OPEN POWER FOR A BRIGHTER FUTURE.

WE EMPOWER SUSTAINABLE PROGRESS.

SUSTAINABILITY REPORT 2019

Consolidated Non-Financial Statement (NFS) prepared
in accordance with Italian Legislative Decree 254/16_year 2019

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Enel is Open Power

Positioning

Open Power

Purpose

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

Mission

- Open access to electricity for more people.
- Open the world of energy to new technology.
- Open up to new uses of energy..
- Open up to new ways of managing energy for people.
- Open up to new partnerships.

Vision

Open Power **to tackle some of the** world's **biggest challenges**.

Values

- Trust
- Proactivity
- Responsibility
- Innovation

Principles of conduct

- Make decisions in daily activities and take responsibility for them.
- Share information, being willing to collaborate and open to the contribution of others.
- Follow through with commitments, pursuing activities with determination and passion.
- Change priorities rapidly if the situation evolves.
- Get results by aiming for excellence.
- Adopt and promote safe behavior and move pro-actively to improve conditions for health, safety and well-being.
- Work for the integration of all, recognizing and leveraging individual diversity (culture, gender, age, disabilities, personality etc.).
- Work focusing on satisfying customers and/or co-workers, acting effectively and rapidly.
- Propose new solution and do not give up when faced with obstacles or failure
- Recognize merit in co-workers and give feedback that can improve their contribution

The future: from vision to action

Sustainability Report 2019

enel

Climate change, global population growth, technological acceleration and shifting geopolitical balances are among the main forces that are shaping the ongoing watershed moment. Today's scenario has been made even more complex by the recent outbreak of the Coronavirus (Covid-19) pandemic in various parts of the world. In response to this emergency, we have acted promptly and with determination to reduce the risk of contagion to a minimum, while ensuring continuity of the service we provide and the security of the power system in all the countries we operate in. These concrete actions, supported by technology and innovation, allow us to bring the best of our experiences to bear in different contexts and to adopt the most effective solutions rapidly and uniformly, thereby ensuring that the orderly performance of our work in service of communities remains sustainable, even in such adverse conditions.

Sustainability is a driving force that helps us tackle challenges and work together to forge a **new model of development that leaves no one behind**. To Enel, this is a commitment that we have sought to instill into our purpose: "**Open Power for a brighter future. We empower sustainable progress**". We wish to contribute to a world in which energy is always at the service of the community to drive development, growth and a higher quality of life for all. We are convinced that, in order to generate lasting profit, value must be shared within the entire community around us. This is why we have prioritized addressing climate change, a just energy transition and continually ethical, transparent relations with all our stakeholders. In our vision, progress springs from **ideas** and **co-creation** and is nourished by values such as **trust**, **responsibility**, **proactivity** and **innovation**.

With this in mind, in 2015 we revolutionized our growth model, adopting a strategy that puts sustainability at the centre of the value chain, makes digitalization a key element at all levels and in all processes within the Company and sees renewable energy as the driver of growth. Our 2019 results clearly reflect the steps taken and the Company's profound transformation. Today we are **leaders in all the main areas of the energy transition and a global operator in over 30 countries with approximately 70 million customers, 2.2 million km of grids and 46 GW of managed**[1] **renewable capacity**. Another milestone we reached in 2019 is that, for the first time, installed capacity from renewables exceeded that of thermoelectric sources. We are a more efficient and remunerative company, with a stronger ability to adapt rapidly to change and innovate, including with financial instruments, where we launched the world's first bonds directly linked to the UN sustainability goals (SDG-linked bonds). A commitment that will continue into the 2020-2022 period, contributing to the achievement of the **United Nations Sustainable Development Goals**. We are preparing our grid infrastructure and customer management processes to best meet the challenges of the future by investing in the digital transformation. Having completed the migration of all IT services to the cloud is a crucial step towards developing platform-based business models that will help us support electrification of consumption, sustain the fight against climate change while ensuring a constant supply of sustainable, accessible energy. This migration of IT services to the cloud allows us to face the pandemic with flexible, remote working methods that minimize the risk of contagion, without an adverse effect on operations. We also remain committed to developing a **business model in line with the goals of the Paris Agreement** to keep the average increase in global temperature below 2 °C above pre-industrial levels and to pursue efforts to limit this increase to 1.5 °C. We have therefore set a new objective for 2030, which envisages a 70% reduction of CO_2 emissions per kWh compared to 2017 levels, as certified by the SBTi (Science-Based Targets initiative), a global initiative that validates company decarbonization strategies. A significant step towards achieving the goal of full decarbonization of our generation capacity by 2050, supported by investments in renewables' growth and in the progressive reduction of power generated from thermoelectric sources.

The centrality of individuals and communities, a sustainable supply chain, sound governance, occupational health and safety and a focus on the environment reinforce and complete the Group's sustainability strategy. Thanks to the energy, know-how and common vision of Enel's people, we are capable of managing the constantly evolving complexities, while maintaining our commitments to the market. In an era of change, the transition needs to be just, and for this to occur, the priority must be supporting individuals by promoting training and the development of skills, diversity and inclusion. With **upskilling** and **reskilling** programs, we are able to advance existing skillsets, while also helping talented and capable individuals grow, by creating new roles to meet the needs of ceaseless technological progress and innovation processes. **Training increasingly becomes a partner in the growth of all individuals**, stimulating ambition, self-study and a proactive spirit, while also sharing a wealth of knowledge, attitudes and passions.

Adopting a sustainable strategy and business model that are centered on innovation and circularity allows us to face the climate emergency and guarantee growth in a context of limited resources, while ensuring social inclusion and cohesion and promoting a perfect alignment of values, the economy and finance. Therefore, making it possible to achieve lasting, shared success, navigating the discontinuities we are experiencing this year and creating new development opportunities, not only for individuals but also for society as a whole.

Patrizia Grieco
Chairman of the Board of Directors

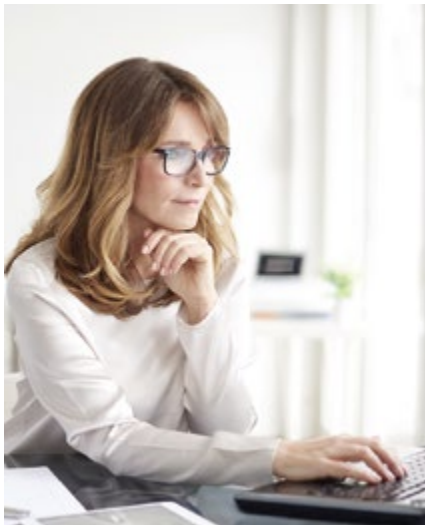
Francesco Starace
Chief Executive Officer and General Manager

1 In addition to installed capacity, this includes capacity attributable to associates and joint ventures (approximately 3.7 GW).

Letter to stakeholders
4

At a Glance

Sustainable business model 8
Sustainability governance 12
Definition of priorities 14
2020-2022 Sustainability Plan 20
Enel's action to combat climate change 24
People centricity 26
Energy of the circular economy 28
The value of sustainability 30



The pillars of the sustainable business model

Energy transition 34
- Commitment to the fight against climate change 34
- Infrastructure, ecosystems and platforms 74

People centricity 90
- Our people and their value 90
- Communities and value sharing 106

Innovation and digitalization 124

2.

ESG backbones

Occupational health and safety **142**

Sustainable supply chain **152**

Environmental sustainability **166**

Sound governance **192**

3.

Methodo-logical note

Methodological note **236**

4.

Green Bond Report & Appendix

Green Bond Report **256**

Appendix **273**

- Performance indicators **275**
- GRI Content Index **325**

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

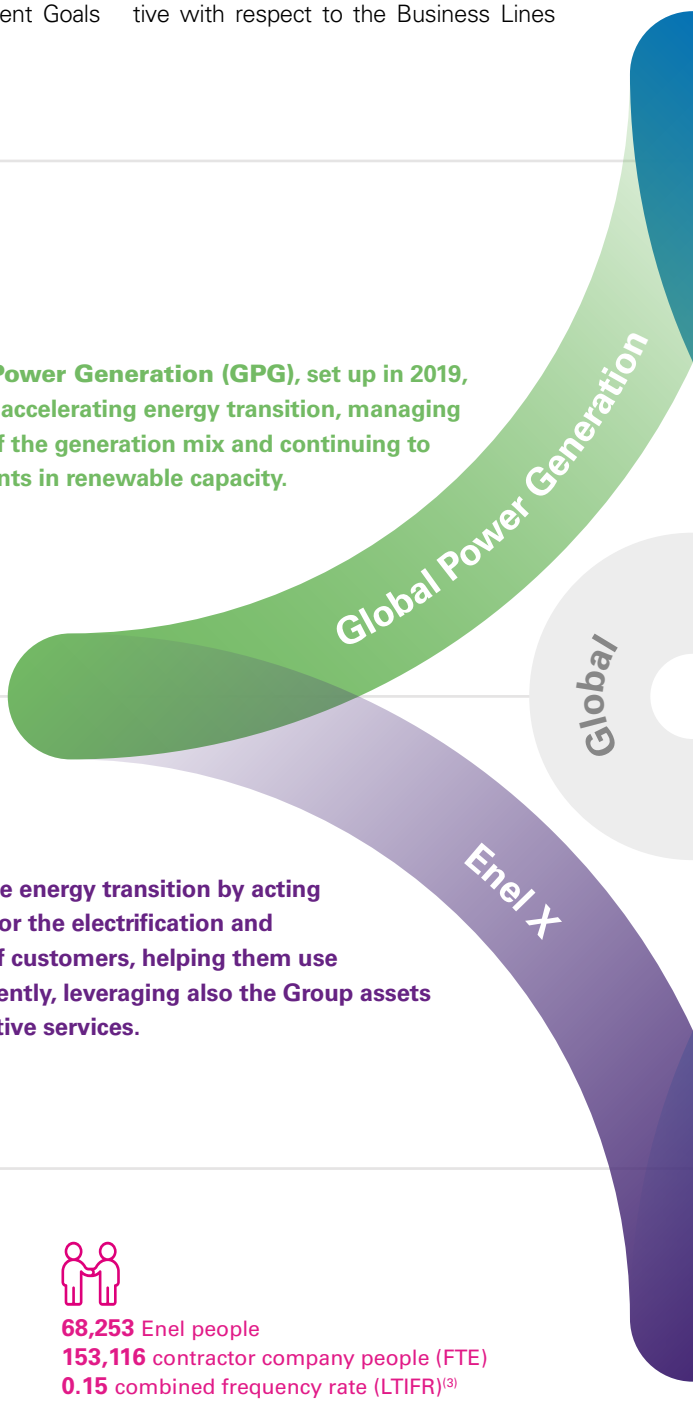
2019 results

84.3 GW net installed capacity
50% net installed renewable capacity[1]
229.1 TWh net electricity generation
296 g/kWh$_{eq}$ specific CO_2 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 (Administration, Finance and Control, People and Organization, Communications, Legal and Corporate Affairs, Audits, Innovability) are present in a supporting role.

