



OPEN POWER FOR A BRIGHTER FUTURE.

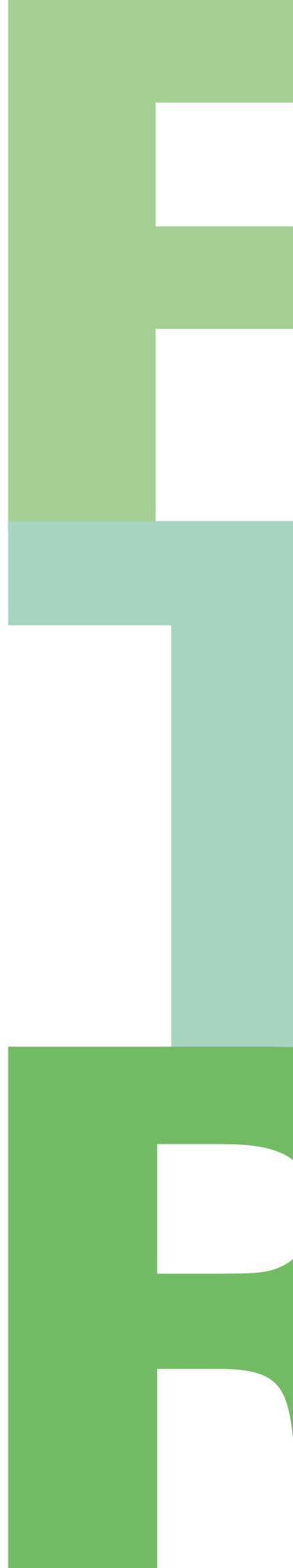
WE EMPOWER SUSTAINABLE PROGRESS.

AT A GLANCE





AT A GLANCE



Sustainable business model

The Enel Group is present in more than 30 Countries in five continents, with installed capacity of 84.3 GW and generation of

229.1 TWh. is equipped with a business model that promotes the achievement of the UN Sustainable Development Goals

and where each Country acts in the area of competence from a matrix perspective with respect to the Business Lines

2019 results



84.3 GW net installed capacity

50% net installed renewable capacity⁽¹⁾

229.1 TWh net electricity generation

296 g/kWh_{eq} specific CO₂ emissions

The new **Global Power Generation (GPG)**, set up in 2019, plays a key role in accelerating energy transition, managing decarbonization of the generation mix and continuing to increase investments in renewable capacity.



110 MW storage⁽²⁾

6.3 GW of demand response

79.6 thousand charging points

Enel X enables the energy transition by acting as an accelerator for the electrification and decarbonization of customers, helping them use energy more efficiently, leveraging also the Group assets by offering innovative services.



80.3 billion euros of revenue
17.7 billion EBITDA



10.8% SRI investors in share capital
33% women on the Enel SpA Board of Directors



68,253 Enel people
153,116 contractor company people (FTE)
0.15 combined frequency rate (LTIFR)⁽³⁾ for Enel people and contractors

¹ The percentage of net installed renewable capacity denotes the proportion (in percentage terms) of installed capacity of renewable energy in relation to the total installed capacity.

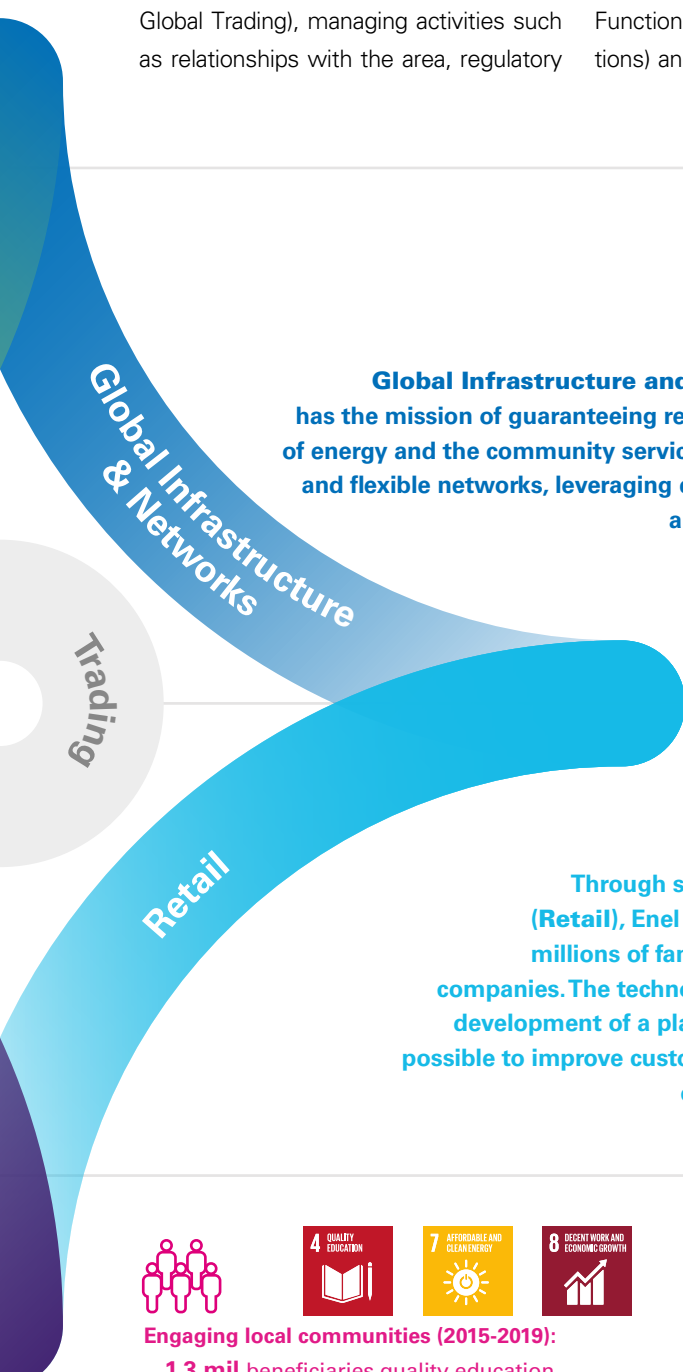
LINK Sustainability Report
Performance indicators

LINK Annual Report

(Global Power Generation, Global Infrastructure & Networks, Enel X, Retail, and Global Trading), managing activities such as relationships with the area, regulatory

matters, the reference retail market and local communications. The Global Service Functions (Procurement and Digital Solutions) and the Holding Functions (Admin-

istration, Finance and Control, People and Organization, Communications, Legal and Corporate Affairs, Audits, Innovability) are present in a supporting role.



Global Infrastructure and Networks (G I&N) has the mission of guaranteeing reliability in the supply of energy and the community service quality via resilient and flexible networks, leveraging efficiency, technology and digital innovation.



2.2 million km of network
73.3 million end users
44.7 million end users with active smart meters

Through sale to end customers (**Retail**), Enel interacts locally with millions of families, industries, and companies. The technological lever and the development of a platform model make it possible to improve customer satisfaction and customer experience.



69.9 million customers
5.9 million gas customers
64.0 million electricity customers
301.7 TWh electricity sold



Engaging local communities (2015-2019):

1.3 mil beneficiaries quality education
7.9 mil beneficiaries affordable and clean energy
2.1 mil beneficiaries decent work and economic growth



1.3 thousand hectares areas covered by biodiversity projects
0.33 l/kWh_{eq} specific water requirements for total generation

2 Includes the contribution of Global Power Generation.
3 Lost Time Injury Frequency Rate.

The transformation underway leads to structural changes in various industrial sectors, leading to the opening up of new markets and business opportunities, but also to the need to renew consolidated models and rethink the ways that available resources are being used. The results achieved by Enel in recent years attest to the **soundness and sustainability of a business model that is capable of creating value for all stakeholders and supporting the accomplishment of the UN Sustainable Development Goals**. 2019 was a key year in relation to the decarbonization strategy, with the construction of over 3,000 MW of renewable capacity, the continuation of the coal power plants decommissioning plan, generation from renewable sources surpassing the output from thermal generation, and specific CO₂ emissions from total net production totalling 296 g/kWh_{eq}. The new Global Power Generation Business Line, which integrates renewable capacity with thermal generation, was created to further support and accelerate this process. Users with smart meters number 44.7 million, and the Group has a total of 70 million end users, thus confirming Enel's positive positioning, especially in developed countries in which a process of energy markets liberalisation is in progress. Company people, totalling 68,253 in the various Group countries and regions, constitute the strategic lever to manage the energy transition process. Our staff are offered specific upskilling and reskilling programmes as well as tailored training initiatives are offered to Enel people to boost digital skills. The combined injuries frequency rate (Enel people and contractors) confirmed the downward trend of prior years (0.73 in 2019 vs 0.90 in 2018). Projects with local communities remained in place, aimed at promoting access to energy, high-quality education, and socio-economic development.

Important results were achieved also in terms of environmental sustainability and in the sphere of vendor relations. Finally, the principles of innovation, digitalization and the circular economy were infused throughout all processes in the value chain.

Thanks to the Group's diversification of countries and regions, the integrated business model throughout the value chain, a solid financial structure, and the level of digitalization achieved, Enel guarantees the continuity of its operating assets with the same level of service, in relation to the emergency caused by the spread of Coronavirus (Covid-19), also in support of the countries in which it operates. Smart working was rapidly implemented for around 50% of Enel people, protecting health and guaranteeing business continuity, and a dedicated task force has been set up to monitor the phenomena, determine any appropriate actions, and share its experience gained with the various countries. To accommodate work requirements and assist smart working staff with their remote collaboration, a daily contents bulletin has been set up on the Enel intranet with coaching "pills", advice and recommendations on how to use the IT tools and resources to their best advantage, plus tutorials dedicated to health of individuals and their families. From the operational standpoint, the majority of assets are digitalized and are remote control compatible, as are customer operations and communication channels. This digitalization process, which started in 2015, now means that Enel's people and assets are perfectly positioned to face with the current global crisis.

By exploiting synergies between the various business areas, taking actions by leveraging innovation, and implementing Open Power behaviours, the Enel Group seeks solutions to reduce environmental

impact and meet the requirements of customers and the local communities in which it operates, with a commitment to guaranteeing high safety standards for employees and vendors alike. Enel is thus able to take on the new challenges of the energy transition process, not simply by reacting to risks, but by embracing all the opportunities without leaving anyone behind. A clear, defined and long-term strategic vision, and day-to-day actions based on the concept of openness and the inviolable synthesis between innovation and sustainability. Inner and outer openness towards the interior and towards the exterior is achieved through the creation of innovative and cross-sector partnerships that call for the development of new modes of engagement to guarantee a lasting relationship and firm positioning in an increasingly unstructured scenario. This approach will lead to the interception and interpretation of the faint signals today that will become the trends of tomorrow.

