Power

**SOLARIS** is the **ESA program** to study **space based solar generation for terrestrial clean energy needs**.

The electricity produced by an in orbit solar PV plant would be transmitted wireless to the earth and injected to the grid.

**Enel** partnering with **Thales Alenia Space** to contribute as **worldwide leader on grids and renewables**.

ESA timeline:

1MW pilot plant in orbit by 2030  
Real plants (1GW) by 2050



# Cyber security



Cyber threats are continuously increasing in sophistication and frequency worldwide. Cyber security is needed to ensure that the Group is able to effectively conduct its business. With the aim of addressing, managing and reducing cyber risks, the Enel Group has defined and implemented a coherent Cyber Security Framework and an effective Organizational Model

## Cyber Security Framework

The **Policy**, adopted in 2017, **addresses the principles and operational processes** that support a global strategy of cyber risk analysis, prevention and management. Such Framework is **fully applicable** to the complexity of regular Information Technology (**IT**), industrial Operational Technology (**OT**) and Internet of Things (**IoT**) environments

## Cyber Security Governance and Structure

- **Cyber Security Committee:** addresses/approves the **cyber security strategy** and periodically checks the **progress of its implementation**. Chaired by the Group's CEO and made up of his/her front lines
- **Cyber Security Unit:** committed to guarantee **governance, direction and control of cyber security topics**. The Head of Cyber Security unit, which is also the Enel Group **CISO**, directly reports to the Head of ICT Function (**CIO**)
- **Cyber Emergency Readiness Team:** to protect the Group's employees and assets, promoting a proactive approach based on "**incident readiness**" rather than "incident response". Operates through **Incident Response, Threat Intelligence and Information Sharing**

## People Cyber Empowerment journey

An **Awareness Development Program** and **Anti-Phishing Program** that allow Enel people to be the first line of cyber defence

	2023	2024-26 <sup>2</sup>
Cyber exercises involving industrial plants/site (#)	67	155
Information security verification activities (#)	1,861	3,600
Knowledge sharing events (#)	19 <sup>1</sup>	45

1. The 2023 data includes ad-hoc initiatives supporting the execution of simulated phishing campaigns (8 campaigns executed in 2023) 2. Cumulated