Global Infrastructure & Networks

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

Retail

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 CO_2 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 UN GLOBAL COMPACT

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

ESMT BERLIN

IR NETWORK

wbcsd

CSR EUROPE

PROUD PARTNER OF SUSTAINABLE ENERGY FOR ALL

TRANSPARENCY INTERNATIONAL ITALIA
Associazione contro la corruzione

GRI Community Enel 2019

Sustainability governance

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

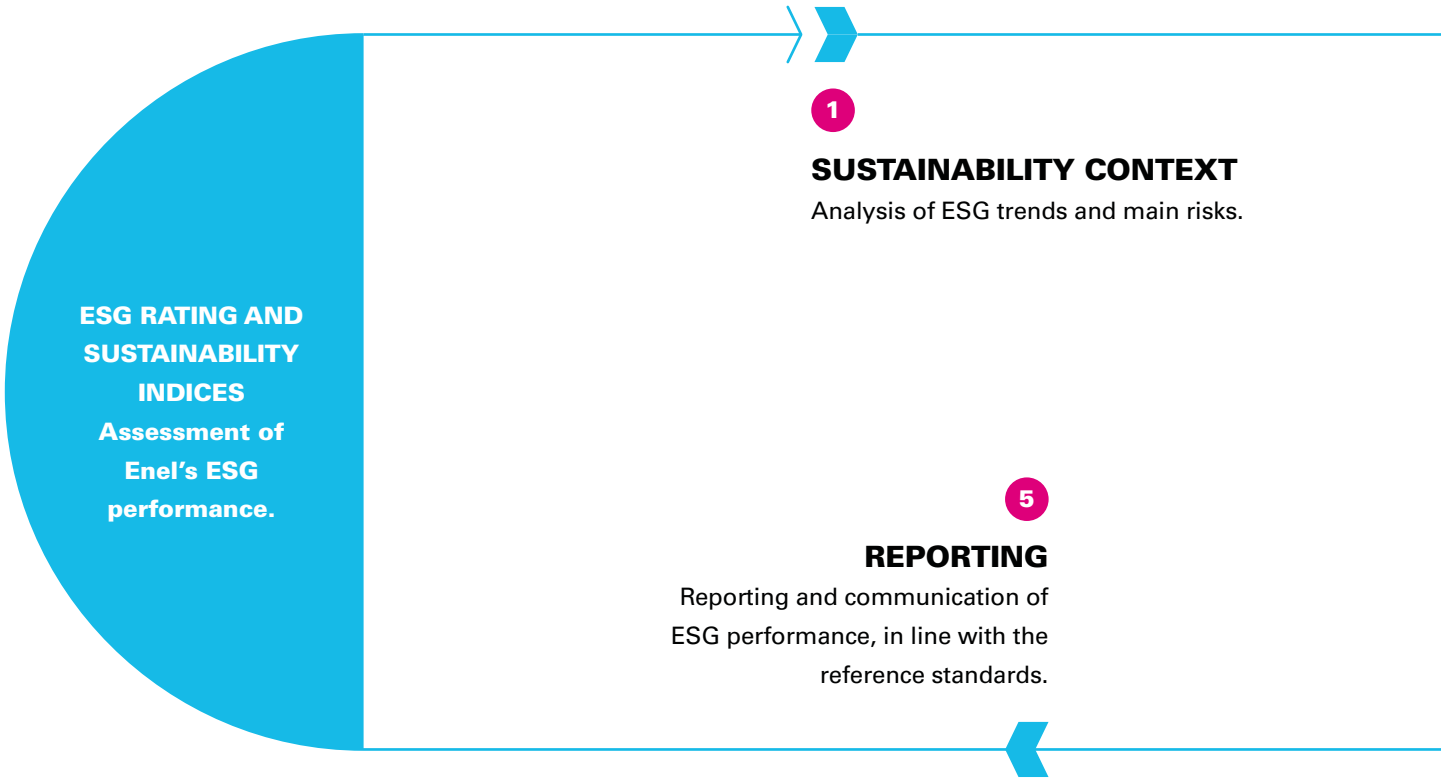
LINK **Report on corporate governance**

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, execution 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 Statement (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.

ESG RATING AND SUSTAINABILITY INDICES

Assessment of Enel's ESG performance.

4

ACTIONS

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

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 ever-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 different 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.

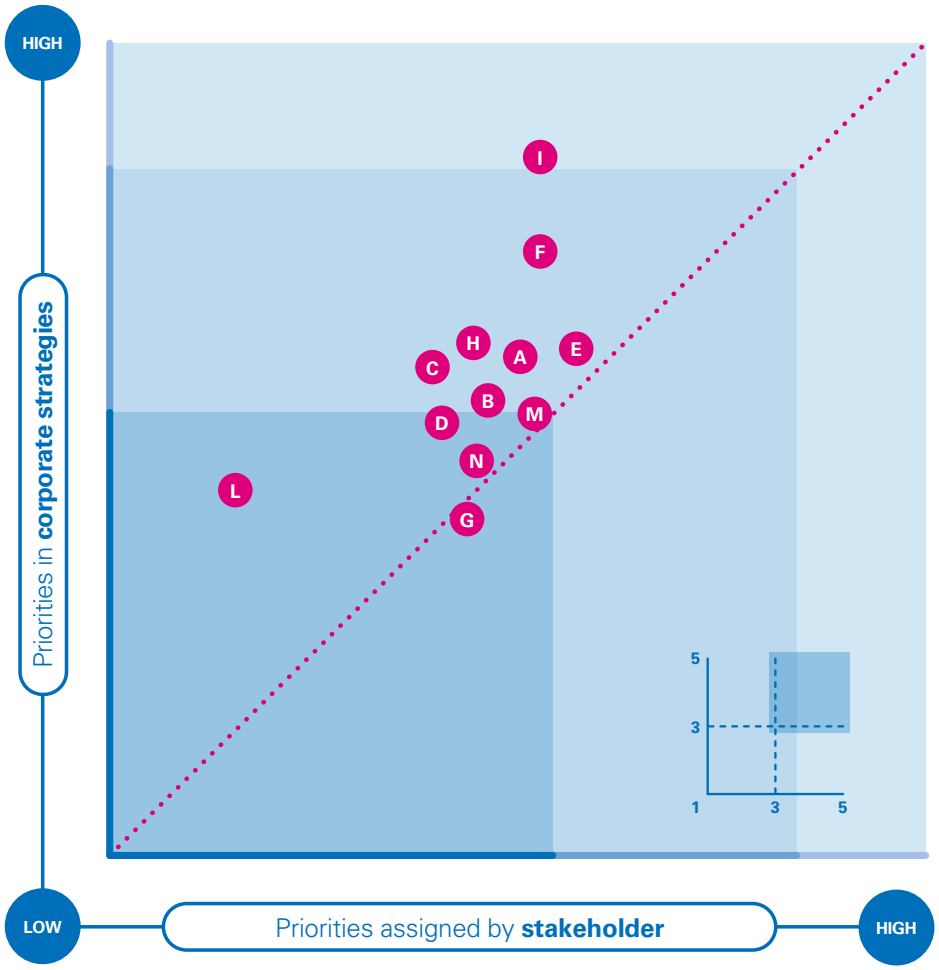
The process allows to identify not only the priorities for the entire Group, but also for single countries, down to the level of detail of Business Line/Business Function and individual assets (meaning potential or actual operating sites).

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** – Digitalization 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 diversity 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



BUSINESS AND GOVERNANCE ISSUES

- **A** Energy distribution
- **B** Decarbonization of the energy mix
- **C** Customer focus
- **D** Ecosystems and platforms[1]
- **E** Sound governance and fair corporate conduct
- **F** Economic and financial value creation
- **N** Innovation and digital trasformation

SOCIAL ISSUES

- **G** Engaging local communities
- **H** People management, development and motivation
- **I** Occupational health and safety
- **L** Sustainable supply chain

ENVIRONMENTAL ISSUES

- **B** Decarbonization of the energy mix
- **M** Environmental management

- Global Power Generation
- Global Infrastructure & Networks
- Retail
- Enel X

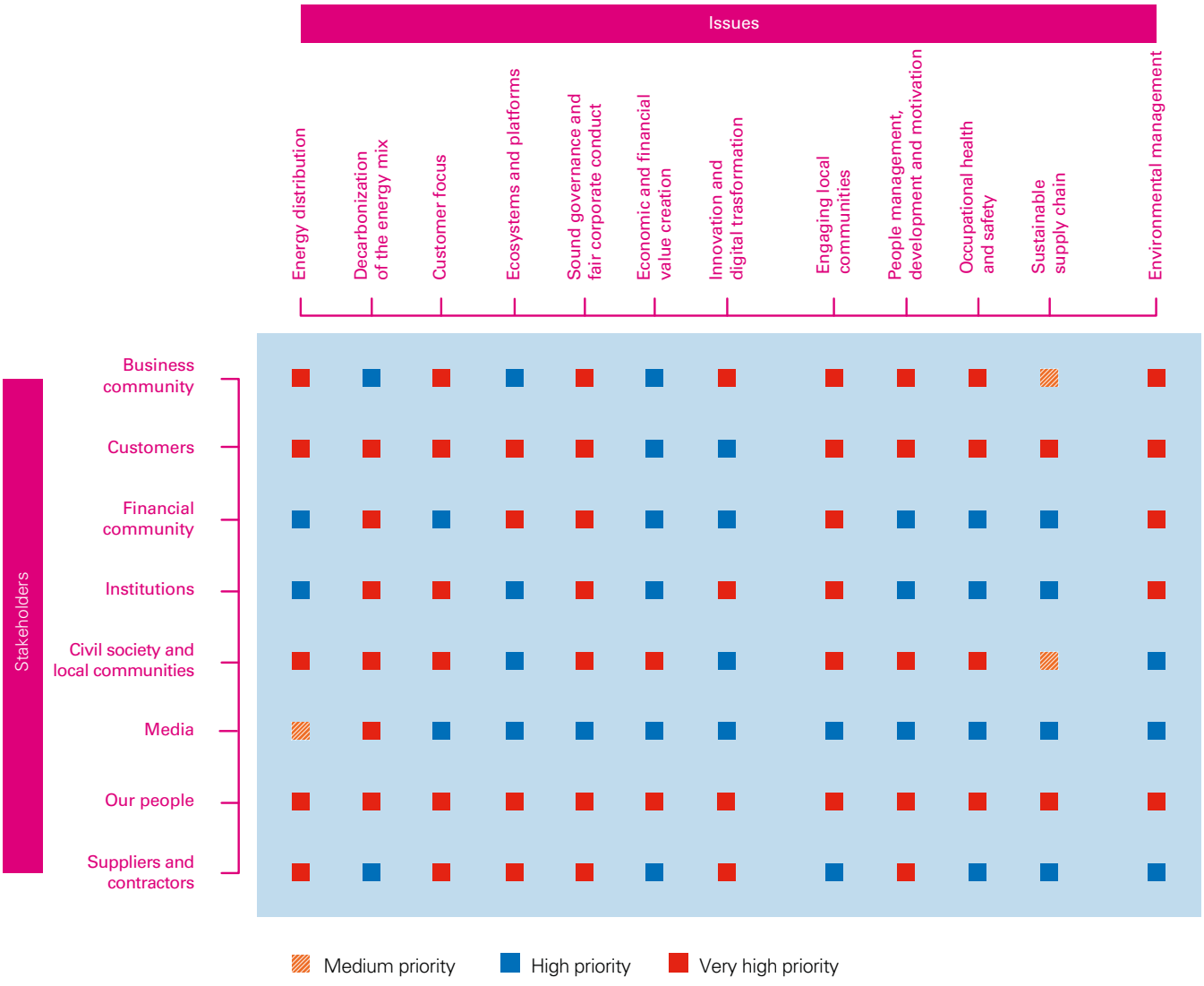
1 Includes the following issues: "New technologies and solutions for homes and condominiums"; "New technologies and solutions for cities"; "New technologies and solutions for Industries"; "Electric mobility".