A key element of the outlined approach is the adoption of **ESG** (Environmental, Social and Governance) **sustainability indicators** throughout the entire value chain, not merely for the assessment of the results achieved, but above all to anticipate decisions and develop a proactive outlook. Enel has an ongoing commitment to the management and measurement of its performance in terms of all relevant aspects, addressing economic, business and ESG issues in reporting its operations and defining the objectives underpinning its strategy. This model is fully in line with the requirements of the **UN Global Compact** – of which Enel has been an active member since 2004 – which stress the importance of ever-increasing integration of sustainability throughout all corporate strategies. The Enel Chief Executive Officer is a member of the Global Compact Board of Directors.

WE SUPPORT



Global Compact
LEAD
2019 PARTICIPANT

Enel's purpose:

**"Open Power
for a brighter future.
We empower
sustainable progress"**

CSBL

CENTER FOR
SUSTAINABLE
BUSINESS AND
LEADERSHIP



TRANSPARENCY
INTERNATIONAL
ITALIA
Associazione contro la corruzione



Sustainability governance

LINK Sustainability Report
Sound governance
Commitment to the fight against climate change

LINK Report on corporate governance

102-18 102-19 102-20
102-26 102-29 102-32

Over the past few years Enel has pursued a specific governance structure based on international best practices and permeating corporate, decisional, and operative processes throughout the entire value chain. Integration of environmental, social and governance factors is guaranteed by means of structured processes involving: sustainability context analysis, identification of priorities for the Company and its stakeholders, sustainability planning, ex-

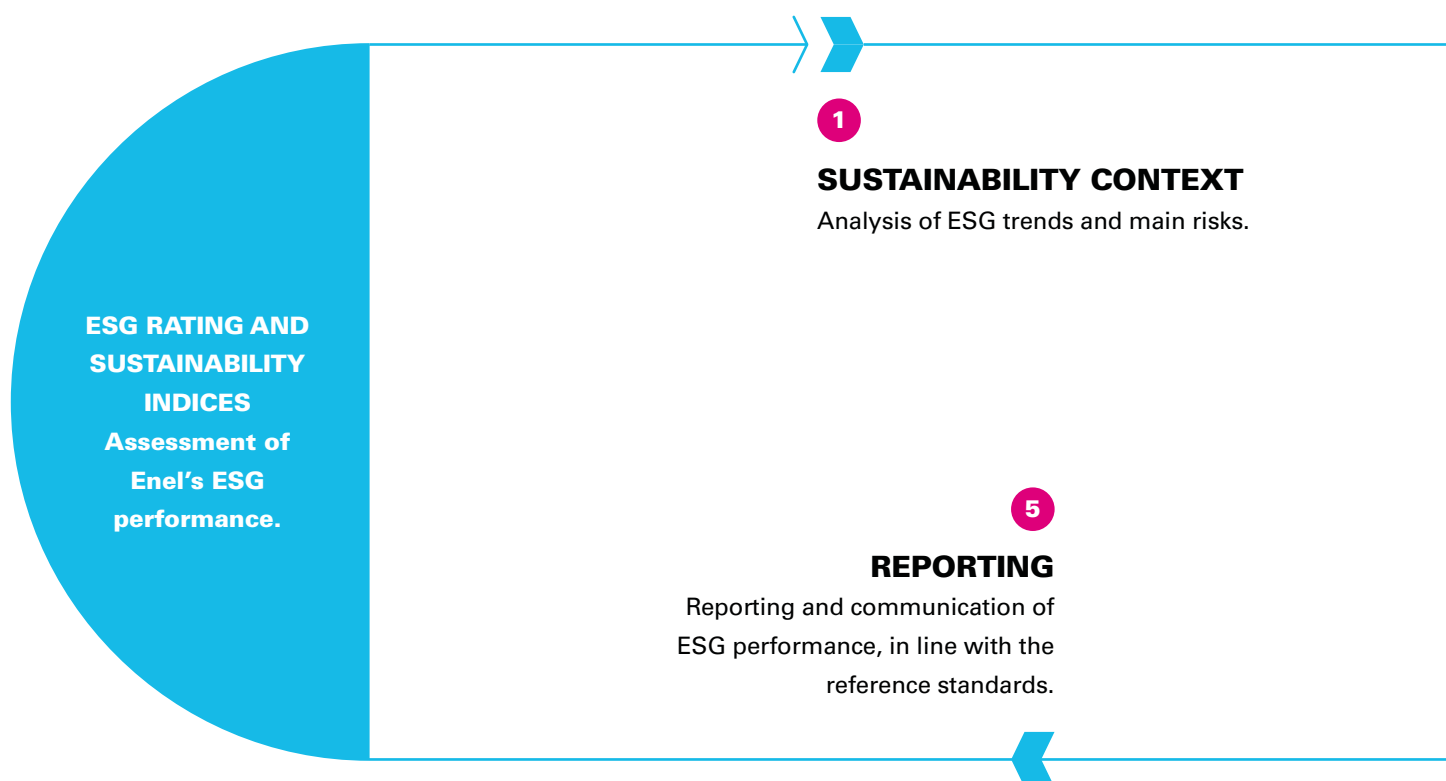
ecution of specific actions, and reporting and management of ESG ratings and sustainability indices.

→ The **Board of Directors** examines and approves the strategic, industrial and financial plans, including the annual budget and the Group Business Plan, which incorporate the principal guidelines to promote a sustainable business model and lay the basis for long-term value creation. The Board is responsible for approving the Sustainability Report, which constitutes the Consolidated Non-Financial State-

ment (NFS) pursuant to Legislative Decree no. 254/16, after consulting the Control and Risks Committee and the Corporate Governance and Sustainability Committee.

→ Among other aspects, the **Corporate Governance and Sustainability Committee** monitors the sustainability topics linked to the pursuit of operating activities and interaction between the Company and its stakeholders; examines the guidelines of the Sustainability Plan and the methods of implementation of the sustain-

Integration of ESG factors in company management



ability policy; monitors Enel's ranking in the main sustainability ratings; examines the layout of the Sustainability Report and articulation of the related contents, and also completeness and transparency of the disclosures supplied by the documents in question; examines the main company procedures rules and procedures of significance in relation to stakeholders.

- Among other aspects, responsibilities of the **Control and Risks Committee** include examining Sustainability Report contents of significance in relation to the Internal Control and Risk Management System, and the main corporate rules and procedures linked to the Internal Control and Risk Management System and having a significant impact in relation to stakeholders.
- By coordinating the activities of the Board of Directors, the **Chairman** of the Board of Directors, who currently also occupies the post of Chairman

of the Committee for Corporate Governance and Sustainability, performs a proactive role in the process of approval and supervision of the sustainability strategy.

- The **Chief Executive Officer and General Manager** is responsible for defining and implementing a sustainable business model, defining the guidelines for management of the energy transition, promoting zero-carbon emission energy generation and corporate practices that award consideration to the needs of the various stakeholders.
- The **Innovability Function (Innovation and Sustainability)**, which reports directly to the Chief Executive Officer, manages all activities from the perspective of sustainability and innovation. The Holding units responsible for Enel SpA's operations play a role of guidance and coordination for the Sustainability and Innovation units

located in the various countries and Business Lines. Each country or region identifies the requirements of local stakeholders, defining the sustainability strategy accordingly, adapting Group guidelines to match the needs of the local area. In the framework of the Holding Innovability Function, the Sustainability Planning and Performance Management unit, responsible for managing the sustainability planning, monitoring and reporting processes, and for the management of ESG ratings and sustainability indices, also reports to the Group CFO in order to guarantee ever greater integration of these issues in corporate strategies and reporting.

- The **global Business Lines, countries, global service Functions and Holding Functions** incorporate ESG factors in their decision and operational processes to generate sustainable value in the long term.



2

MATERIALITY ANALYSIS

Identification of the priority issues for the Group and for stakeholders.



3

SUSTAINABILITY PLAN

Definition of ESG objectives, in line with the UN SDGs, to promote a sustainable business model throughout the entire value chain.

4

ACTIONS

Daily commitment to create sustainable value for all stakeholders, thinking globally and acting locally.

ESG RATING AND SUSTAINABILITY INDICES
Assessment of Enel's ESG performance.

Definition of priorities

Sustainability context

Technological acceleration, growth and ageing of the world population, climate change, scarcity of resources, and shifting geopolitical balances are among the main forces shaping the watershed moment that the world is currently undergoing.

A scenario that has been further complicated by the recent spread of the Coronavirus epidemic (Covid-19) in many parts of the world.

The main trends lead to the need to:

- **redefine and reinvent the role of companies**, characterised by increasingly blurred boundaries and skills, resources and know-how ev-

er-more interchangeable between sectors;

- **rethink urbanisation**, taking account of sustainability challenges such as climate change, chronic diseases, ageing, economic accessibility and the technologies that are transforming modes of transport, consumption, and labour;
- **define a new world of work**, in which the methods of preparation for business of the future will be diversified and more dynamic and a new leadership model will emerge;
- **manage a new relationship with consumers**, which will use differ-

ent methods of communication with markets, businesses, and governments, in line with the evolution and interaction of AI (artificial intelligence), machine learning, increasingly widespread sensors, smart devices and new computational interfaces;

- **promote “adaptive” governance** that is more open, more flexible and more in line with change.

The new scenarios make it necessary to define new business models, promote different forms of inter-sector collaboration, and develop increasingly innovative financial instruments.

Main risk types

102-11	102-15	102-29	102-30
103-2	103-3	201-2	

LINK **Sustainability Report**
Sound governance
Commitment to the fight against climate change

LINK **Annual Report**
Report on corporate governance

Due to the nature of its business and the associated distribution of countries and regions, the Enel Group is exposed to various types of Environmental, Social and Governance risk (ESG). In identifying potential risks the results of the priority analysis were considered together with the risk assessments carried out in the framework of the human rights due diligence process carried out by Enel,

and the recommendations of external bodies such as the World Economic Forum (WEF) Global Risk Report 2020 and the results of several highly accredited international ESG rating agencies. The analysis takes account of the assessment of the risk perceived by the main external stakeholders, in the absence of checks. Mapping of the risks in question is in line with the approach adopted to identify the main company risks (financial, strategic, governance, operating, digital and compliance), in relation to which continual monitoring is carried out through the Company's internal auditing process.