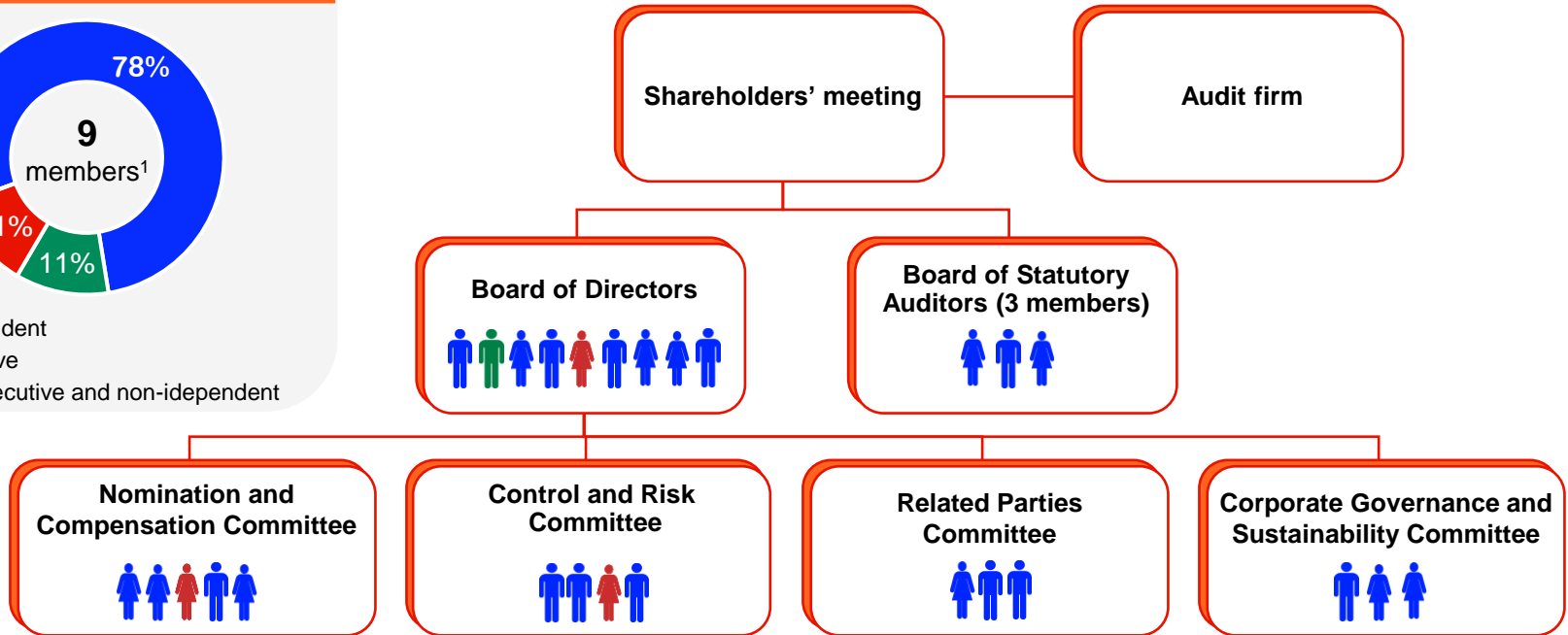
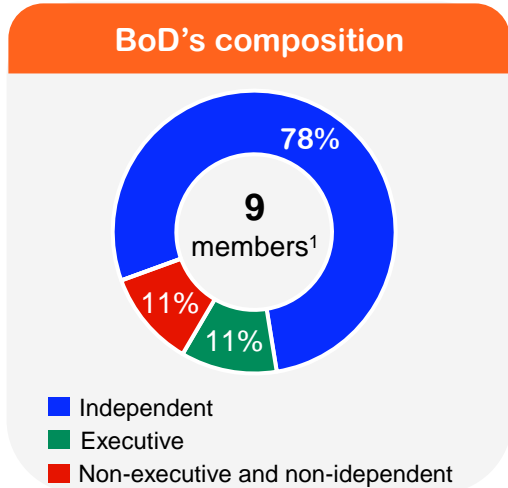


# Corporate Governance

*Ensuring effectiveness  
of decision making*



# Corporate Governance Structure



1. Out of which 3 Directors drawn from the slate filed by a group of mutual funds and other institutional investors

# Board nomination and election



## BoD's Members

Enel's Board of Directors consists of three to nine members who are appointed by the ordinary shareholders' meeting for a term of up to three financial years



## Gender balance

In order to assure to the less represented gender at least 40% of the seats, the slates containing a number of candidates equal to or over three shall include candidates belonging to different genders



## Candidates' qualifications

A report containing exhaustive information on the background of the candidates, accompanied by a statement as to whether or not they qualify as independent, must be filed with the slates



## Slate voting system

The appointment of the entire Board of Directors takes place according to a slate voting system, aimed at allowing the presence of members nominated by minorities totaling 3/10 of the Directors elected. If the slate that obtained the majority of the votes cast have not a suitable number of candidates in order to achieve 7/10 of the Directors to be elected, the other candidates necessary to complete the Board shall be drawn from the minority slates.



















The slates may be presented by the outgoing Board or by shareholders who, individually or together with other shareholders, own at least 0.5% of the share capital.

The slates must be filed at least 25 days before the AGM and published by the Company at least 21 days before the date of the meeting