- **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 international 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 CO_2 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 CO_2 emissions target is 220 g/kWh$_{eq}$.

2020-2022 Sustainability Plan

Engaging people we work with

2022 targets

50%
Women in recruitment processes[1]

100%
People involved in digital skills

Performance appraisal

People[2] involved **100%**

People[2] appraised **99%**

Climate survey

People[2] involved **100%**

People[2] appraised **87%**

▶▶▶ Promote and plan reskilling and upskilling programmes for people in order to support the transition

▶▶▶ Increase the number of female managers and middle managers

Engaging local communities

2030 targets

Quality education
2.5 mil beneficiaries at 2030[3]

Affordable and clean energy
10.0 mil beneficiaries[3]

Decent work and economic growth
8.0 mil beneficiaries[3]

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.

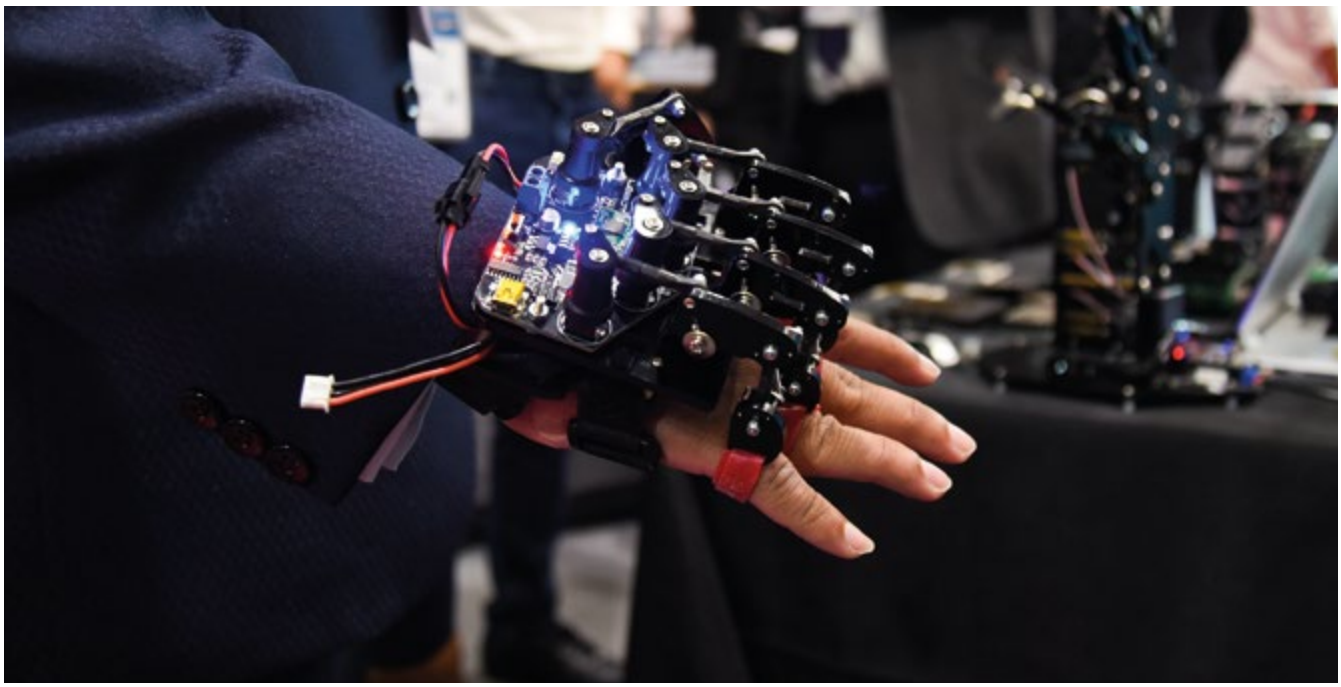
In relation to environmental matters, Enel is committed to reducing specific emissions of SO_2 and NO_x by 2030[2], by 85% and 50% respectively, and reducing particulate levels by 95% compared to the values recorded in 2017[3].

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.

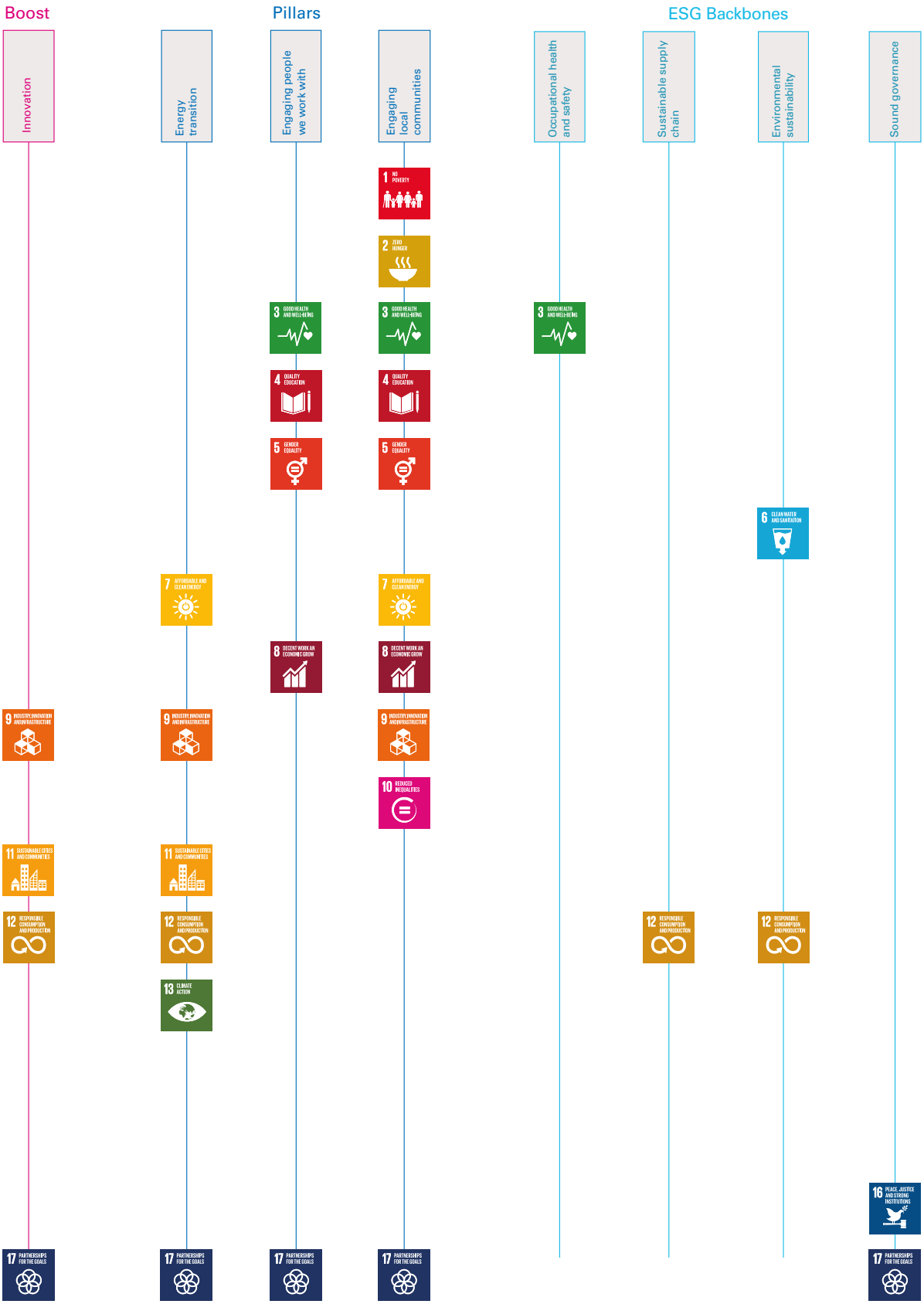
By means of a sustainable business model and clear and challenging objectives, Enel seeks to accelerate the energy transition without leaving anyone behind, creating value over the long term for stakeholders of all categories.

2 Versus baseline year 2017, the 2022 targets for SO_2, 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 CO_2 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, CO_2 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 CO_2 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 *Commitment to the fight against climate change*)		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 > Enel and the global climate change context > The stakeholders engagement process	-	Policies and Due Diligence 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 > The Enel organisational model for management of climate-related issues > Incentives system concerning climate change	Governance: recommended disclosure a) and b)	Policies and Due Diligence Processes
Climate scenarios	> The physical climate scenario > The transition scenario	Strategy: recommended disclosure c)	Business Model
The strategy to tackle climate change	> Decarbonization > Electrification > Enabling infrastructure > Platforms and ecosystems	Strategy: recommended disclosure b), c)	Business Model
Main risks and opportunities linked to climate change	> The identification, assessment and management of risks and opportunities > Identification, assessment and management of physical risks and opportunities > Identification, assessment and management of transition-related risks and opportunities	Strategy: recommended disclosure a) Risk Management recommended disclosure a), b), c)	Principal Risks and their management
Enel's performance in the fight against climate change	> Direct and indirect GHG (greenhouse gas) emissions > CO_2 reduction targets > Financial, operational and environmental metrics > Targets	Metrics & Targets: Recommended disclosure a), b), c)	Outcomes; Key Performance Indicators

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 or 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 people[4], 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 (ERR[6]) 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 model**[7] 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.

Goals	Targets	Progress
Quality education	**2.5 million** beneficiaries (2015-2030)	2015-2019 **1.3 mil** 2015 **0.1 mil** · 2016 **0.2 mil** · 2017 **0.3 mil** · 2018[1] **0.4 mil** · 2019[1] **0.3 mil**
Affordable and clean energy	**10 million** beneficiaries (2015-2030)	2015-2019 **7.9 mil** 2015 **1.5 mil** · 2016 **1.3 mil** · 2017 **1.3 mil** · 2018[1] **2.2 mil** · 2019[1] **1.6 mil**
Decent work and economic growth	**8 million** beneficiaries (2015-2030)	2015-2019 **2.1 mil** 2015 **0.4 mil** · 2016 **0.7 mil** · 2017 **0.4 mil** · 2018[1] **0.3 mil** · 2019[1] **0.3 mil**

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.