In particular, the main ESG risks identified are as follows.

Environmental dimension:

- **climate risks**: physical risks arising from climate change could cause damage to assets and infrastructure resulting in their enduring unavailability. Moreover, the transition towards a zero-emissions energy model could involve risks arising from normative/regulatory, political, legal, technological and market changes associated with the fight against climate change;
- **environmental risks**: more restrictive regulations concerning

environmental protection require companies to implement specific actions to minimise their environmental impact. The rising population and economic growth generate impacts correlated with the scarcity of resources and management of water. There are also existing risks connected to water crises, due to climate change and the level of water resource exploitation.

Social dimension:

- **risks linked to human capital:** radical transformations of the energy sector call for the presence of new professional profiles and skills. Organisations need to move into line with new agile and flexible business models, and policies affirming diversity and for management and promotion of talent become key elements for companies that are negotiating the transition and have a widespread presence in countries and regions;
- **risks linked to occupational health and safety:** these risks are due to the execution of operating activities on the Group's sites through its assets, the identification of which was carried out by analysing the main events that have occurred in the past three years;
- **risks linked to local communities engagement:** presence in such a vast perimeter of countries and regions necessarily calls for the evaluation of very different scenarios and radical knowledge of each area and the needs of the various stakeholders. In this context, the development of infrastructural projects could result in criticism or situations of partial acceptance, exposing the Group to reputational and operational risks linked, for example, to delays in execution or even closure of projects.



Business and governance dimension:

- **risks linked to business continuity:** partial or total interruption of operating and/or sales activities could result in exposure to the risk of penalties, losses and reputational damage;
- **risks connected with cyber attacks:** the digitalization and technological innovation era results in a growing level of exposure of company assets to ever more frequent and sophisticated cyber attacks;
- **risks connected with digitalization, IT effectiveness and service continuity:** the Enel Group is performing a complete digital transformation of the entire value chain, which makes it more exposed to risks associated with operation of IT systems and which could lead to service interruptions or loss of data.
- **risks connected with the protection of personal data:** the Group's growth on a global scale in terms of the number of customers and countries and regions implies a natural exposure to risks associated with personal data protection, also

in consideration of the increasingly voluminous legal regulations concerning data protection, non-compliance with which can lead to an economic/financial and reputational damage;

- **compliance risks:** possible infringements of laws and regulations and the principles set down in the Company's Compliance Programs could result in exposure to the risk of judicial or administrative penalties, economic or financial losses and reputational damage.

Information concerning the specific contexts addressed by Legislative Decree no. 254/16 concerning human rights and the fight against corruption is given in the dedicated sections of the Sustainability Report. The "Principal ESG risks" table of the "Sound governance" chapter shows the Group's methods of management and mitigation actions, together with a more detailed description of ESG risks.

Materiality analysis

102-15 102-40 102-44
102-47 103-1

LINK Sustainability Report Methodological note

The analysis of priorities (“materiality analysis”) makes it possible to identify and assess material issues for stakeholders, weighted on the basis of their relevance, correlating them with the Group’s priorities and with the business strategy, considering impacts generated and suffered, in order to check their “alignment” (or “misalignment”) and identify areas of possible improvement.

The result of this analysis is shown in the priorities matrix (or materiality matrix) and it supports the identification and definition of issues for preparation of the Sustainability Report and the objectives to include in the Strategic Plan and in the Sustainability Plan, the accomplishment of which is guaranteed by contributions from the various Group Functions and Business Lines. The materiality analysis is brought to the attention of the Corporate Governance and Sustainability Committee at the time of the Sustainability Plan guidelines review. Moreover, the Corporate Governance and Sustainability Committee and the Control and Risks Committee issue preventive opinions concerning the Sustainability Report, which includes the materiality analysis, and submit them to the Board of Directors in its meeting convened to approve the Report.

The process allows to identify not only the priorities for the entire Group, but also for single countries, down to the level of detail of Business Line/Business Function and individual assets (meaning potential or actual operating sites).

The methodology employed was developed taking into account the guidelines of several international standards, including the Global Reporting Initiative (GRI), SASB (Sustainability Accounting Standards Board), standard AA1000APS and the SDG Compass, which supports companies in adapting their strategies to comply with the UN Sustainable Development Goals (SDGs). Specifically, the issues subject to analysis cover all 17 SDGs.

The issues, classified in categories of business and governance issues, social issues and environmental issues, were assessed in 2019 based on the priorities assigned by stakeholders (horizontal axis of the matrix) and by the Company (vertical axis of the matrix). The overall Group matrix considers the contributions of the main companies involved in the process, based on their relevance with respect to the type of business in which they operate. Below, some of the main material issues are shown, highlighting their related motivations and main impacts.

→ Occupational health and safety –

Enel considers people’s health, safety and psychological and physical well-being one of the main priorities of the Group. Optimal management of this issue contributes to generate trust and boost the commitment of people in relation to the Group and the work they perform, also helping to improve performance, raise productivity and reduce labour cost. In confirmation of the constant commitment assumed by Enel in relation to safety, the total combined injury Frequency Rate (FR) in 2019 for Enel people and contractors was down by 18% compared to 2018.

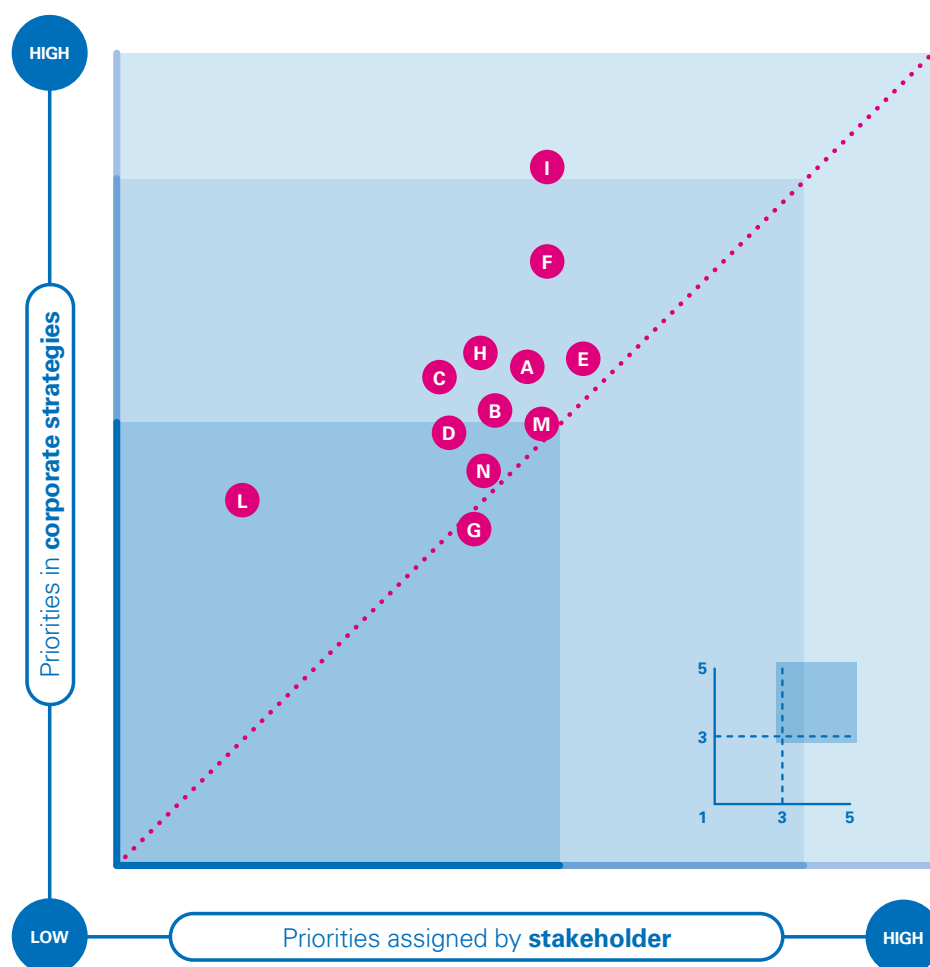
→ Ecosystems and platforms – Dig-

italization and the spread of new technologies are accelerating the transformation of a large number of sectors. This context offers new opportunities based on the development of energy solutions that promote sustainability and make it possible to diversify the offering of the products and services the Group proposes to its customers, both influencing the traditional business and promoting the creation of new models. Innovation of products, services or processes is a strategic priority that guarantees the Company’s long-term success against the background of an increasingly competitive and demanding market. In this context, the Group has included clear and precise objectives in its 2020-2022 Sustainability Plan, aimed at defining and developing new products and services, promoting the application of new technologies in the sphere of energy efficiency, electric mobility, storage and other sustainable energy solutions.

→ Sound governance and fair corporate conduct –

Enel has established a system of rules, models and control mechanisms inspired by the highest standards of transparency and fairness in management of the business, both internally and externally. This model generates trust among stakeholders, an aspect that is reflected also in the economic results and in positioning in the principal ESG ratings and sustainability indices.

2019 materiality matrix



Global Power Generation

Global Infrastructure & Networks

Retail

Enel X

¹ Includes the following issues: "New technologies and solutions for homes and condominiums"; "New technologies and solutions for cities"; "New technologies and solutions for Industries"; "Electric mobility".

→ **Economic and financial value creation**

– The creation of economic value is essential for the Group's enduring survival and its long-term sustainability. In this context, the Company's financial performance is among the material issues for both stakeholders and the Group. In 2019, Enel posted a gross operating margin of 17.7 billion euros and distributed a minimum dividend per share of 0.33 euros, representing an increase with respect to 2018.

→ **Decarbonization of the energy mix**

– The fight against climate change has become one of the key challenges facing companies. In particular, in the utilities sector this has led to the development of regulations and public policies aimed at promoting a global zero emissions economy, in which electrification of the energy demand plays a key role. Institutional investors are devoting ever greater attention to the management and results of companies in relation to climate change. In this context, Enel has defined specific objectives to reduce emissions of greenhouse gases (GHG), focusing on growth of renewable capacity and gradual closure of coal power plants. Details of the goals and actions implemented are shown in the sections dedicated to Enel's commitment to combating climate change in the Sustainability Report.