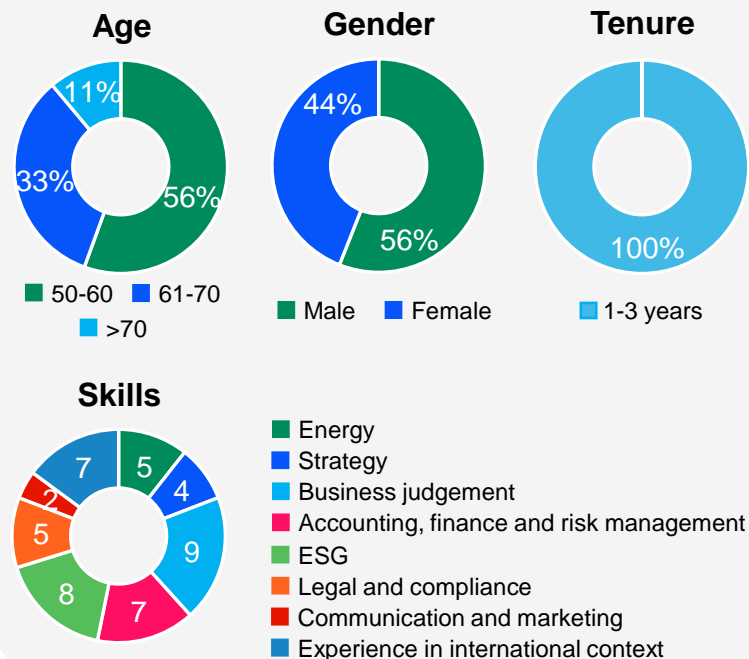
# Board composition



## Board of Directors

	<b>Paolo Scaroni</b>		Chair (C) Corp. Governance & Sust. C.
	<b>Flavio Cattaneo</b>		CEO and General Manager
	<b>Johanna Arbib</b>		Corp. Governance & Sust. C. Nomination & Compensation C.
	<b>Mario Corsi</b>		Related Parties C. Control & Risk C.
	<b>Olga Cuccurullo</b>		Control & Risk C. Nomination & Compensation C.
	<b>Dario Frigerio</b>		(C) Control & Risk C. Nomination & Compensation C.
	<b>Fiammetta Salmoni</b>		(C) Related Parties C. Nomination & Compensation C.
	<b>Alessandra Stabilini</b>		(C) Nomination & Compensation C. Corp. Governance & Sust. C.
	<b>Alessandro Zehentner</b>		Related Parties C. Control & Risk C.

## Board of Directors' diversity



# 2023 CEO Remuneration: Overall structure



The CEO remuneration was subject to a benchmark analysis performed by an independent third-party

**Enel's position vs the Peer Group<sup>1</sup>**

- **Market Cap:** between the median and third quartile<sup>2</sup>
- **Revenues:** between the third quartile and the ninth decile<sup>2</sup>
- **Employees:** between the median and third quartile<sup>2</sup>

## Compensation at Target level

Fixed compensation	<b>1,520,000 €</b>
Annual bonus	<b>100%</b> of fixed remuneration
Long-term incentive	<b>130%</b> of fixed remuneration
<b>Total</b>	<b>5,016,000 €</b>
Paymix	

## Compensation at Maximum level

Fixed compensation	<b>1,520,000 €</b>
Annual bonus	<b>150%</b> of fixed remuneration
Long-term incentive	<b>280%</b> of fixed remuneration
<b>Total</b>	<b>8,056,000 €</b>
Paymix	

Total Direct Compensation is **between the median and the third quartile of the Peer Group** for both Target and Maximum levels

1. Eni, Leonardo, Prysmian, Terna, TIM, EdP, Engie, E.On, Iberdrola, National Grid, Naturgy, Orsted, RWE, Airbus, Royal Dutch Shell, SAP, Schneider Electric, Siemens, Stellantis, Total.  
 2. Data as of December 31, 2021.

# 2023 CEO's short-term variable remuneration<sup>1</sup>



Macro objective	Objective	Weight <sup>2</sup>	Entry (50%)	Target (100%)	Over (150%)	Type of target
<b>Profitability</b>	Ordinary consolidated net income	40%	6.07 €bn	6.20 €bn	6.26 €bn	Economic
<b>Cash and debt management</b>	FFO/Consolidated net financial debt	30%	28.0%	28.9%	29.2%	Financial
<b>Safety</b>	Safety in the workplace	20%	FI <sup>3</sup> < 0.43 & FA <sup>4</sup> ≤ 4	FI <sup>3</sup> < 0.36 & FA <sup>4</sup> ≤ 4	FI <sup>3</sup> < 0.34 & FA <sup>4</sup> ≤ 4	ESG
<b>Customer Satisfaction</b>	Claims + SAIDI	10%	GC <sup>5</sup> =215/10,000 users IC <sup>6</sup> ≤150/10,000 users SAIDI <sup>7</sup> ≤ 144 min	GC <sup>5</sup> =200/10,000 users IC <sup>6</sup> ≤150/10,000 users SAIDI <sup>7</sup> ≤ 144 min	GC <sup>5</sup> =195/10,000 users IC <sup>6</sup> ≤150/10,000 users SAIDI <sup>7</sup> ≤ 144 min	ESG