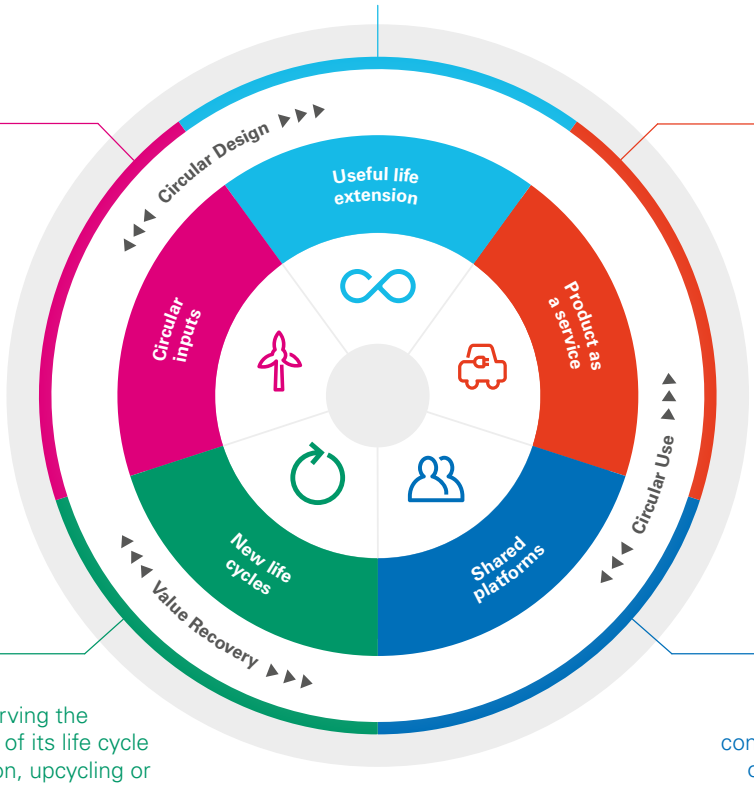
This process, which Enel launched in 2016, has been gradually extended to the entire value chain, developing the collaboration and contribution of various internal and external actors, in an Open Power perspective. This approach has allowed the development of new business initiatives linked to technological 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 contexts 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

Useful life extension
Approach to the design and management of an asset or product aimed at extending its useful life, e.g. by means of modular design, facilitated repairability, predictive maintenance.

Circular inputs
Production and use model based on inputs from renewables or from previous life cycles (reuse and recycling).



Product as a service
Business model in which the customer purchases a service for a limited time, while the company maintains the properties of the product, maximising the utilisation factor and useful life.

New life cycles
All solutions aimed at preserving the value of an asset at the end of its life cycle thanks to reuse, regeneration, upcycling or recycling, in synergy with the other pillars.

Shared platforms
Management systems in common among multiple users of products, assets, or skills.

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 ("CirculAbility 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 Cities**[8]: 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

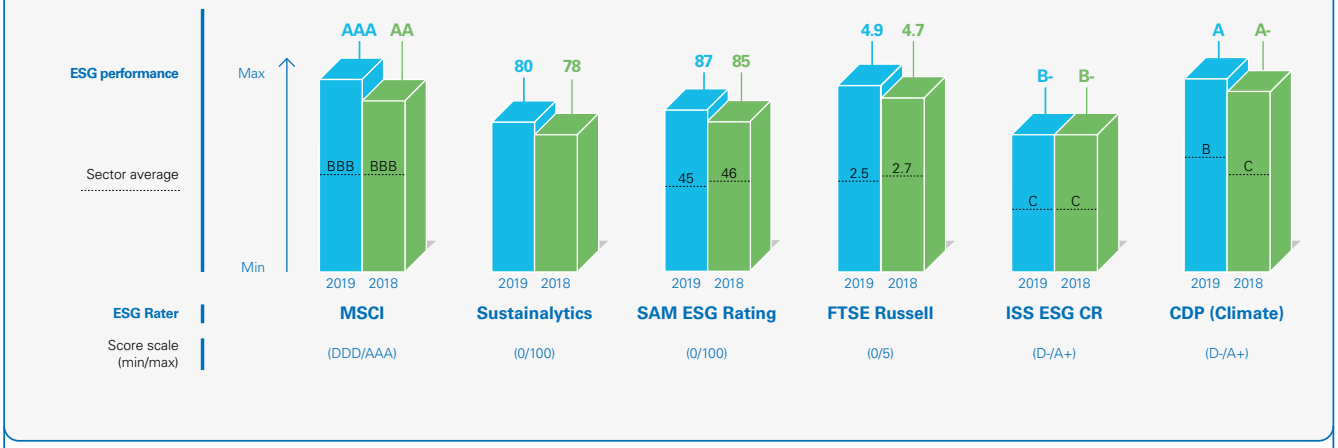
There is a clear link between sustainability and value creation given that, investing in sustainable projects from the environmental and social point of view, companies can maximise profits and minimise risks while simultaneously contributing to the achievement of the SDGs. Socially responsible investors 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**



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 Sustainability 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 gCO_2/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.

1. THE PILLARS OF THE SUSTAINABLE BUSINESS MODEL

Energy transition - Commitment to the fight against climate change (1/2)

Plan 2019 > 2021 Growth across low-carbon technologies and services

SDG	ACTIVITIES	TARGETS	2019 RESULTS	CATEGORIES
13	Reduction of CO_2 specific emissions from total net production	230 g/kWh_{eq} in 2030[1]	296 gCO_2/kWh_{eq} [2]	E Environmental footprint
7 13	Development of additional renewable capacity and reduction of thermal capacity	+11.6 GW additional renewable capacity[3] -7 GW thermal capacity	+3.6 GW renewable capacity -4.1 GW thermal capacity	I Industrial growth E Environmental management
13	Implementation of environmental international best practices to selected coal plants	340 mil euros of investments for environmental retrofit	145 mil euros	E Environmental management
9 13	Electrification, storage and real-time demand response	9.9 GW of demand response 173 MW/year of storage capacity[4]	6.3 GW of demand response 110 MW of storage capacity[5]	T Technologies and digitalization I Industrial growth E Environmental management S Social inclusion
11 17	> Roll out of fiber optic network in Italy > MBA-PhD training about resilience in the countries where the Group operates	> 240 municipalities involved > 600 people involved	Initiative being redefined for the 2020-2030 period 204 people involved	E Environmental management S Social inclusion G Partnerships

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Decarbonization

SDG	ACTIVITIES	TARGETS	CATEGORIES
13	Reduction of CO_2 specific emissions from total net production	125 g/kWh$_{eq}$ in 2030[6]	E Environmental footprint
7 13	Development of additional renewable capacity and reduction of thermal capacity	+14.1 GW of renewable capacity[7] -6.2 GW of thermal capacity[8]	I Industrial growth E Environmental management
13	Implementation of environmental international best practices to selected coal plants	187 mil euros of investments for environmental retrofit	E Environmental management
9 13	Storage and real-time demand response	10.1 GW of demand response 439 MW of storage	T Technologies and digitalization I Industrial growth E Environmental management S Social inclusion
11 17	MBA-PhD training about resilience in the countries where the Group operates	600 people involved	E Environmental management S Social inclusion G Partnerships

1 Target prior to redefinition and certification by the Science Based Targets initiative, which took place in September 2019. Following this redefinition, the new target for reducing CO_2 emissions by 2030 is equal to 125 gCO_2/kWh_{eq}.
2 The value only considers the consolidated capacity. In relation to the overall value of the capacity managed, CO_2 emissions amount to 284 gCO_2/kWh_{eq}.
3 This includes acquisitions amounting to 0.2 GW and 0.4 GW of managed capacity.
4 Target redefined based on only the scope of Enel X.
5 Includes the contribution of the Global Power Generation Business Line.
6 The target for reducing CO_2 emissions by 2030 was redefined and certified by the Science Based Targets initiative in September 2019. Following this redefinition, in 2022 the specific emissions of CO_2 will be lower than 220 gCO_2/kWh_{eq}.
7 Includes managed capacity.
8 Includes nuclear.

Energy transition - Commitment to the fight against climate change (2/2)

Plan 2019 > 2021 Growth across low-carbon technologies and services

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
12	Methodology finalization for Group's circular financial metrics and extension to the Business Lines		Performed the analysis of the methodology for the Group's circular EBITDA	E Circular economy I Industrial growth
12	Development of Circular Community activities		Created a circular economy community	E Circular economy
12 17	Launch of the internal Circular Academy		Started the planning of the Circular Academy	E Circular economy
12	Strengthening of partnerships and collaborations about the circular economy (CE)		> Extension of the circular economy alliance > Membership in the Ellen MacArthur Foundation > Members of ICESP[1] > Members of the Expert Group Financing Circular Economy > Members of the European Remanufacturing Council > Participation in the WBCSD Factor10 on Policy	E Circular economy G Partnerships
12	New countries involved in the CE strategy	5 new countries	8 new countries involved[2]	E Circular economy I Operational efficiency
12	New CE projects launched, inter- and intra-divisions	6 projects	4 new projects launched[3]	E Circular economy I Operational efficiency

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Decarbonization

SDG	ACTIVITIES/TARGETS	CATEGORIES
12 17	> Development of Circular Community activities > Launch of the Circular Academy > Promotion of the culture and best practices of a circular economy on a Global Business Line, Global Procurement and Country level	E Circular economy I Industrial growth
12	Definition and application, in collaboration with various company areas, of circular economy solutions	E Circular economy I Industrial growth I Operational efficiency
12	Creation of an ecosystem committed to the topic of circular economy in the most relevant Countries where the company is present	E Circular economy I Operational efficiency
12	Definition and application of suitable industrial and financial circularity metrics, to support and enhance circular economy activities with the involvement of the relevant business areas	E Circular economy I Industrial growth
12	Strengthening of partnerships and collaborations	E Circular economy G Partnerships

1 Italian Circular Economy Stakeholders Platform.
2 The involved countries are Spain, Italy, Argentina, Brazil, Chile, Colombia, Peru, USA and Canada.
3 The started projects relate to "power plant equipment decommissioning", "circular smart meter", "end of life wind plant" and the extension of the circular economy in Enel X.

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

LINK **Sustainability Report**
At a Glance
Sound governance
Performance indicators

LINK **Annual Report**
Report on corporate governance
Remuneration report

Commitment to the fight against climate change

296 g/kWh$_{eq}$
specific CO_2 emissions from total net production

70%
reduction in direct CO_2 emissions per kWh$_{eq}$ (Scope 1) by 2030, in comparison to 2017 (SBTi certified target)

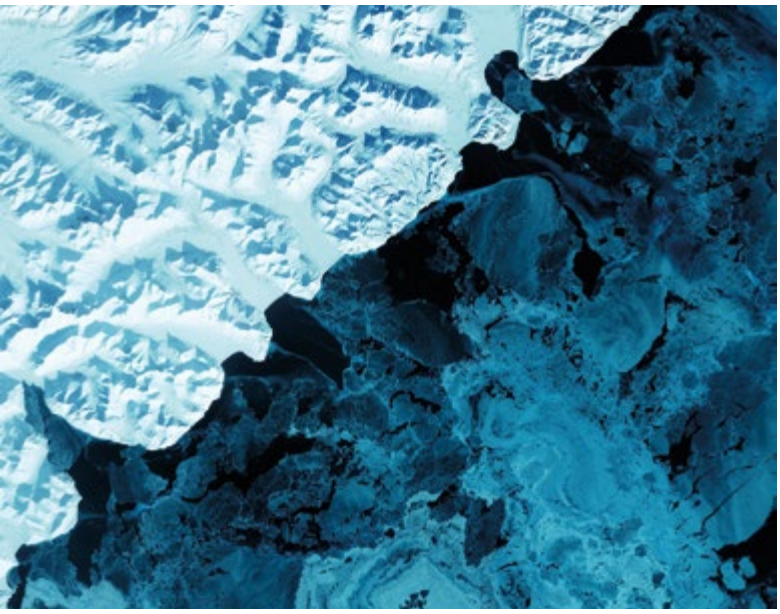
50%
renewable net installed capacity

91%
EBITDA from low-carbon products, services and technologies

Enel's action against climate change

According to the estimates of the IPCC[1] (Intergovernmental Panel on Climate Change), global warming has become a reality. The temperature has increased 1 °C compared with pre-industrial levels and, if it continues to grow at the current rate, the increase will probably reach 1.5 °C between 2030 and 2050. The greenhouse gas (GHG) emissions have been constantly increasing over the past decade and there is no clear signal that they will peak over the upcoming years. The scientific community is asking for urgent action to speed up the transition towards a zero-emissions economy in order to minimise the impact of climate change. In 2019, the United Nations Environment Programme (UNEP) pointed out that, if global greenhouse gas emissions are not reduced 7.6% every year between 2020 and 2030, it will not be possible to reach the targets of the Paris Agreement.
In this context, it is essential to promote collaboration between governments, companies, financial institutions and civil society by developing the awareness of the various stakeholders about topics related to climate change. Companies play a fundamental role as they are responsible for the majority of global emissions but, at the same time, they have a unique ability to develop innovative solutions to contribute towards their reduction on a large scale. The electricity sector can work towards reducing emissions related to the energy production and at the same time promote the electrification of the energy demand in order to support the decarbonization of other industries and services. Being aware of this challenge, Enel **has set itself the objective of reaching the decarbonization of its energy mix by 2050**, as announced publicly in 2015 when the United Nations launched its sustainable development goals, with particular reference to SDG 13 "Climate