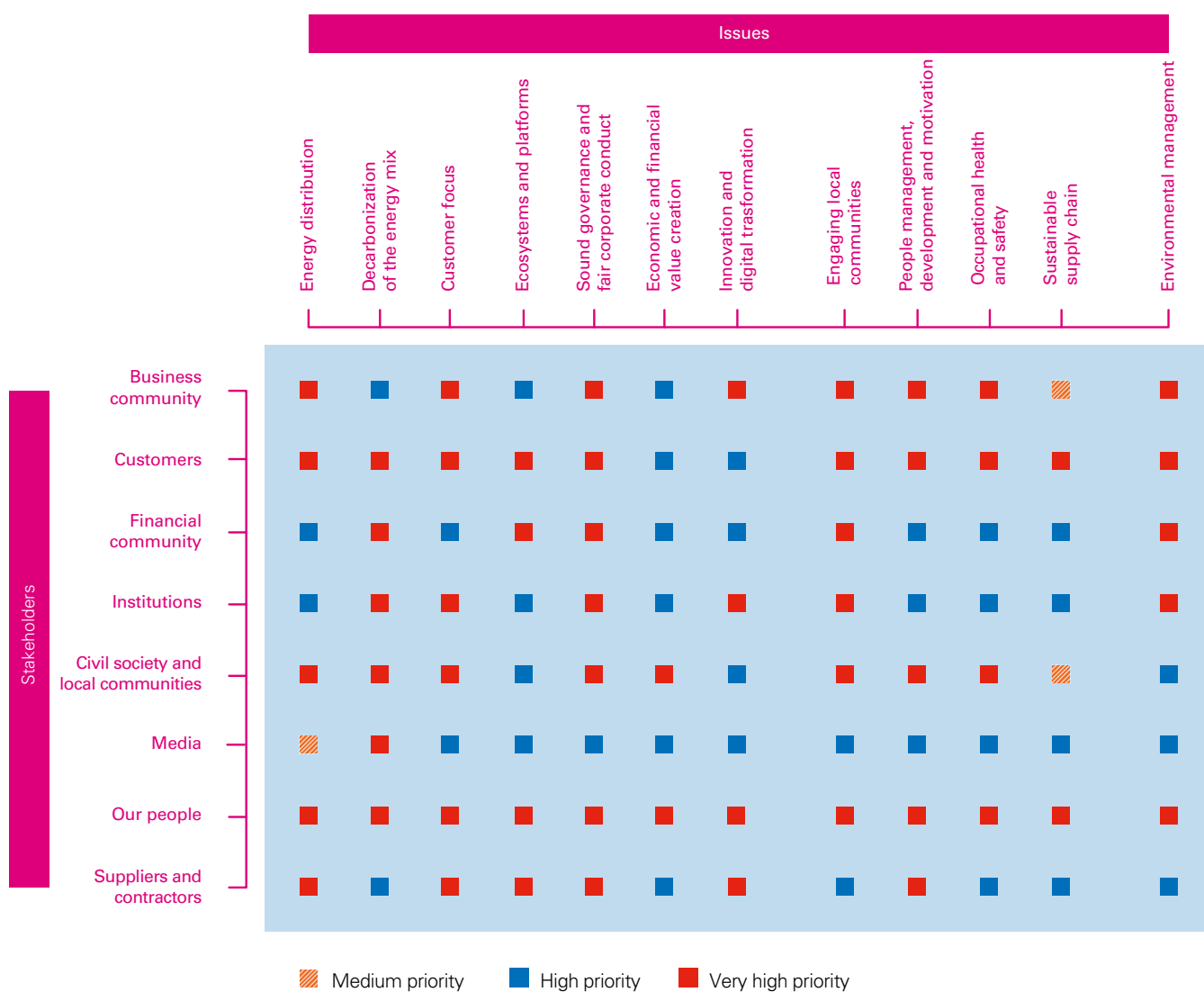
The priorities assigned by the stakeholders

102-40 102-43 102-47 103-1

In 2019 Enel carried out several initiatives aimed at engaging the Group's significant stakeholders, namely companies and trade associations, customers, the financial community, national and inter-

national institutions, civil society and local communities, the media, employees, vendors and contractors. On the basis of the results of these initiatives, the priorities assigned by the different categories of stakeholders to the assessed issues were identified. Enel responds to these issues through the Sustainability Report,

supplying information concerning the main activities and projects carried out in the year. Moreover, Enel integrates the results in question into the planning process, setting targets and actions aimed at continual improvement of its performance in order to respond successfully to its stakeholders' expectations.



2020-2022 Sustainability Plan

[LINK](#) Sustainability Report

[LINK](#) Annual Report

102-15

The adoption of a sustainable and integrated business model in 2015 has allowed Enel to pick up on opportunities in the energy sector linked to global decarbonization and electrification trends, and to take its place alongside the leaders in the energy transition. Thanks to this approach, Enel today is a more sustainable, efficient, and remunerative company, with a significantly lower risk profile and greater capacity to adapt rapidly to change.

The 2020-2022 strategy focuses on the achievement of the UN Sustainable Development Goals (SDGs) throughout the entire value chain, placing SDG 13 (Action to combat climate change) at the centre. Decarbonization of the energy mix, by accelerating the growth of renewable capacity (SDG 7 - Affordable and clean energy), and the gradual closure of coal plants, combined with electrification of consumption, will be the pillars for the next three-year period. The enabling factors are infrastructure and networks, in line with SDG 9 (Industry, innovation and infrastructure), and also ecosystems and platforms, in line with SDG 11 (Sustainable cities and communities).

From the operational standpoint, a 14.1 GW **increase in renewable capacity** is planned within 2022, reaching around 60 GW of total managed capacity, mainly due to organic growth, with a **reduction in global coal generation**

of around 74% compared to 2018. At the same time, the proportion of renewables versus total capacity should reach 60% in three years, guiding the increase in profitability of generation assets and increasing zero CO₂ emission generation to 68% by 2022. In the drive to achieve **complete decarbonization by 2050**, Enel has created a roadmap with interim objectives, certified by the Science Based Targets initiative (SBTi), with a projected reduction of 70% in direct greenhouse gas emissions per kWh in 2030 with respect to 2017 levels, unto reaching 125 g/kWh_{eq}¹. A commitment was also made to reduce Enel's indirect emissions associated with the sale of natural gas on the retail market by 16% within 2030 compared to the 2017 values.

The Plan calls for specific investments dedicated to the **electrification of consumption**, promoting growth of the customer base, and constant increases in efficiency supported by the creation of global business platforms.

In consideration of the important role of smart infrastructure in a world of completely decarbonized energy, the Plan aims to make the network ever more flexible and resilient, by means of investments in digitalization, service quality, and efficiency. The 2022 key objectives include a projected 9% reduction in the System Average Interruption Frequency Index (SAIFI) and around 29

million **second generation smart meters** installed.

The energy transition will be supported also by the development of new services, including an increase in the **demand response** (10.1 GW in 2022), installation of 736 thousand **public and private charging points for electric vehicles** within the reference three-year period, and the development of other electrification services.

In the period 2020-2022, Enel will also continue to adopt a **platform-based model** primarily in networks, in retail and in Enel X. In networks the use of a global platform allows the standardisation of management and maintenance, of customer administration processes, and of resources and systems allocation. Enel is engaged in the retail in the construction and management of a model based on products and services rather than on local markets, to aid innovation and efficiency in all countries and regions. Enel X adopts the "by design" platform model and develops innovative products and services, also by way of its partners.

The people centricity, a sustainable supply chain, sound governance, occupational health and safety and a focus on the environment strengthen and complete the Group's sustainability strategy, thus contributing to the accomplishment of all 17 of the sustainable development goals.

A high level of attention is devoted to the people working in the Company, deemed to be key factors of the strate-

¹ The 2022 CO₂ emissions target is 220 g/kWh_{eq}.

2020-2022 Sustainability Plan



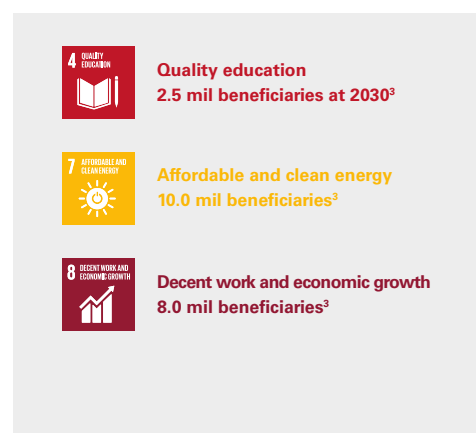
Engaging people we work with

2022 targets



Engaging local communities

2030 targets



1 Does not include selection processes involving blue collars and USA perimeter as the local legislation to protect the anti-discriminatory practices in phase of recruiting does not allow to monitor this data.

2 Eligible and reachable people having a permanent contract and working in the Group for at least 3 months during 2019.

3 Cumulative targets since 2015.

gy and of energy transition. In this context, Enel promotes the development of **upskilling** and **reskilling** programmes aimed at developing existing professional skills and creating new occupational profiles. Clear and precise objectives also concern the **performance appraisal**, the **corporate atmosphere** and the **development of digital skills**. In the matter of **diversity and inclusion** the commitment to reaching 50% of women involved in selection processes by 2022 is proceeding, plus a new objective aimed at raising the number of female managers and middle managers in the Company.

Enel also continues to promote economic and social growth of the **local communities** in which it operates, confirming and strengthening its specific commitment to the following SDGs:

- 2.5 million beneficiaries of quality education in the period 2015-2030 (**SDG 4**);
- 10 million beneficiaries of affordable and clean energy in the period 2015-2030 (**SDG 7.1**);
- 8 million beneficiaries of decent

work and sustained, inclusive and sustainable economic growth in the period 2015-2030 (**SDG 8**).

Clear objectives are also linked to rising levels of attention to **occupational health and safety**, promotion of a **sustainable supply chain**, an increasingly integrated **governance** structure and **environmental management** based on reducing emissions and consumption while also promoting biodiversity. In relation to environmental matters, Enel is committed to reducing specific emissions of SO₂ and NO_x by 2030², by 85% and 50% respectively, and reducing particulate levels by 95% compared to the values recorded in 2017³.