1. Management by objectives (MBO) 2023  
 2. (%) Weight in the variable remuneration  
 3. FI: Work-related accident Frequency Index = Number of accidents (more than 3 days of absence from work) / total amount of worked hours (Enel + contractors) expressed in millions  
 4. FA: Number of Fatal Accidents during 2023, except for road events (Enel + contractors)

5. GC: Commercial complaints at Group level, considering that the perimeter of such performance objective includes the following "core" markets of presence: Italy (free market), Iberia (i.e. Spain and Portugal), Brazil (Rio de Janeiro and São Paulo), Chile and Colombia  
 6. IC: Commercial complaints on the open commodities market in Italy (gateway objective)  
 7. SAIDI: System Average Interruption Duration Index (gateway objective) in the following "core" countries: Italy, Spain, Brazil (Rio de Janeiro and São Paulo), Chile and Colombia

# 2023 Long-term variable remuneration<sup>1</sup>

## 150% of the base amount is assigned in Enel shares<sup>2</sup>



Macro objective	Objective	Weight <sup>3</sup>	Target (130%) <sup>4</sup>	Over I (150%)	Over II (280%) <sup>4</sup>	Type of target
<b>Performance</b>	<b>TSR<sup>5</sup></b>	<b>45%</b>	Enel's TSR = 100% of Index's TSR	Enel's TSR = 110% of Index's TSR	Enel's TSR ≥ 115% of Index's TSR	<b>Market</b>
<b>Profitability</b>	<b>Cumulative ROIC - WACC<sup>6</sup></b>	<b>30%</b>	= 14.4%	= 14.7%	≥15%	<b>Economic</b>
<b>Climate Change</b>	<b>GHG Scope 1 and 3 emissions reduction</b>	<b>15%</b>	= 135 gCO <sub>2eq</sub> /kWh <sub>eq</sub> <sup>7</sup> Scope 1 ≤ 130 gCO <sub>2eq</sub> /kWh <sub>eq</sub> <sup>8</sup>	= 132 gCO <sub>2eq</sub> /kWh <sub>eq</sub> <sup>7</sup> Scope 1 ≤ 130 gCO <sub>2eq</sub> /kWh <sub>eq</sub> <sup>8</sup>	≤ 130 gCO <sub>2eq</sub> /kWh <sub>eq</sub> <sup>7</sup> Scope 1 ≤ 130 gCO <sub>2eq</sub> /kWh <sub>eq</sub> <sup>8</sup>	<b>ESG</b>
<b>Gender Gap</b>	<b>% of women in top mgmt succession plans<sup>9</sup></b>	<b>10%</b>	= 45%	= 47%	≥ 50%	<b>ESG</b>

1. Long-Term Incentive (LTI) Plan 2023. Performance period: January 1, 2023 – December 31, 2025. 30% payment (if any) in the 4th year, 70% payment (if any) in the 5th year (deferred payment)  
 2. For the CEO/General Manager; 100% for the CEO-1 managers; 65% for the other beneficiaries of the LTI Plan 2023. c.300 managers in total  
 The number of Enel shares to be assigned is determined on the basis of the arithmetical mean of Enel's daily VWAP in the three-months period preceding the beginning of the performance period  
 3. (%) Weight in the variable remuneration  
 4. 100% at Target and 180% at Over II for the other beneficiaries of the LTI Plan 2023

5. Average TSR Enel compared to average TSR EUROSTOXX Utilities Index-EMU, calculated in the 3-year period 2023-2025  
 6. For the 3-year period 2023-2025  
 7. GHG Scope 1 and 3 emissions (integrated power) per kWh equivalent produced by the Group in 2025  
 8. GHG Scope 1 emissions (power generation) per kWh equivalent produced by the Group in 2025 (gateway objective)  
 9. At the end of 2025

# 2023 CEO remuneration: Termination agreements



## Pro rata temporis rule

- In case of **misalignment** between the **performance period** of the 2023 **LTI** plan and the **term of office of CEO/GM**, due to the expiry of its mandate without renewal, a “*pro rata temporis*” rule for compensation was confirmed<sup>1</sup>

## Severance payment

- A **severance payment** equal to **2 years of fixed compensation** payable only in the event of:
  - revocation or non-renewal<sup>3</sup> of the CEO/GM without just cause;
  - resignation of the CEO/GM due to a just cause.
- No severance payment is provided for in cases of variation in Enel's ownership structure (so called “change of control” provision).