1 The IPCC, founded by UNEP (United Nations Environment Programme) and WMO (World Meteorological Organization) in 1988, is the main international organization for climate change monitoring. The IPCC provides regular assessments of the scientific basis of climate change aimed at supporting governments in the definition of climate policies.



action". Therefore it is committed to developing a **business model in line with the goals of the Paris Agreement** to maintain the average increase of the global temperature below 2 °C compared with pre-industrial levels and to continue to limit the increase to 1.5 °C. In 2019, the Group reaffirmed this commitment once again by responding to the call to action from the United Nations, being the first Italian company that signed the **pledge to limit the rise in global temperatures to 1.5 °C and to achieving zero emissions by 2050**. Enel also pledged to set interim quantitative targets in line with the criteria of the Science Based Targets initiative (SBTi), by which a new target of **70% reduction in its own direct greenhouse gas emissions per kWh_{eq} by 2030**, as compared with 2017 base year, was announced in September 2019.

Particular attention is placed on the **climate change adaptation policies** in order to increase the resilience of the assets along the entire value change, thereby limiting potentially negative impacts and guaranteeing a safe and sustainable energy service in all the countries where the Group operates.

In order to guarantee increased transparency in its communications and relationships with its stakeholders, Enel periodically reports on its related 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 in June 2017 published specific recommendations for the voluntary reporting of the financial impact of climate risks. 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 relative good practices ("How to improve climate-related reporting").

A zero emissions system in the second half of the current century, as foreseen by the Paris Agreement, will require significant technological, social and economic transformations. For this reason, the transition must also be just, promoting the creation of sustainable and decent jobs. Therefore the climate action must be accompanied by the promotion of **a just and inclusive transition** and the creation of sustainable and decent jobs.

A just and inclusive transition

Enel is convinced that decarbonization is an opportunity for the entire society, but it is fundamental that the benefits of energy transition are shared, accompanying it with wide-scale measures that support climatic, energy, environmental, industrial and social aspects.

Enel's commitment to the United Nations

In July 2019, Enel's Chief Executive Officer signed the "just transition" commitment promoted by the United Nations, which commits the Company to guaranteeing that the new jobs will be fair, decent and inclusive. Enel is committed to respecting the following international standards both within the company and having them respected by its suppliers:

- social dialogue with workers and their trade unions;
- respect for worker rights (including those regarding safety) on the basis of the requirements of the International Labour Organization - ILO;
- social protection, including pensions and health care;
- salary guarantee, also those in line with the ILO directives.

The importance of local actions

In **Italy** Enel manages **Futur-e**, a project for the requalification of 23 power plants, with the goal of finding new solutions and methods of use based on the criteria of social, environmental and economic sustainability. This activity is in close collaboration with local administrations, companies and communities to develop energy reconversion and the circular economy, while promoting innovation.

In 2019 the project was also extended to the thermoelectric plants in **Spain** for which decommissioning by the end of 2020 has been announced. In particular, the project related to the Compostilla power plant involves specific areas of action that range from the active search for employment for directly involved personnel to training for improving the employability of plant personnel and the local community, as well as the promotion of economic, employment and sustainability activities in the area of reference.

Awareness and research activities

The **Just E-volution 2030** study carried out by The European House - Ambrosetti in collaboration with Enel and Fondazione Centro Studi Enel was presented in September 2019. The study used an innovative econometric model to estimate the impact of the energy transition in progress, supported by increasing electrification, digitalization and generation from renewable sources, on industrial production, employment, air quality in the European Union and in more specifically in Italy, Spain and Romania.

Enel and the global climate change context

The policies and regulatory framework on climate change in 2019

Conference of the Parties (COP)

The Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change meets once a year with all the countries that signed the Kyoto Protocol and the Paris Agreement, which are the two main international treaties that reflect the global commitment to combat climate change.

In particular, the agreement that was reached during the **2015 United Nations Climate Change Conference in Paris** (COP21) marked a fundamental step towards climate action. The conference instituted a shared approach on a global level to reduce the greenhouse gas emissions that cause climate change. This is supported by sound regulatory governance which however still lacks the rules that would permit the redistribution amongst the individual countries of the additional reduction that is necessary to reach the main objective of the agreement. The objective is to maintain the average increase in world temperature well below 2 °C as compared to pre-industrial levels, aiming to limit it to 1.5 °C. **COP25** was held in Spain in 2019 with the objective of promoting further progress in the key points of the Paris Agreement, in particular article 6 regarding international carbon markets. COP25 also concentrated on pushing countries to reinforce their ambitions in view of the presentation in 2020 of new and updated national action plans for climate change (NDC - Nationally Determined Contribution). Enel and its Spanish subsidiary Endesa have played a proactive role as a conference sponsor. They convened and participated in various side events and governmental meetings that were held during the conference.

"European Green Deal"

On December 11, 2019, the European Commission presented the "European Green Deal" (EGD), a growth strategy that aims to improve the well-being of persons. The European Union intends to achieve net zero emission by 2050, protect human, animal and plant life by reducing pollution, help companies become world leaders in clean products and technology, contribute towards a just and inclusive transition. On March 4, 2020 the Commission presented the first European legislative proposal regarding climate to transform this political commitment into a legal obligation and stimulate investments. To achieve these objectives, all of the following sectors must act:

- energy: decarbonize the energy sector;
- construction: restructure buildings, help people reduce their energy bills and energy use;
- industry: support the industry to innovate and become world green economy leaders;
- mobility: introduce cleaner, more economic and healthier private and public means of transport.

An assessment of measures to define a more ambitious greenhouse gas emissions reduction target for 2030 is en-

visioned: 50-55% less than the current target of 40%. To this end, the European Commission will launch a review of all relevant climate-related policy instruments in order to align them with the new climate targets: *in primis* the Emissions Trading Scheme (ETS) and the possibility of extending it to new sectors, the Energy Taxation Directive and the introduction of a "carbon border adjustment mechanism" for specific sectors aimed at reducing the risk of "carbon leakage" and preserving the competitiveness of EU industry.
A proposal has been advanced for a new sustainable investment plan that includes a "just transition mechanism" and a "just transition fund" aimed at helping vulnerable regions and sectors that are heavily dependent on fossil fuels and mobilising the funds necessary to achieve the objectives of the European Green Deal.

"Clean Energy for all Europeans" legislative package

The "Clean Energy for all Europeans" legislative package, proposed by the European Commission in 2016, laid the foundation necessary for achieving greater integration and regionalisation of markets for electricity, balancing, flexibility services and capacity. Following the inter-institutional agreement reached in 2018, the following regulations and directives completing the package were published in the Official Journal of the European Union on 14 June 2019: the Electricity Market Regulation (2019/943), the ACER Regulation (2019/942), the Risk Preparedness Regulation (2019/941) and the Electricity Market Directive (2019/944). The measures entered force on July 4, 2019, with the regulations taking immediate effect, while the directive must be transposed into the law of the various EU countries by December 31, 2020.
The new legislation fosters the integration of the different technologies and the participation of diverse market operators. It also opens up the possible development of mechanisms to provide long-term signals to investment in decarbonization (e.g. auctions, PPAs) and the adequacy of the electricity system (the capacity market).

Enel's positioning

The European Union's decision-making and regulatory processes affect the on-going energy transition, effecting company business models, the behaviours of consumers and individual citizens, with a direct impact on legislative framework implemented on a national level in the countries in which the Group operates. Furthermore, regarding its transnational nature and the current global challenges, the European legislative process is becoming increasingly complex and, for that purpose, closer collaboration is required between EU institutions and the other stakeholders.
In this context, Enel decided a few years ago to establish the Europe and Euro-Mediterranean Affairs Function, which monitors relevant topics and represents the Group on a European level in relation to institutions, organisations, associations and other active parties. A specific unit is dedicated to consolidating and representing the Group's position on policies regarding climate change, low-carbon emission strategies, international carbon market regulation, the environment and the safety of procurements. Enel will therefore use this unit to support climate protection and follow the involvement of institutional stakeholders, professional associations, non-governmental organisations and the academic world. This activity of involving the stakeholders contributes towards the evolution of the European regulatory framework

towards ambitious climate objectives. Coordination is also guaranteed with the various company areas and the different countries of the Group in order to ensure that all of the regulatory processes in which the company is asked to participate, on a European and national level, will be fully in line with Enel's strategy towards the promotion of a low carbon energy model and the electrification of energy demand.

Enel welcomes the various climate policies and regulatory measures announced and implemented in 2019 in the various geographical areas where it operates, in particular in Europe. For this reason, the company considers the **Green New Deal** presented by the European Commission as a great opportunity for accelerating the European Union's path towards a decarbonized and sustainable economy, which in turn will bring business opportunities that are in line with the Group's strategy and sustainable business model.

During 2019, Enel also actively participated in public consultations, meetings, conferences, workshops and events concerning the four measures published as part of the **Clean Energy Package**. It welcomes the recognition of energy efficiency as a key pillar towards the transmission to low carbon emissions energy and contributes towards establishing a reliable system for increasing the renewables and meeting the challenges of the future electric energy markets in an efficient manner in terms of costs and promoting cooperation among Member States. The fixed objectives will stimulate Europe's industrial competitiveness, boost renewable energies, create new jobs, reduce energy bills, contribute towards facing energy poverty and improve air quality.

Enel is also working together with the governments and stakeholders in Europe, Latin America and Africa to develop an **energy transition roadmap** with an open approach, sharing policy design and technical knowledge to contribute towards the implementation of the Paris Agreement. Their development typically involves four main activities: a) greenhouse gas scenarios for 2050, developing technological mixes on an economic level and corresponding emission profiles in line with the objectives of decarbonization and the national circumstances; b) greenhouse gas emission scenarios for 2030 that identify intermediate objectives in line with the 2050 scenarios and outline the trajectories to follow to reach the long-term decarbonization objectives; c) political recommendations targeted towards creating a political and regulatory context that is favourable for the investments necessary for an efficient energy transition and for reaching the 2030 and 2050 objectives; d) dialogues between the concerned parties that enable participation with the institutions, the NGOs and other operations in an open exchange regarding the most critical issues to guarantee the success of the energy transitions.