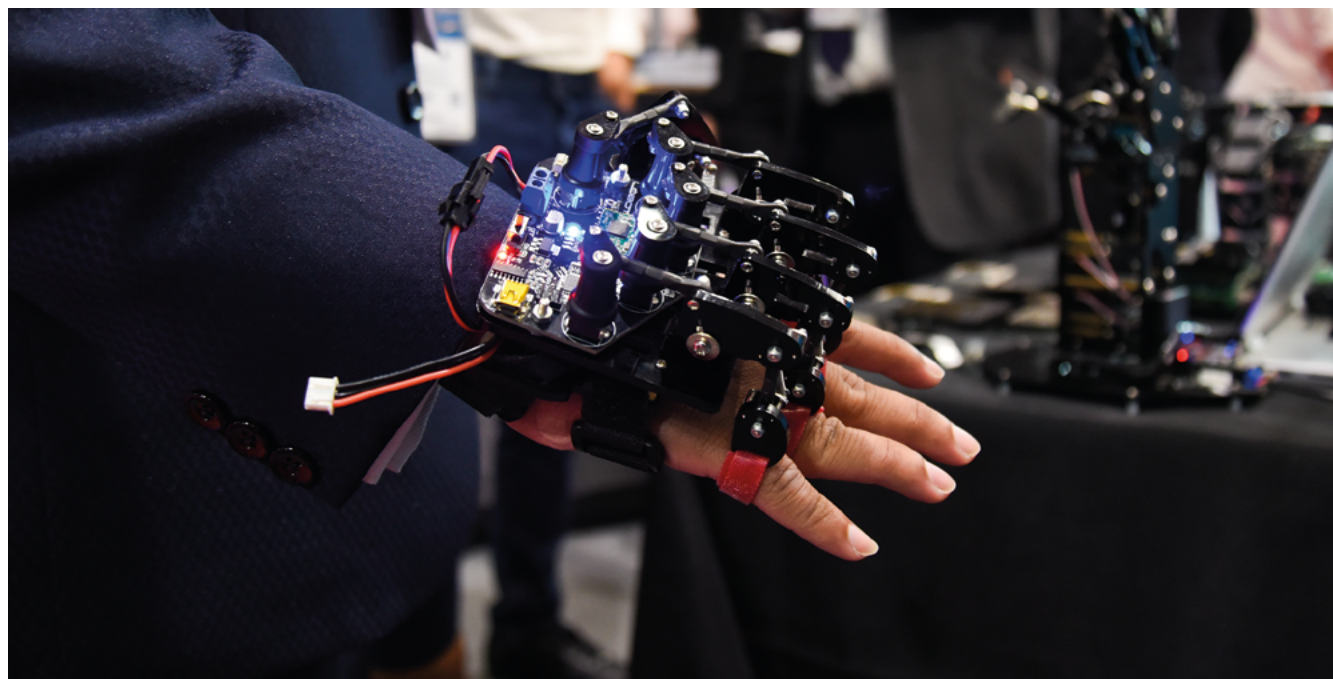
Innovation, digitalization and dissemination of a circular economy approach support and accelerate

achievement of the goals set down in the 2020-2022 Sustainability Plan. The **technological transformation** cannot however proceed without paying the utmost level of attention to **cyber security**, in relation to which the Group confirms its goals of disseminating the most advanced solutions and strengthening the related verification actions (Ethical Hacking, Vulnerability Assessment, etc.), and sensitization actions in relation to the cyber security culture.

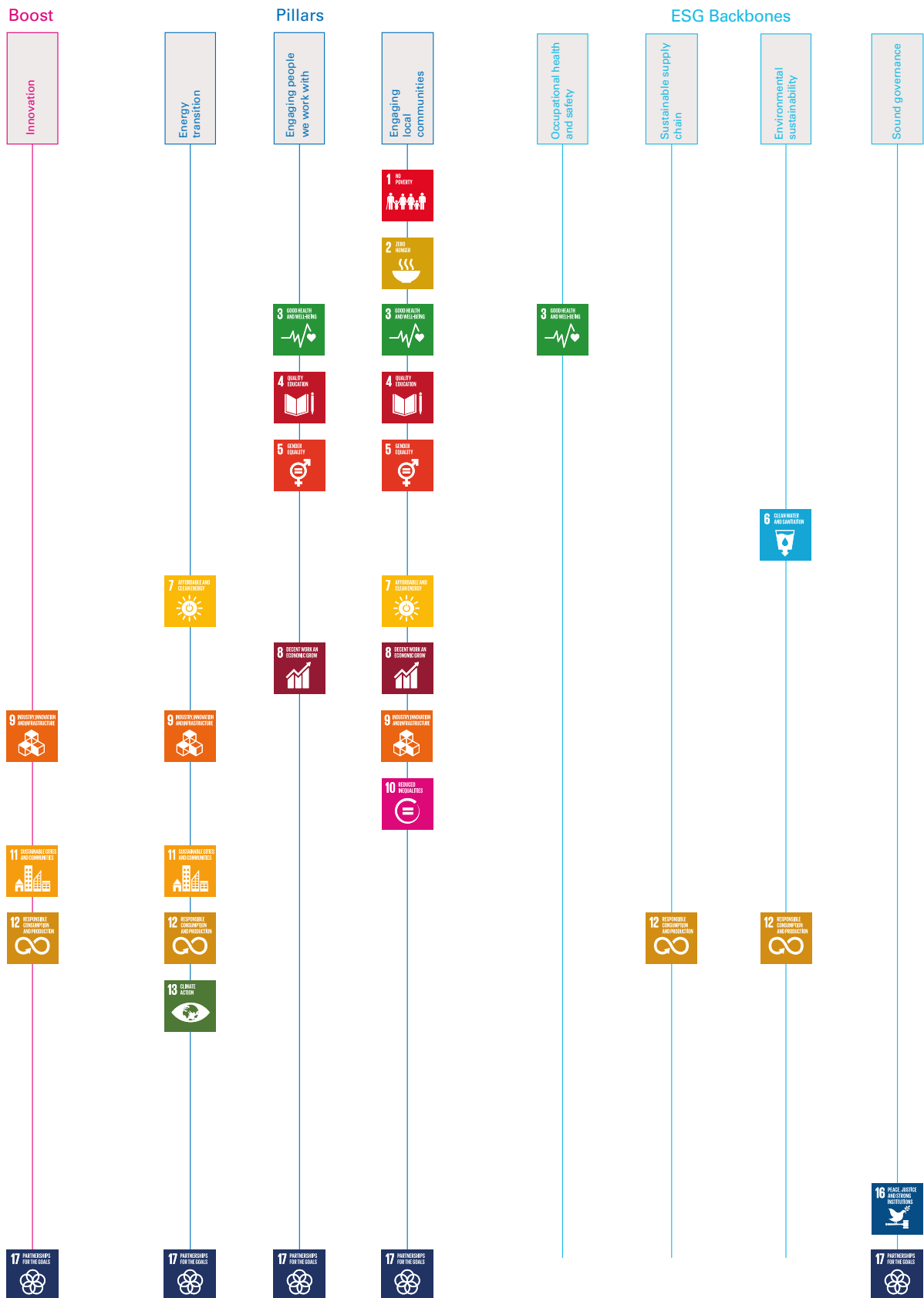
By means of a sustainable business model and clear and challenging objectives, Enel seeks to accelerate the energy transition without leaving anyone behind, creating value over the long term for stakeholders of all categories.

² Versus baseline year 2017, the 2022 targets for SO₂, NO_x and particulate are -80%, -45%, and -90% respectively.

³ Further to the definition of the emissions target at 2030 certified by the Science Based Targets initiative (SBTi), the objectives were recalculated based on 2017 in order to guarantee appropriate levels of consistency and alignment.



Enel's commitment to the SDGs



Enel's action to combat climate change

LINK Sustainability Report
Sound governance
Commitment to the fight against climate change

LINK Annual Report
Report on corporate governance

102-15 103-2 103-3 201-2

Climate change is the main global challenge of the 21st century, and can only be answered via the active engagement of all interested parties, including the private sector. Enel is fully aware of this challenge and has developed a business model aligned with the objectives of the Paris Agreement and achievement of decarbonization of its energy mix within 2050. A strategy confirmed in 2019, responding to the UN call to action and signing a pledge to limit the global temperature rise to 1.5 °C and to achieve zero emissions by 2050. The transition must also be fair and inclusive for all, promoting far-reaching actions based on climatic, energy-related, environmental, industrial and social aspects.

In order to orient its climate strategy, Enel has analysed the various climatic scenarios, both physical and transitional, and identified the main risks and opportunities in the short, medium and long term. In the 2020-2022 Strategic Plan Enel has assumed a commitment to the decarbonization of generation and consumption, simultaneously pursuing electrification of end customers to deal with climate change and guarantee affordable and clean energy. Enabling factors for decarbonization and electrification are identified in infrastructure and networks, and also ecosystems and platforms. Specifically, with regard

to decarbonization, investments are planned over the next three years in the amount of 14.4 billion euros, the majority of which addressed to higher renewable capacity, with average annual growth of 4.7 GW, for a total capacity of 14.1 GW. This will bring the proportion of renewables, in terms of total installed capacity, to 60% within 2022. Moreover, a parallel reduction of coal production of around 74% is planned by 2022, compared to 2018.

In September 2019, Enel announced the new goal of reducing direct emissions of greenhouse gases per kWh_{eq} by 70% within 2030, compared to 2017, this objective being certified by the SBTi. In confirmation of the constant commitment to this matter, 2019 saw the continuation of the downward trend in CO₂ emissions, which allowed Enel to reach the certified objective of 350 g/kWh_{eq} established in 2015, in 2020 – one year in advance. In fact, CO₂ emissions linked to the generation of electricity totalled 296 g/kWh_{eq}, hence 20% less than in 2018. In addition, around 55% of electricity generated in 2019 was CO₂ free, and the installed renewable capacity was 42 GW (50% of the total net capacity in 2019). This capacity is increased by the capacity managed via the BSO model ("Build, Sell and Operate") equivalent to 3.7 GW.

In order to guarantee increased transparency in its communications and relationships with stakeholders, Enel periodically reports on its activities in line with the international standards of the GRI (Global Reporting Initiative) and is publicly committed to adopting the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, which published specific recommendations for the voluntary reporting of the financial impact of climate risks in June 2017. The Group has also integrated the "Guidelines on reporting climate-related information" published by the European Commission in June 2019, taking into consideration the results of the first work performed by the European Lab Project Task Force on Climate-related Reporting (PTF-CRR), which collects the associated best practices ("How to improve climate-related reporting").