## Non-competition agreement

- It was confirmed the grant by the CEO/GM to the Company, for a consideration equal to 500,000 € (payable in three yearly installments), of the right to activate a **non-competition agreement**, upon termination of directorship and executive relationships.
- Should the Company exercise such option right, **the agreement refrains the CEO from carrying out activities in competition with the Enel Group**, for a period of two years and within specific Countries<sup>2</sup>, for a consideration equal to a 3,040,000 €, i.e. 2 years of fixed remuneration (gross of the consideration already paid).

1. Specifically, in the event of expiration of directorship relationship without simultaneous renewal of the same – and, therefore, in the event of automatic termination also of the executive relationship – before the LTI 2023 performance period conclusion, it is provided that the CEO/GM shall maintain the right to the disbursement of the accrued incentive, based upon the level of achievement of the performance objectives provided under the Plan, and that the final assessment of the incentive will be made *pro rata temporis* until the date of termination of the directorship and executive relationship.

2. Namely in the following Countries: Italy, France, Spain, Germany, USA, Chile, Colombia and Brazil

3. It should be noted that the CEO has waived the severance payment provided for in the event of non-renewal of the CEO/GM relationship



# 2023 Remuneration Policy: Main changes vs 2022



## MBO objectives<sup>1</sup>

- Group Opex objective removed
- FFO/Consolidated net financial debt objective weight increased to 30% (from 20%) to further emphasize the importance of maintaining a solid financial structure

## LTI objectives<sup>1</sup>

- GHG emissions reduction objective weight increased to 15% (from 10%)<sup>2</sup>
- Objective modified to cover not only direct scope 1 emissions related to power generation, but also indirect scope 1 and 3 emissions related to the electricity sold to end customers

## LTI Share component

- Increased to 150% (from 130%) for the CEO and to 100% (from 65%) for the CEO-1 managers, to ensure a further alignment with the interests of the shareholders in the long-term<sup>3</sup>

## Share Ownership Guidelines

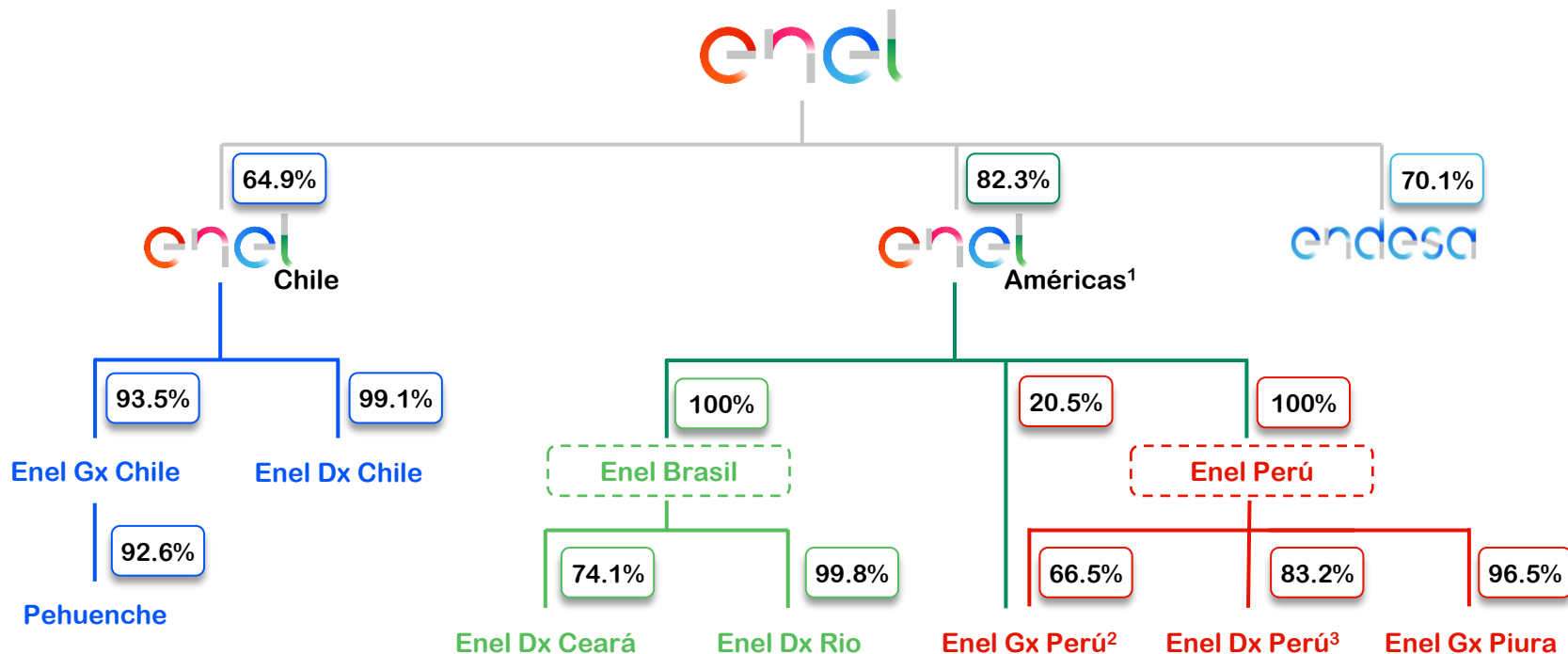
- Requirement for the CEO / Executives with strategic responsibilities to achieve (within 5 years) and maintain (during the term of office) Enel shares equivalent to 200% / 100% of fixed annual remuneration. Introduced to foster the alignment with the interests of the shareholders, further incentivizing the commitment to achieve the strategic objectives