Enel's position on carbon pricing

Enel believes that the "cap and trade" system is the most efficient method for reducing emissions, especially in industrialised economies. The definition of an absolute emissions objective guarantees the efficiency in reaching the environmental objective, whereas the signal of the price fixed by the market guarantees economic efficiency and minimisation of costs. In general, Enel believes that the institution of a "cap and trade" system that is based on a solid regulatory framework guarantees the certainty of long-term climatic objectives and permits market mechanisms to determine prices that are coherent with the macroeconomic cycles and with market conditions. Instead, environmental taxation works well for countries with a weaker institutional framework and for sectors with distributed sources of emissions. The debate regarding the suitability of "cap and trade" or a carbon tax must be developed from a multitude of prospectives, balancing the cost-effectiveness of policy instruments with technical and political feasibility. The selection of the policy option should also include an evaluation of the sectors that must be covered by the system as well as an assessment of the current policy framework.

Therefore, Enel recognises the role of EU ETS in providing a suitable price signal associated with CO_2 emissions in the

European Union and welcomes the results of the revision of the EU ETS Directive for 2021-2030. The EU ETS makes it possible to utilise the already existing framework harmonised on a European level, which guarantees technological neutrality and the uniform treatment of market operators. To summarise, the EU ETS is the cornerstone of the EU's climatic policies, which are also supplemented by other policies that permit reaching the climatic objectives while protecting the competitiveness of the EU's industry system.

Based on these considerations, the Enel Group does not favour the introduction of national carbon taxes (or a carbon price "floor") in the EU's ETS sectors, as this would significantly distort competition within the European single market and increase the overall cost of reaching the desired environmental result.

In areas outside of the European Union (such as Latin America), Enel's assets are increasingly covered by carbon pricing schemes, mainly carbon taxes that are transformed into "cap and trade" schemes, both national as well as through regional connections, over the medium-long term.

Action platforms and partnerships for facing climate change

102-12 102-13

The Group plays an active role in various sector associations and organisations with the objective of promoting topics regarding energy transition on a national and global level. Some of the international associations with which Enel collaborated actively in 2019 are listed below (see also the "Sound governance" chapter).

Three Percent Club - The Group joined this platform launched within the Energy Transition Coalition of the UN Climate Action Summit held in September 2019. It is a platform of 15 governments, 13 businesses and international organizations committed to help put the world on the necessary path to achieve the required improvements to meet the Paris Agreement, driving a 3% annual global increase in energy efficiency.

Climate Finance Leadership Initiative (CFLI) - Enel is a founding partner of the initiative, launched by Michael R. Bloomberg, inspired by the Secretary-General of the United Nations and aimed to promote private sector investments in response to climate change.

eurelectric - Under the chairmanship of Enel, eurelectric adopted a long-term view of the European electrical sector through which it is committed to reaching a zero carbon emissions electrical energy mix in Europe much earlier than 2050 and to increasing energy efficiency and the electrification of energy demand in order to mitigate the effects of climate change. Enel's Chief Executive Officer ended his term as Chairman in June 2019.

Global Sustainable Electricity Partnership (GSEP) - The objective of the partnership is to guide sustainable energy development by electrifying and connecting communities all over the world. Enel will chair the GSEP for the 2019-2020 financial year, with the Enel X CEO acting as the Chairman, and will host the executive meetings, promoting the best electrification practices and encouraging its shareholders to share examples of virtuous active partnerships as the topic of the year.

Wind Europe - The aim of this association, guided by the companies, is to promote national and international policies and initiatives targeted towards reinforcing market development infrastructures and technologies connected to wind energy, on a European and global level. During 2019, Enel was part of the Board of Directors and, overall, 13 of the 19 work groups and task forces.

Solar Power Europe - This company-led association represents various organisations that play an active role along the entire value chain, with the objective of outlining the regulatory context and improving business opportunities related to solar energy in Europe. Enel has been widely represented within this association during 2019, by holding the position of Vice-Chairman both for the Board of Directors as well as the Strategic Committee and also by playing an active role in different task forces during the course of the year.

SmartEn - SmartEn is a leading association in the digital and decentralised energy solution sector that concentrates on energy transition through intelligent cooperation among consumer, grid, transmission and generation sectors which all play an equally important role in an integrated energy system. In 2019, Enel played an active role in the Board of Directors as well as in various work groups that were established to promote sustainable decentralised energy solutions.

E.DSO for Smart Grids - The European Distribution System Operators (E.DSO) is the primary interface between distributors and European institutions by promoting large-scale development and the experimentation of technologies for smart grids in real situations, as well as new market and regulatory models aimed at reaching the European Union's energy and climate objectives. Enel is the Vice-Chairman of the Board of Directors together with other players of

the international electricity grid.

European Association for Storage of Energy (EASE) - EASE is the main association that represents organisations active along the entire value chain of energy storage. During 2019, Enel covered various key roles in the governance system and also participated in preparing position papers targeted towards promoting the role of energy accumulation in a decarbonized energy system.

International Emissions Trading Association (IETA) - This non-profit business organisation allows companies to engage themselves in a climate action that is coherent with the objectives of the "United Nations Framework Convention on Climate Change" and introduces efficient exchange systems based on the greenhouse gas emissions market. In 2019, IETA's work was particularly focused on the EU level, supporting the study of the imminent EU Green Deal and, on the Latin American level, supporting the discussions on adopting the carbon price in Latin America. Enel is a member of the IETA Board of Directors and is actively involved in various work groups and activities.

RES4Africa - A network of international leaders that the represents the entire renewable energy value chain and supports the creation of a favourable environment for investment in renewable energies and strategic partnerships in Africa. Through Enel Green Power, the Enel Group is one of the promoting members and currently chairs the association.

The stakeholder engagement process

Customers, consumers, influencers, civil society and local communities

Climate change is a challenge that concerns the entire society. Enel promotes the involvement of its main stakeholders in order to increase their awareness and develop a constructive dialogue that can provide a valuable contribution towards the creation of solutions that mitigate climate change and create value for the Group. The most relevant actions carried out in 2019 include:

- **materiality analysis**: climate change, in terms of priority for stakeholders and Company performance in the various countries in which it operates, was one of the topics covered when identifying the main priorities for the stakeholders for sustainability planning;

- **Enel Focus On**: a series of informal meetings was held in New York, Addis Ababa, Bogotá and Santiago de Chile in order to involve the main players and influencers and start an open dialogue with Group management on the main challenges of energy transition. Various climate-related topics were covered, such as renewable energy powered electrification in a zero emissions future, electric mobility and energy efficiency;
- **social media**: in 2019 Enel continued using social media to raise public awareness about topics related to climate change, including decarbonization, renewable energies, electrification, electric mobility and responsible energy consumption;
- **Twenergy**: is a digital ecosystem launched by Enel's Spanish subsidiary Endesa, with the objective of encouraging responsible energy consumption by collecting the opinions of experts on energy efficiency through articles, digital meetings and by supporting various sector initiatives;
- **raising the awareness of local communities**: with the Creating Shared Value (CSV) model, Enel has organised various workshops with the local communities involved in its activities in the various geographical areas, making them aware of topics connected to climate change and explaining how renewables are an extremely effective solution, with benefits not only for the environment but also for the creation of new jobs and for social-economic development.

Enel at the UN Climate Action Summit 2019

In September 2019, Enel participated in the United Nations Climate Action Summit, the most important global event on climate change, gathering Heads of States, corporate as well as civil society and policy leaders to take increasing ambitious actions to address this challenge, also by pushing for the transformation of economies in line with the UN Sustainable Development Goals (SDGs).

The Summit, which was the first event of its kind to be convened by UN Secretary-General, focused on a set of action areas, including the energy transition, climate finance and carbon pricing, as well as infrastructure and cities, to boost ambition and accelerate action to implement the goals of the 2015 Paris Agreement.

Enel played a crucial role participating in the **Energy Transition Coalition** track, being involved in the Italian flagship initiative "**Catalysing the Energy Transition through Digital Power Infrastructure**" which aims at catalysing the energy transition by promoting digital infrastructures and renewable energy, particularly in developing countries.

Furthermore, Enel's CEO, attended also the UN Private Sector Forum. Hosted by the UN Secretary-General and organised by the UN Global Compact, the event gathered Chief Executives, young climate leaders, Heads of State and Government as well as UN leaders on the occasion of the Summit, stirring a multi- stakeholder, intergenerational dialogue to share an urgent and collective course of action in tackling the climate crisis.

Enel's proactive engagement and leadership was highlighted through the commitment to two important pledges on the occasion of the Summit:

- **Business Ambition for 1.5°C - Our Only Future**, through which Enel committed to reach net-zero emissions by no later than 2050, in line with limiting the rise in global temperatures to 1.5 °C with respect to pre-industrial levels;
- **Just transition & green, decent jobs**, through which Enel committed to promote a just energy transition while respecting the international labour standards across its business.

Further information on the pledges and its implementation can be found in the present chapter.

Our people

In 2019, Enel involved all the people that work for the Company in awareness activities in order to increase their involvement in climate change aspects and promote a **culture of innovation** and **business entrepreneurship** on a global level to overcome the energy challenges.

Enel Days 2019, which are annual company events, promoted discussions and exchanges about topics such as electrification, decarbonization, digitalization and urbanisation. The main priorities of the Strategic Plan for the next three years were presented, in line with what was communicated to the financial community during the Capital Markets Day.

On a local level, Enel has also launched **awareness campaigns** on sustainability and climate change, such as the internal campaign launched in Spain concerning the UN SDG commitments, including SDG 13 "Climate action". On the occasion of the United Nations Climate Summit, specific internal communication campaigns were organised to illustrate the main events and discuss the new challenges and opportunities that emerged during the event.

Finally, Enel collects the opinion of its employees on annual basis as part of the materiality analysis carried out to define the objectives of the Sustainability Plan.