The following table shows the alignment of Enel's disclosure both with respect to the European directive and with respect to the TCFD, testifying to the Group's commitment to climate change related disclosures.

ACTION ON CLIMATE CHANGE (LINK: Sustainability Report <i>Commitment to the fight against climate change</i>)		RECOMMENDATIONS OF THE TCFD (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)	EUROPEAN COMMISSION GUIDELINES ON CLIMATE RELATED INFORMATION
Section	Subsection		
Enel's action against climate change	> A just and inclusive transition	-	Policies and Due Diligence Process
	> Enel and the global climate change context		
	> The stakeholders engagement process		
Enel's impact on climate change		-	Business Model
The Enel governance model to tackle climate change	> Competences of corporate bodies in relation to climate change	Governance: recommended disclosure a) and b)	Policies and Due Diligence Processes
	> The Enel organisational model for management of climate-related issues		
	> Incentives system concerning climate change		
Climate scenarios	> The physical climate scenario	Strategy: recommended disclosure c)	Business Model
	> The transition scenario		
The strategy to tackle climate change	> Decarbonization	Strategy: recommended disclosure b), c)	Business Model
	> Electrification		
	> Enabling infrastructure		
	> Platforms and ecosystems		
Main risks and opportunities linked to climate change	> The identification, assessment and management of risks and opportunities	Strategy: recommended disclosure a)	Principal Risks and their management
	> Identification, assessment and management of physical risks and opportunities	Risk Management recommended disclosure a), b), c)	
	> Identification, assessment and management of transition-related risks and opportunities		
Enel's performance in the fight against climate change	> Direct and indirect GHG (greenhouse gas) emissions	Metrics & Targets: Recommended disclosure a), b), c)	Outcomes; Key Performance Indicators
	> CO ₂ reduction targets		
	> Financial, operational and environmental metrics		
	> Targets		

People centricity

Our people

LINK Sustainability Report
Our people and their value

LINK Annual Report

102-7 401-1 404-1
405-1 405-2

The energy and competence of people, and a shared vision make it possible to manage ever increasing levels of complexity while maintaining commitments assumed with the market. Progress springs from ideas and co-creation, and is fuelled by values such as trust, responsibility, proactivity and innovation.

At the end of 2019 Enel people in the various Group countries totalled **68,253** (down by 1,019 vs 2018), of which 44% in Italy, 15% in Iberia, 30% in Latin America, 21% women, 12% under 30 years of age, 55% from 30 to 50 and 34% over 50. People with disabilities or persons in protected categories totalled 2,254. The inclusion of this diversity makes it possible to adopt innovative solutions, enhance the contribution of multiple perspectives and have different risk perceptions, effectively generating social and economic value.

In a scenario of transformation, characterised by a high level of automation, ever more advanced technological evolution and new technical and professional profiles, Enel has developed **upskilling** and **reskilling** programmes that promote the evolution of talents and skills. In particular, the upskilling programmes are focused on the development of existing professional competences and adding new skills. Conversely, reskilling is aimed at creating new professional profiles, replacing skills that have become obsolete or are no

longer required and allowing people to work on new areas of specialisation.

Training is increasingly a partner in the growth of all individuals, stimulating personal initiative, self-learning and a pro-active spirit. In 2019, around 39 training hours *per capita* were supplied on average, for a total of more than 2.6 million hours. Specifically, 46% of people were involved in activities aimed at strengthening digital skills. Technical-specialist training programmes in different business areas were also promoted through the vehicle of schools and academies. Enel however also focuses on more experientially based training, such as job shadowing, which arises from interaction between individuals with different roles and responsibilities, who open up to new inputs in a scenario of training and reciprocal sharing of skills and aptitudes.

Openness and listening are core aspects of the Open Power culture and they constitute the engine of the climate survey conducted by Enel at two-yearly intervals. The 2018 survey focused on topics such as well-being, engagement, and safety. In 2019, action plans were defined and developed for the identified areas of improvement.

The recruitment, hiring, development and performance appraisal processes form the foundation of relations with people within the Company. Enel has made a commitment to guarantee equal representation of both genders in the initial stages of its recruitment and hiring processes within 2021. At the end of



2019, the number of women in recruitment pools totalled 42% (39% in 2018). The quantitative and qualitative performance appraisal process of the past year involved 100% of eligible and reachable people⁴, of whom a total of 99%⁵ were appraised. Conversely, the quantitative assessment was carried out exclusively for the population with variable remuneration. Finally, the equal remuneration rating (ERR⁶) related to the managerial population was equal to approximately 84% in 2019.

⁴ Eligible and reachable: those with an open term contract who were in the workforce and active for at least three months in 2019.

⁵ Forecast data, since the closure of the assessment process has been postponed to May 2, 2020 due to the Covid-19 crisis.

⁶ Manager ERR (Equal Remuneration Ratio) = fixed + variable female managers/fixed + variable male managers.

The communities in which we operate

LINK Sustainability Report
Communities and value sharing

LINK Annual Report

102-42 102-43 102-44 411-1 413-1

Responsible community relations constitute a pillar of Enel's strategy. Constantly and proactively considering the needs and priorities of society makes it possible to accept new challenges and redefine an increasingly competitive business model, developing new strategies and innovating in processes, also through scalable solutions. In 2019, with around **1,800 projects** and more than **4 million beneficiaries** in the countries in which it is present, Enel made a tangible contribution to development and social and economic growth of local areas: from the expansion of infrastructure to education and training programmes, from initiatives aimed at social inclusion to projects designed to support cultural and economic activities. The essential lever to carry out

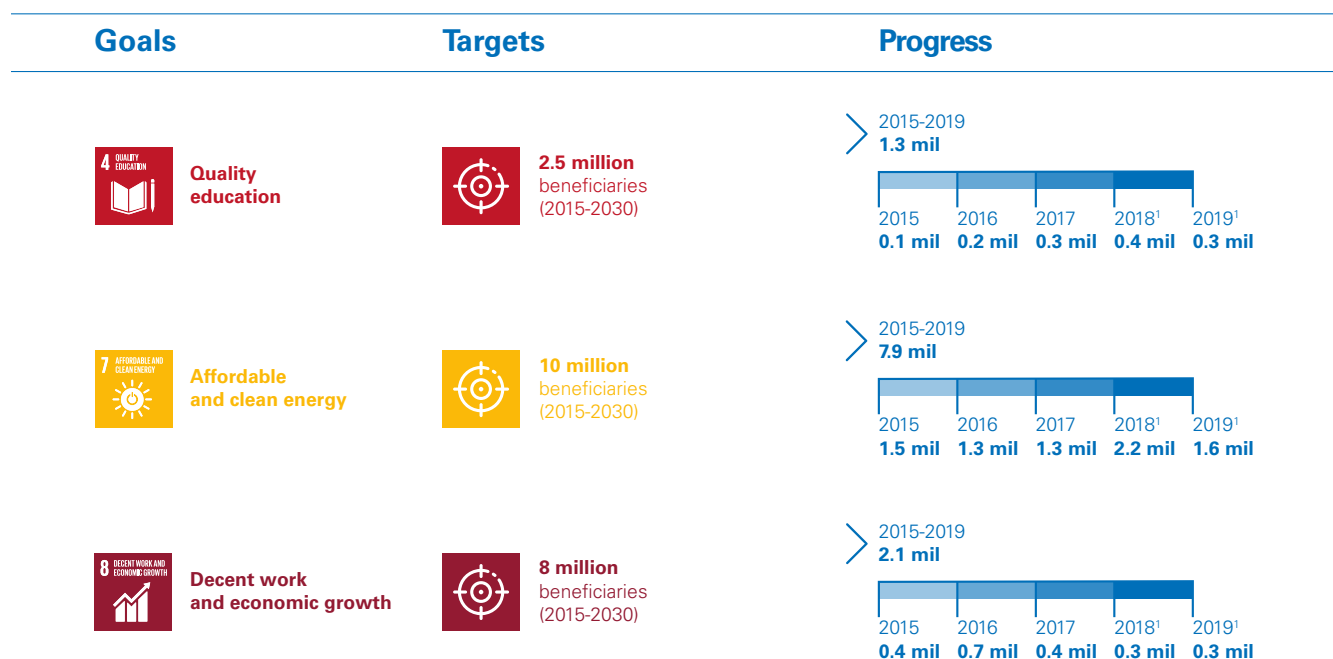
these projects is the recourse to around **800 partnerships** with organisations, companies, and institutions operating on the local and international level that promote development of the territory through innovative and tailored interventions.

Sustainability of the strategy is confirmed also by the progress made in terms of the Group's contribution to achieving the UN Sustainable Development Goals (SDGs), with special reference to projects aimed at guaranteeing inclusive and equitable quality education (SDG 4), offering access to affordable, reliable, sustainable and modern energy (SDG 7) and promoting sustained, inclusive and sustainable economic growth (SDG 8).

Awareness of the context in which Enel operates and active attention to all stakeholders are essential factors to combine economic and social growth over the long term. Enel adopts a creating shared value

(CSV) model that integrates social-environmental factors in the business processes and throughout the entire value chain, with special reference to operations of business development, engineering and construction, in addition to management and maintenance of assets. The model is composed of six stages that can also be carried out on an individual basis: context analysis, stakeholder identification, analysis of materiality and potential risks/opportunities, definition of a plan of shared actions, execution of the plan in question, monitoring, assessment and reporting. **1,375 applications of the CSV model⁷** were executed in 2019 in the various phases of the value chain, with an inclusive approach towards stakeholders.

⁷ An application is construed as the use of at least one CSV instrument in relation to an asset, in any phase of the value chain and in any Business Line.



1 The number of beneficiaries considers the activities and projects carried out in all the areas in which the Group operates. Exclusively for the NFS perimeter (excluding consolidated companies using the equity method, the foundations, the non-profit organizations of the Group, and the companies for which the BSO - Build, Sell and Operate mechanism has been applied) the number of beneficiaries amounted to 0.3 million for SDG 4 (0.2 million in 2018), 1.6 million for SDG 7 (2.1 million in 2018) and 0.2 million for SDG 8 (0.2 million in 2018).