1. A benchmark analysis on ESG objectives for both MBO and LTI was performed by an independent third party, leading to an increase in the weight of the climate objective in the LTI

2. Weight of TSR objective consequently reduced to 45% (from 50%)

3. Percentage unchanged for the other beneficiaries of the 2023 LTI Plan (65%)

# Enel Group's listed companies (as of December 31<sup>st</sup>, 2023)



Unlisted companies

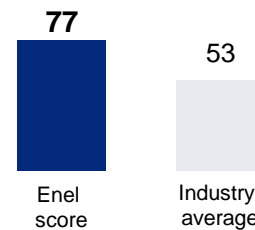
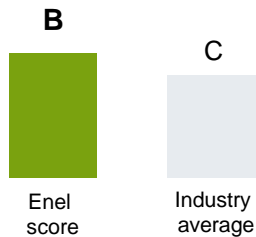
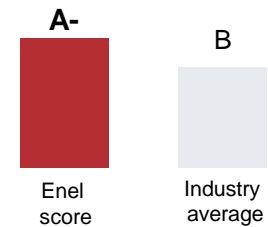
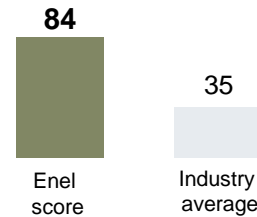
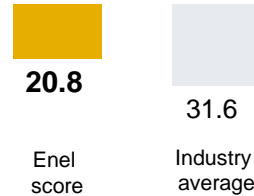
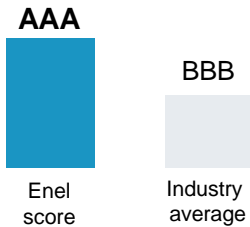
1. Also operating in Argentina, Colombia and Central America through unlisted companies. 2. On November 22<sup>nd</sup>, 2023, Enel announced that Enel Perú and Enel Américas entered into a purchase and sale agreement to sell their entire stake in Enel Generacion Perú. 3. On April 7<sup>th</sup>, 2023, Enel announced that Enel Perú entered into a share purchase agreement to sell its entire stake in Enel Distribución Perú.

# ESG Ratings

*The touchstone of  
Enel's sustainability*



# Consolidated position in main ESG Ratings focused on covering most material issues for the Energy sector



1. A lower score implies a better ranking (100= min; 0= max)

2. Refinitiv ESG Rating and Bloomberg ESG Disclosure Rating do not provide an industry average

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This presentation contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Enel S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Enel S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price and availability of fuel and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Enel S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party.

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