Enel's impact on climate change

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

Electricity is essential to guarantee the sustainable progress of modern societies and represents a key factor in reaching the goals of the United Nations 2030 Agenda, in particular SDG 7, to guarantee everyone accessible, reliable, sustainable and modern energy, and SDG 13, regarding climate action.
The **electricity production** has always played a key role in climate change, as the use of fossil fuels is a considerable source of greenhouse gas emissions. Technological development, in particular in the area of renewable energies, has however completely transformed this scenario by making electricity one of the main solutions for reducing the carbon footprint world-wide. Enel is aware of these impacts and implements specific actions to minimise them, promoting the decarbonization of the energy system and the electrification of the energy demand. As a result, this reduces the greenhouse gas emissions along the entire value chain.
Enel's electricity production from fossil fuels (mainly coal and gas) has traditionally represented the main source of greenhouse gas emissions. In particular, in 2019 the direct emissions (Scope 1) related to generation from fossil fuels were around 69.4 mil t CO_2, whereas indirect emissions (Scope 3) related to the extraction and transport of fuels were equal to 4.0 mil t_{eq} of CO_2 (considering also those relating to the transport of raw materials and waste). Enel is minimising this impact by accelerating the decommissioning of coal plants, with a reduction of capacity in 2019 equal to 4.1 GW. In parallel, the Group is increasing the development of renewable capacity that, together with the contribution of nuclear generation, has avoided 77 mil t of CO_2 emissions. Furthermore, Enel is actively committed to the development of energy storage systems that support the integration of renewable capacity, with a total installed capacity of 110 MW in 2019. The decarbonization of the energy mix also has a positive impact on the reduction of indirect greenhouse gas emissions (Scope 2) associated with the acquisition of electricity to cover the requirements of business activities.
The management of the **electricity network** involves the generation of indirect greenhouse gas emissions (Scope 2) associated with energy losses on the grid, equal to 3.8 mil t_{eq} of CO_2 in 2019. Enel is actively investing in the digitalization and automation of the electricity grid to reduce these losses and increase reliability, while promoting the diffusion of renewables in the energy system.
Even if Enel does not have a direct impact in terms of greenhouse gas emissions in the **retail market**, the use of products sold by its own customers generates greenhouse gas emissions that are accounted for as indirect emissions (Scope 3). In particular, the emissions connected to the use of electricity sold to customers equalled around 29.0 mil t_{eq} of CO_2, whereas those related to gas sold equalled 23.9 mil t_{eq} of CO_2. Enel regularly monitors these emissions and adopts measures aimed at minimising them. In particular, Enel is committed to reducing its indirect emissions associated with the sale of natural gas on the retail market 16% by 2030, with respect to the 2017 values. This goal has been certified by the Science Based Targets initiative.
Finally, Enel offers its customers sustainable energy solutions to reduce the carbon footprint of their energy consumption in a wide range of sectors, including transport, buildings as well as industrial processes and services. For example, with Enel X the Group is promoting the deployment of charging infrastructures for electrical vehicles (79,565 charging points installed in 2019), the development of energy efficiency solutions, distributed generation, consultancy services, smart public lighting and circular cities.

Enel's impact on climate change in 2019

POSITIVE IMPACTS

CO_2 free production[1]

- 77 mil t CO_2 avoided — Avoided CO_2 emissions from electricity production
- Contribution towards the reduction of CO_2 emissions in other sectors[2] through a zero emissions energy mix
- 110 MW — Increase in storage capacity[3]

Electricity network digitalization

- 44.7 mil end users with active smart meters — By providing data in quasi real time, smart meters permit an efficient management of the energy supply and demand, promoting informed and sustainable consumption
- 3.2 service interruptions per client (SAIFI)[5] — A reliable and resilient network contributes towards reducing the CO_2 emissions associated with grid losses

Electrification of the energy demand and promotion of energy efficiency

- 79,565 charging points for electric mobility — Contribution towards reducing CO_2 emissions in other sectors through the electrification of consumption, including transport by promoting electric mobility
- Energy efficiency solutions for reducing consumption (residential, city and industry)

Value chain

GENERATION → DISTRIBUTION → RETAIL

NEGATIVE IMPACTS

Thermal production

- around 69.4 mil t CO_2 — Direct CO_2 emissions for electricity production (Scope 1)[4]
- 4.0 mil t_{eq} CO_2 — Indirect CO_2 emissions deriving from the extraction and transport of fuel, raw materials and waste

Electricity network losses

- 3.8 mil t_{eq} CO_2 — Indirect CO_2 emissions associated with network losses (Scope 2)[6]

Sale of retail electricity and gas

- around 29.0 mil t_{eq} CO_2 — CO_2 emissions associated with the use of electricity sold on the retail market (Scope 3)
- 23.9 mil t_{eq} CO_2 — CO_2 emissions associated with the use of natural gas sold on the retail market (Scope 3)

1 Includes the electricity production from renewable and nuclear sources.
2 The GHG Protocol requires considering the consumption of electricity when calculating the Company's carbon footprint as indirect emissions (Scope 2).
3 Includes the contribution of the "Global Power Generation" Business Line.
4 Other Scope 1 emissions are equal to 0.4 mil t CO_2. See the paragraph "Greenhouse gas emissions" for further details.
5 SAIFI, System Average Interruption Frequency Index.
6 Other Scope 2 emissions are equal to 1.5 mil t CO_2 (according to location-based methodology). See the paragraph "Greenhouse gas emissions" for further details.

The Enel governance model to tackle climate change

102-18 102-19 102-20 102-26 102-29 102-30 102-31 102-35 102-36

Enel's organisational and corporate governance model defines specific tasks and responsibilities for which the Company's main governance bodies are responsible, guaranteeing that the risks and opportunities related to climate change are suitably taken into consideration during all important company decision-making processes.

Competences of corporate bodies in relation to climate change

The **Board of Directors of Enel SpA** is responsible for examining and approving the corporate strategy, including the Group's annual budget and business plan, which incorporate the main objectives and actions that the Company plans to undertake to lead the energy transition and tackle climate change. 14 meetings held by the Board of Directors in 2019, in 8 of which they addressed issues connected with climate and their impact on strategies, operations and sustainability.

The Board of Directors is supported mainly by two board-level committees for the topic of climate change:

- **Corporate Governance and Sustainability Committee** - It assists the Board of Directors in assessment and decision-making activities concerning, among other things, sustainability, including any relevant climate issues connected with the operations of the Company and its interaction with all stakeholders. 8 meetings held by the Committee in 2019, in 5 of which they addressed issues connected with climate and their impact on strategies, operations and sustainability;
- **Control and Risk Committee** - It supports the Board of Directors in performing its duties regarding internal control and risk management. It also examines the contents of the corporate disclosure on climate issues of the Annual Report and the Sustainability Report, issuing a prior opinion to the Board of Directors, called to approve those documents. 12 meetings held by the Committee in 2019, in 6 of which they addressed issues connected with climate and their impact on strategies, operations and sustainability.

In 2019, the company also organised a special **induction** program to provide the directors with an understanding of the sectors in which the Group operates, including issues related to climate change and the related impact on industrial strategy and corporate operations.

Chairman - In the exercise of the function of stimulating and coordinating the activities of the Board of Directors, and ascertaining that the Board's resolutions are carried out, the Chairman plays a proactive role in the process of approving and monitoring corporate and sustainability strategies, for which the fight against climate change is a priority. In addition, during 2019 the Chairman also chaired the Corporate Governance and Sustainability Committee.

Chief Executive Officer and General Manager - He is responsible for defining and supervising a sustainable business model, delineating a strategy for leading energy transition towards a low-carbon model. Furthermore he represents Enel in various initiatives that deal with climate change, holding positions of leadership in world-renowned institutions.

The Enel organisational model for management of climate-related issues

Enel has a management team that assigns the responsibilities related to climate topics to the specific Functions that contribute towards guiding Enel's leadership in energy transition. Each area is responsible for managing the risks and opportunities related to climate change for their own area of competence.

The **Holding Functions** are responsible for consolidating the scenario analysis and managing the strategic and financial planning process aimed towards promoting a sustain-

able business model by putting the fight against climate change at the centre of its strategy.

The **Global Business Lines** are responsible for the development of activities related to promoting renewable generation, the optimisation of heat capacity, the digitalization of the electricity grid and the development of business solutions that enable energy transition and the fight against climate change. In 2019, Enel Green Power and Global Thermal Generation merged, creating Global Power Generation, which confirms the guiding role of the Enel Group in energy transition, by means of an integrated process of decarbonization and the sustainable development of renewable capacity.

The **Global Service Functions** are responsible for adopting sustainable criteria, including climate change, in supply chain management and developing digital solutions that develop the development of technologies enabling energy transition and the fight against climate change.

On a local level, the **Regions and Countries** have the task of promoting decarbonization and guiding the energy transition towards a low carbon business model, within their areas of responsibility. Furthermore, the Europe and Euro-Mediterranean Affairs Function is responsible for defining the Group's position on climate change, low carbon policies and the regulation of the international carbon market on a European level.

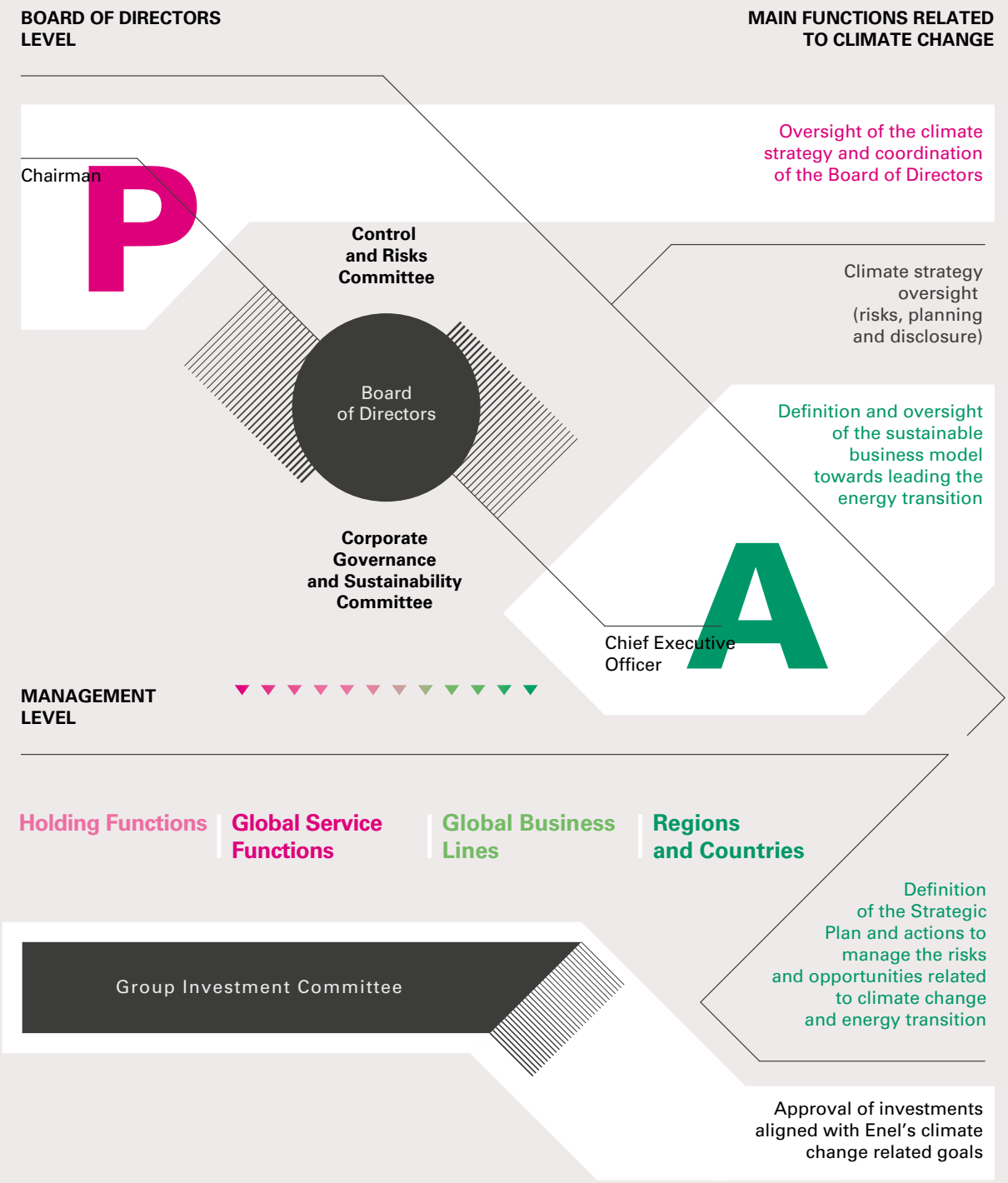
Additionally, the **Group Investments Committee**, chaired by the Chief Executive Officer, grants approval for the expenses for investments related to business development. This committee also has the task of guaranteeing that all investments are fully in line with the Group's commitment to promoting a low carbon business model and reaching decarbonization by 2050.