Energy of the circular economy

LINK Sustainability Report

Commitment to the fight against climate change
Infrastructure, ecosystems and platforms
Sustainable supply chain
Environmental sustainability

The circular economy is a new paradigm to rethink the current development model, combining innovation, competitiveness and sustainability, and to respond to the big environmental and social questions.

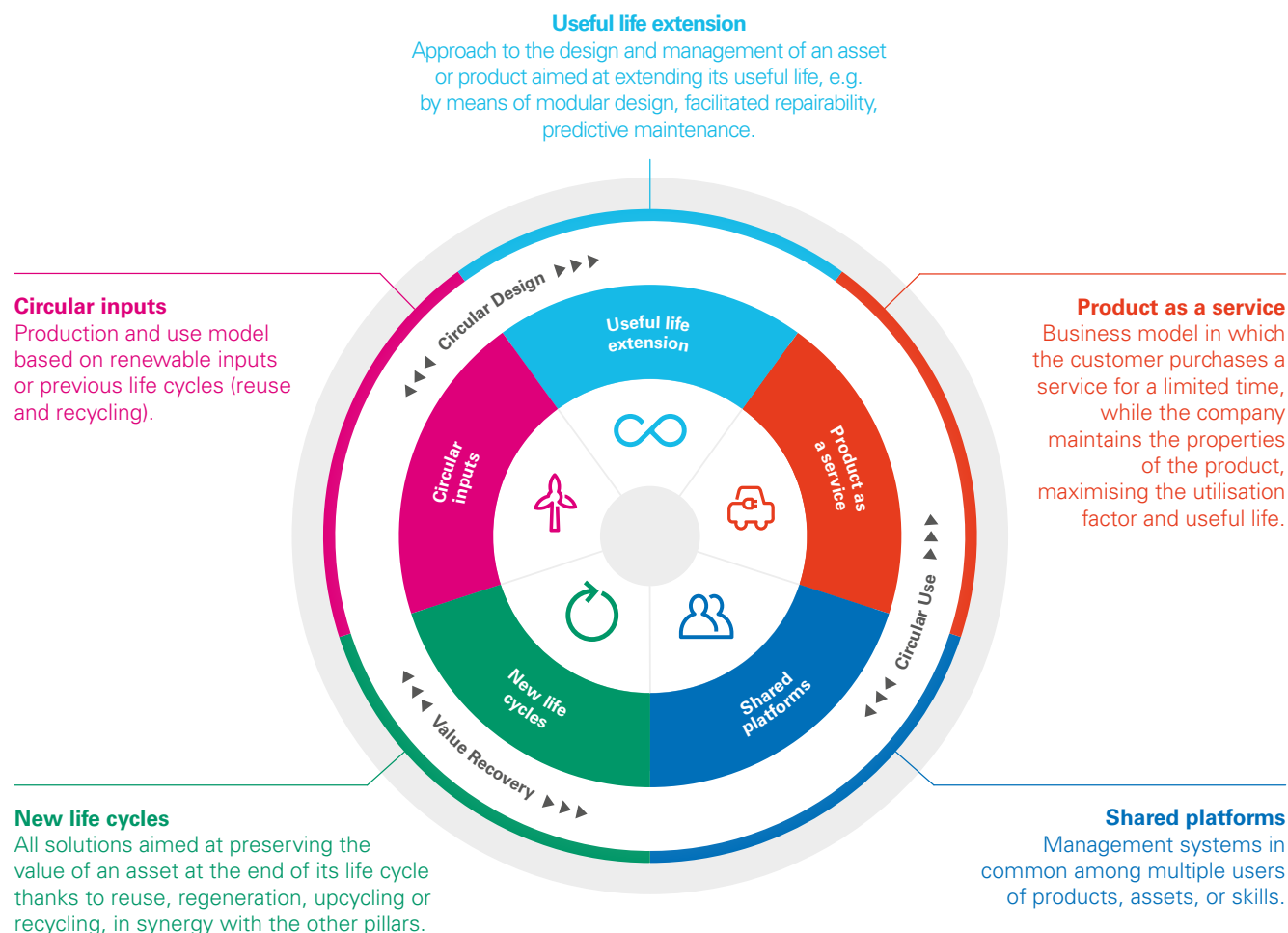
This process, which Enel launched in 2016, has been gradually extended to the entire value chain, developing the collaboration and contribution of various internal and external

actors, in an Open Power perspective. This approach has allowed the development of new business initiatives linked to technological innovation and the development of assets and materials, while also contributing to reducing the Group's exposure to the use of non-renewable raw materials.

Enel's vision of the circular economy stands on **five pillars** that define the related con-

texts and methods of application.

A lean and diffused **governance structure**, coordinated by an area at Holding level, has been set up to promote and manage these issues. The Business Lines define and identify the models, products, services and processes in relation to the reference contexts, while the Countries contribute to discussions concerning the topic of circular



economy and handle relations with institutions, other companies (in all sectors) and stakeholders. Synergy between the three areas guarantees Enel's effort to identify innovative solutions.

Moreover, considering it to be essential to evaluate the success and effectiveness of the circular economy, Enel has developed a **circularity measurement model ("CircularAbility Model")** that takes account of all five pillars, expressed through specific sub-indicators, namely flow circularity, which considers all components of materials and energy in the input and output phases, and circularity of use, which measures the materials utilisation factor, both through the extension of life expectancy and taking account of the application of sharing and "product-as-a-service" principles. After identifying the metric, the following Business Line-specific approaches were outlined:

- **Procurement:** the supply categories were subjected to a systematic analysis of the entire life cycle ("Life Cycle Assessment"), to track environmental impacts and all material and energy flows during the supply generation process;
- **Circular Assets:** in order to manage Group assets with a circular approach, circularity of the design, construction, operation and end of life phases is measured, making it possible to identify operating initiatives that make it possible to increase the overall process circularity rating;

- **Enel X:** measurement of the level of circularity of the products and services offered to customers (in order to provide a tool of comparison for interested end consumers sensitive to environmental issues) and of the circularity of industrial customers and the public administration.

The circular economy projects that Enel has launched are numerous and can be arranged in the following main areas:

- **Global Procurement:** the project is designed to steer the entire supply chain towards circularity through measurement of the circularity of the products and services purchased by the Group, introduction of K factors to award vendors by means of specific tender instruments for their use in the transition towards a circular economy, and the start of co-innovation projects to review the supply chain from a circular perspective;
- **Assets (GPG, G I&N):** aimed at integrating the benefits of electrification in environmental, social and economic terms, in order to rethink the value chain from a circular perspective in terms of material and energy flows. The circular approach is applied throughout all stages of the life of assets, from design to construction, operation and up to the end of life;
- **Customers (Enel X):** aimed at accelerating circularity, within the Company's

ecosystem of vendors, partners and customers. A process of measurement and improvement of circularity of the solutions in the Group's portfolio has been started with innovative projects through the Circular Economy Boosting Program;

- **Circular Cities⁸:** for more than two years, a work group that includes the Business Lines, Countries, and various staff areas is exploring challenges and solutions for the cities of tomorrow in the context of the circular economy, to be expressed both in Group activities and in collaboration with stakeholders (institutions, other industrial sectors, etc.);
- **Country:** the Group pursues numerous initiatives in the Countries, both with the government and with regional and local administrations, in addition to the inception of extended collaborations on the topic to strengthen the role of the business, and ongoing collaboration with research centres and associations to disseminate awareness of the topic. The main Country activities were started in Italy and then extended to Spain, Chile, Colombia, Argentina, Brazil, Peru and the US.

⁸ Enel's positioning in respect of circular cities is shown in the document "Circular cities. Cities of tomorrow", which is available at the following link: https://corporate.enel.it/content/dam/enel-it/media/documenti/circular-cities-cities-of-tomorrow_en.pdf.

Alliance for the Circular Economy

A circularity-based business model implies the utmost collaboration among all actors involved; that's why we considered it to be essential to open up to dialogue with parties that share our vision, involving the chains and promoting common initiatives to safeguard natural resources and boost competitiveness of the country. In 2017 Enel launched the **Alliance for the Circular Economy** and signed a **Declaration of Intent** with companies in the Made in Italy sector, occupying leading positions in a range of manufacturing sectors. The goal of the Alliance is to guide a global evolution of the manufacturing scenario from a circular perspective that promotes the unique features of Made in Italy products, focusing on innovation, aiding the sharing of experiences and best practices and stimulating constant dialogue with the entire ecosystem. In 2019, an increasing level of interest for the initiative allowed the Alliance to achieve ever greater participation in terms of the number of companies involved and sectors represented, in such a way as to increase the level of support for the development of circular business models.

The value of sustainability

LINK Sustainability Report
Sound governance

LINK Annual Report
Report on corporate governance

There is a clear link between sustainability and value creation given that, investing in sustainable projects from the environmental and social point of view, companies can maximise profits and minimise risks while simultaneously contributing to the achievement of the SDGs. Socially responsible investors continue to grow in 2019, holding 10.8% of total shares (10.5% in 2018), equivalent to 14.1% of floating capital (13.7% in 2018). Moreover, the Enel investors who have signed the UN Principles for Responsible Investment (UN PRI) hold 43% of total shares.

ESG analysts and international rating agencies monitor Enel's sustainability performance constantly. Through the application of different methodologies, analysts assess Group performance

in relation to environmental, social and governance topics that may be of significance for the financial community. ESG ratings are therefore deemed to be a strategic tool to support investors and identify risks and opportunities linked to the sustainability in their investment portfolio, aiding the development of active and passive sustainable investment strategies.

Over the past year, Enel has maintained or improved its score and positioning in the majority of ESG ratings and sustainability indices, with several important results achieved, including:

→ achievement, for the first time, of **"AAA" rating** ("AA" in 2018), by **MSCI ESG Research**, the main provider of data and research studies, which measures the performance

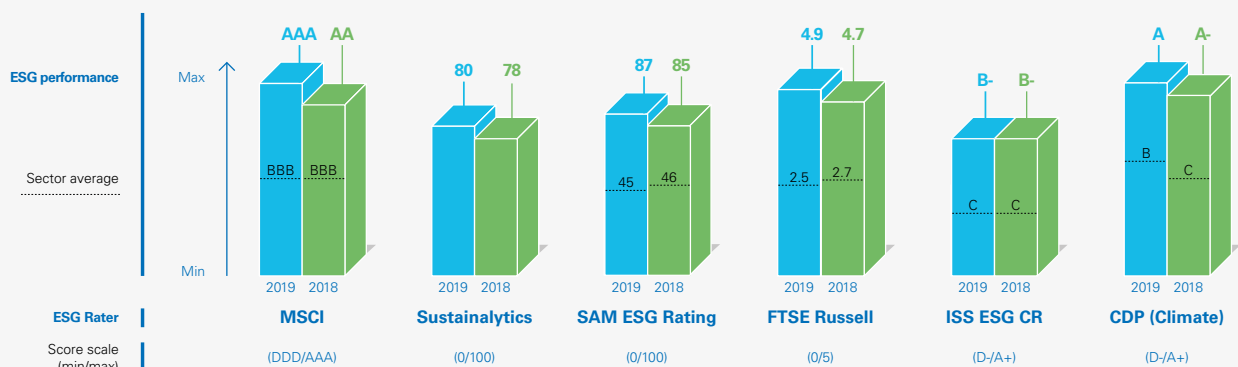
of companies on the basis of ESG factors. In particular, Enel is among the top ten utility companies present;

→ insertion in the **CDP Climate "A-List"** ("A-" rating in 2018), confirming its leadership in the management of risks and opportunities linked to climate change, supported by a reduction of greenhouse gas emissions;

→ presence, for the first year, in the **Bloomberg Gender Equality Index**, confirming the commitment and performance in the realm of promotion and integration of gender diversity throughout the Company's entire value chain;

→ presence, for the first time, in the **Global 100 Ranking of Corpo-**

Enel's ESG performance in main ESG ratings



ESG indices and rankings

MSCI ESG
Universal Index
MSCI ESG
Focus Index

STOXX
Sustainability Indices

Member of
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

FTSE4Good

EUROSTOCK
Sustainability Indices

WORLDWIDE
Sustainability Indices

WORLDWIDE
Sustainability Indices

WORLDWIDE
Sustainability Indices

WORLDWIDE
Sustainability Indices

WORLDWIDE
Sustainability Indices

WORLDWIDE
Sustainability Indices

WORLDWIDE
Sustainability Indices

Enel's presence in main ESG indices & rankings

rate Knights, achieving the eighth position in the general classification and the second position in the energy sector;

→ best positioning in the utility sector both in the **Dow Jones Sustain-**

ability Index World, reaching the fourth position (a gain of two positions compared to 2018), and in the **FTSE4Good Index**, reaching the second position (two positions more than in 2018).

The other Group companies, namely Endesa, Enel Américas, Enel Chile and Enel Russia, have maintained or improved their performance in the majority of the ESG rating processes in which they participated in 2019.

Enel and sustainable finance

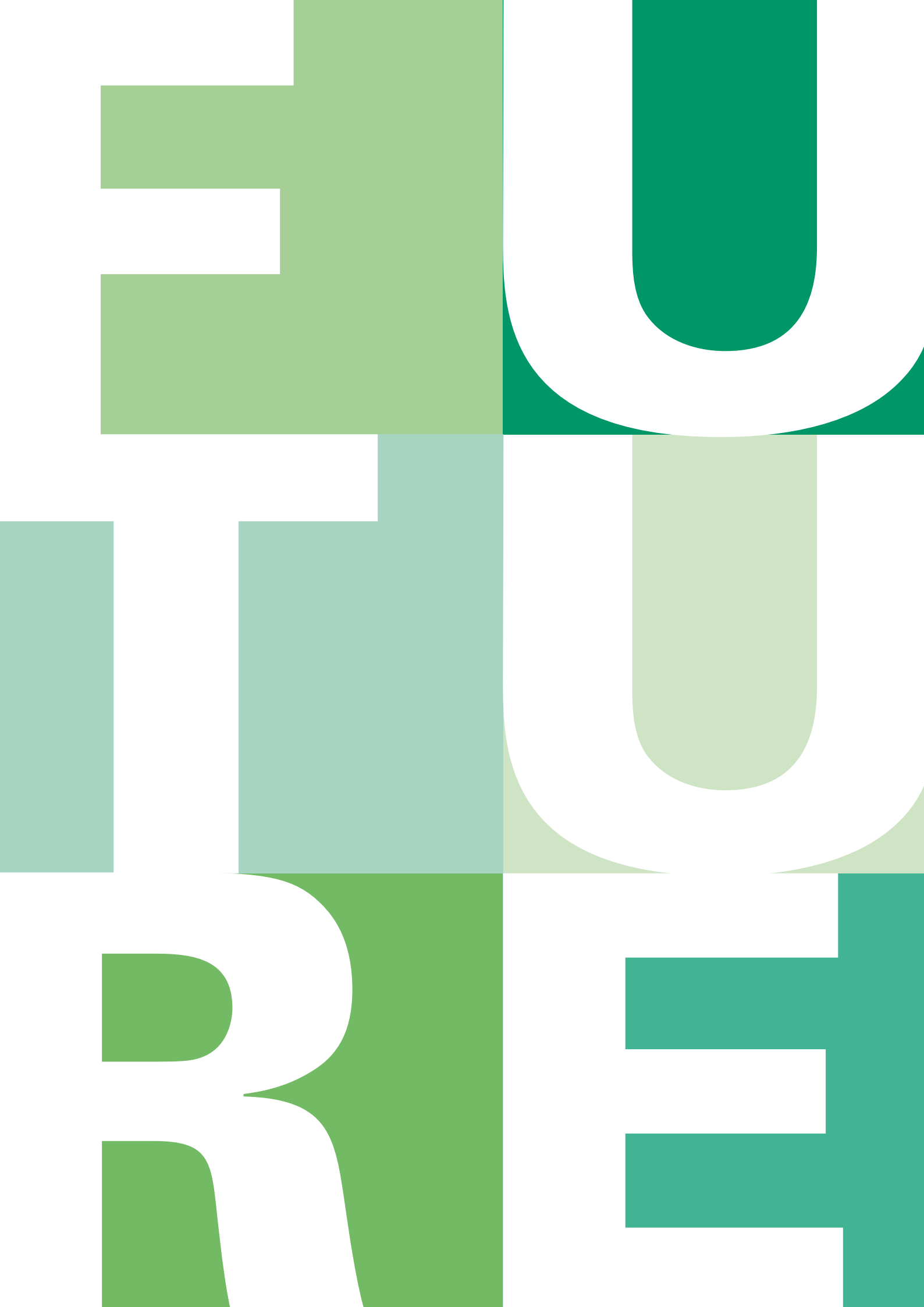
[LINK](#) Green Bond Report

Sustainability is an increasingly critical lever for the generation of economic and financial value. Enel has placed **three green bonds** on the European market with a total value of 3.50 billion euros, respectively in January 2017 (1.25 billion), 2018 (1.25 billion) and 2019 (1 billion). The green bonds issued by Enel Finance International NV are destined for institutional investors and guaranteed by Enel SpA. The issue of green bonds is aimed at financing projects that are functional to the transition to the low carbon economy. For details, refer to the chapter “Green Bond Report”.

In September of 2019 Enel issued the world’s **first general purpose SDG-linked bond** on the US market and on international markets, for a total amount of **1.5 billion US dollars**, linked to SDG 7 “Affordable and clean energy”. This bond issue, which is the first of its kind and destined to satisfy the Company’s ordinary financial requirements, is linked to the Group’s ability to reach a percentage installed renewable capacity (on a consolidated basis) equal to or higher than 55% of the total consolidated installed capacity, by December 31, 2021. To assure and guarantee the transparency of results, accomplishment of this goal will be subject to specific assurance by the appointed auditor. The interest rate applied will remain fixed until the debenture loan matures in relation to the achievement of the above indicated sustainable objective at December 31, 2021: in the event of failure to accomplish this goal, a step-up mechanism will be applied with an increase of 25 bps of the interest rate, starting from the first interest period following the date of publication of the auditor’s assurance report. After the success of said placement, Enel launched a new SDG-linked bond on the European market for the total amount of **2.5 billion euros**. In addition to the objective linked to SDG 7 inserted in the previous issue, a further target linked to SDG 13 “Climate action” was added (emissions of greenhouse gases equal to or lower than 125 gCO₂/kWh_{eq} within 2030). On both occasions, Enel obtained an average economic benefit of around 15 bps with respect to a potential issue without sustainable characteristics. In addition, in October Enel SpA signed an agreement with UniCredit SpA for the **first revolving line of credit linked**, as in the case of the above mentioned bond issues, to SDG 7 for the value of 1 billion euros and duration of 5 years. In relation to accomplishment of the target within the prescribed date, the line of credit provides a step-up/step-down mechanism that will affect the interest margin if the line is used, or the commission, if the line is not used. **Enel has planned to increase the recourse to sustainable sources of borrowings from the 22% of 2019 to 43% in 2022 and to around 77% in 2030.**

Enel was recognised by the International Financing Review (IFR) as the **ESG Issuer of the year** at the time of the 2019 IFR Awards, for its commitment to a sustainable strategy that has revolutionised the borrowing market. Moreover, the Group’s five-year SDG-linked bonds, valued at 1.5 billion US dollars, were elected **Yankee Bond of 2019**.

Since 2017, Enel is also a **Member Issuer of Green Bond Principles** (GBP) and **Social Bond Principles** (SBP) at the International Capital Market Association (ICMA), and founding member of the **Climate Finance Leadership Initiative** (CFLI), the aim of which is to facilitate the private cash flows necessary in the path of mitigation of and adaptation to climate change, as provided for in the Paris Agreement. The Enel CEO is also the sole representative of an Italian company and a global utility provider that adheres to the **GISD Alliance**, a group of 30 leaders committed to boosting long-term investments for sustainable development and facilitating the alignment of commercial operations, finance and investments with the 2030 Sustainable Development Agenda. Enel also participates in the **Corporate Forum on Sustainable Finance**, a network created to aid the development and growth of sustainable finance. Finally, Enel co-chairs the **CFO Taskforce for SDGs** of the UN Global Compact, which has the long-term objective of defining principles and a roadmap for sustainable business financing.



Every day sees the generation of new energy,
which spreads and grows thanks to a network that connects us all together.
We are the source of that energy,
which drives social development, safeguards the planet
and enables everyone to express their full potential.
Curiosity has opened new horizons for us.
Courage has enabled us to reach those horizons
and create new business models for ourselves, our customers,
our shareholders and the community we operate in.
Because yesterday's ideas are today's realities.