Incentives system concerning climate change

The Company's remuneration policy includes different mechanisms for the purpose of progressing towards energy transition, in particular:

- a variable short-term remuneration (MBO) that can include objectives relative to the specific company function of each manager. For example, they can include objectives related to the development of renewable energies for the manager in the Global Power Generation Business Line or related to energy transition solutions in the Enel X Global Business Line. Furthermore, the new MBO system assigned to the CEO for 2020 envisions the addition of a new quantitative climate objective connected to the growth of the renewable net installed capacity in comparison to the total net installed capacity, which represents the 15% short-term variable retribution;
- a long-term variable remuneration that, starting in 2018, includes a quantitative climate objective, that is, the reduction of Enel Group CO_2 emissions per kWh_{eq} over the next three years, which represents 10% of total long-term variable retribution;

The Enel governance model to face climate change



Climate scenarios

The Group develops short, medium and long-term scenarios for the energy industry and for macroeconomic and financial conditions in order to support its strategic and industrial planning, the evaluation of investments and extraordinary corporate transactions. The role of climate change in these scenarios is increasingly important in terms of:

- acute events (heat waves, flooding, hurricanes, etc.) and their potential impact on industrial assets;
- chronic phenomena related to structural changes in the climate, such as the rising trend in temperatures, rising sea levels, etc., which give rise to changes in the output of generation plants and in electricity consumption profiles in the residential and commercial sectors;
- transition of the various industrial and business sectors towards a green economy characterised by ever lower emissions levels.

The issues connected with future trends in climate variables (in terms of acute and chronic phenomena) define the so-called "**physical scenario**", while the issues associated with the industrial and economic transition towards solutions to reduce atmospheric concentrations of CO_2 are the characteristic elements of the "**transition scenario**". The adoption of these scenarios and their integration into corporate processes takes account of the guidelines of the TCFD and enables the assessment of the risks and opportunities connected with climate change.

The physical climate scenario

Among the climate projections developed by the Intergovernmental Panel on Climate Change (IPCC) on a global scale, the Group has selected two representing a specific level of emissions (the so-called "Representative Concentration Pathway"):

- **Representative Concentration Pathway 2.6 (RCP 2.6)**: compatible with global warming of less than 2 °C above pre-industrial levels by 2100, or an average of about 1 °C in 2081-2100;
- **Representative Concentration Pathway 8.5 (RCP 8.5)**: compatible with a scenario where no particular measures are taken to combat climate change, a so-called "business as usual scenario". In this scenario, a mean global temperature increase of about 4.3 °C above pre-industrial levels is forecast for 2081-2100.

In the RCP 8.5 climate projections, the Mediterranean and Central/South America will experience a significant increase in average temperatures and substantial decline in precipitation, with the effects becoming more pronounced in the second half of the century and the impact increasing up to 2100. In the RCP 2.6 scenario, the effects will be similar but less intense, with the trend slowing in the second half of the century, thereby producing a substantial differential between the two scenarios in 2100.

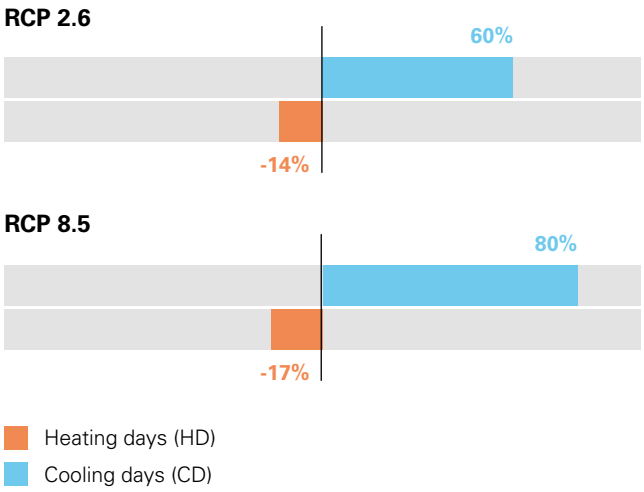
The scenarios are global in nature. Accordingly, in order to determine their effects in the areas of relevance for the Group, a collaborative initiative has been started with the Earth Sciences department of the International Center for Theoretical Physics (ICTP) of Trieste. As part of this collaboration, the ICTP provides projections for the major climate variables with a grid resolution of 50 km^2 and a forecast horizon running from 2030 to 2050. The main variables are average temperatures, rainfall and snowfall and solar radiation. The first phase of the study conducted in 2019 involved Italy and Spain, with the consequent definition of a preliminary physical scenario.

Italy

Acute phenomena: in the 2030-2050 period, heat waves are expected to increase appreciably both in terms of frequency and geographical distribution, especially in the southern regions of the country. In these scenarios, the intensity of extreme rain and snowfall events increases sharply, but their frequency declines compared with historic trends.

Chronic phenomena: the average annual temperature is expected to increase over the 2030-2050 period in both the RCP 2.6 and 8.5 scenarios. In the RCP 8.5 scenario, the temperature is expected to be an average of 0.4 °C compared with the RCP 2.6 scenario in the 2030-2050 period, with the differential then widening significantly in the second half of the century. Chronic changes in temperature can be analysed to obtain information on the potential effects on cooling and heating demand in local energy systems. In terms

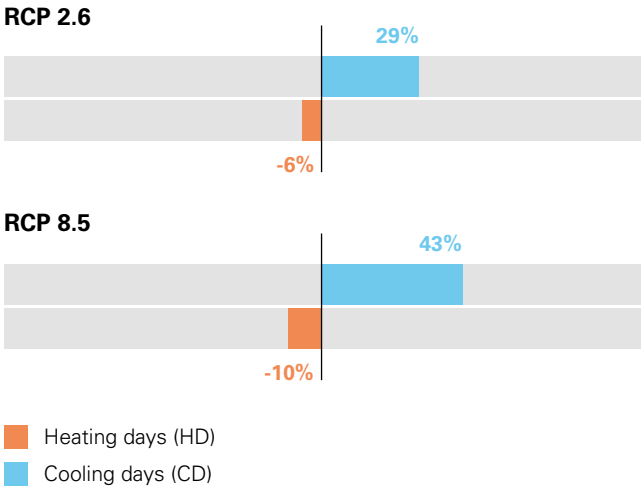
of heating days (HDs), i.e. days with a temperature below 15 °C, and cooling days (CDs), or days with a temperature above 24 °C, the 2030-2050 period will see HDs decrease by 14% and CDs increase by 60% in the RCP 2.6 scenario, while the RCP 8.5 scenario will see a larger decline in HDs (-17%) and a larger increase in CDs (+80%).



Spain

Acute phenomena: over the 2030-2050 period, heat waves are expected to increase appreciably in frequency, with their geographical spread expected to expand, especially in the southern area of the country. Extreme rainfall will increase in intensity but their frequency will decline. At the same time, extreme snowfalls will largely remain located in the current geographical areas but their frequency and intensity could decline sharply.

Chronic phenomena: the average annual temperature is expected to increase over the 2030-2050 period in both the RCP 2.6 and 8.5 scenarios. In the RCP 8.5 scenario, the temperature is expected to rise by an average of 0.4 °C compared with the RCP 2.6 scenario in the 2030-2050 period, with the differential then widening significantly in the second half of the century. In terms of heating days (HDs) and cooling days (CDs) the 2030-2050 period will see HDs decrease by 6% and CDs increase by 29% in the RCP 2.6 scenario, while the RCP 8.5 scenario will see a larger decline in HDs (-10%) and a larger increase in CDs (+43%).



The transition scenario

The transition scenario depicts the evolution of industrial and business sectors in an economic, social and regulatory context consistent with different trends in greenhouse gas (GHG) emissions and, therefore, is correlated with the RCP 2.6 and 8.5 climate scenarios. The Group has therefore equipped itself with quantitative tools that incorporate assumptions regarding the context to produce corresponding projections for energy demand, electricity demand, electricity production, the penetration of renewables and electric vehicles, etc.: in short, all the variables that characterize a national energy system relevant to the Group's activities.

In defining the transition scenarios, we distinguish between:

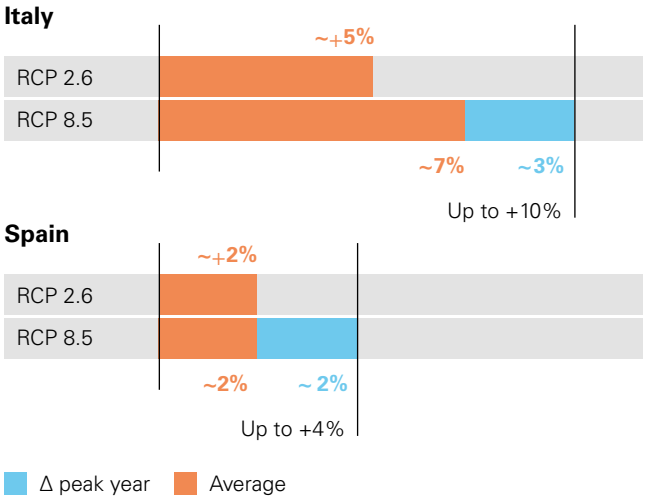
- assumptions concerning the global macroeconomic and energy context in terms of commodity prices, interest rates, gross domestic product, etc., using international benchmarks produced by entities such as the **International Energy Agency** (IEA), **Bloomberg New Energy Finance** (BNEF), **International Institute for Applied Systems Analysis** (IIASA), etc. As regards IIASA, for example, consideration was given to the fundamentals driving the "Shared Socioeconomic Pathways" (SSPs), in which general energy scenarios related to physical climatic scenarios are developed. The information deriving from the "SSPs" is used to support long-term forecasts on commodity prices;
- assumptions concerning local policies and regulatory measures associated with the fight against climate change, such as the reduction of carbon dioxide emis-

sions, the efficiency of the energy system, the decarbonization of the electricity sector, the reduction of oil consumption, etc. For Italy and Spain, reference is made to those countries' integrated **National Energy and Climate Plans** (NECPs), which are also approved at the European level, while outside Europe, reference is made to the respective national energy programs of the countries involved.

In order to define the transition scenario for the electricity sector, the Group considers the elements described above (physical scenarios, assumptions about the macro and energy context, regulatory developments) as prerequisites for the assessment of future projections of electricity demand, electricity generation, renewables, etc.

In this context, the effect of temperature on electricity demand in the long term (2030-2050) has been estimated. Italian electricity demand is provisionally forecast to increase on average by up to 5%, due to the combined effect of the chronic increase in temperature and the transition of the system towards greater electrification of energy consumption. Moreover, in the RCP 8.5 physical scenario the probability of extremely hot years increases, leading to a future increase of up to 10% in electricity demand, together with the risks associated with more frequent extreme weather events. In the case of Spain, however, over the same time horizon the chronic effects would involve an average increase in demand of around 2% and, in the possible peak year of the RCP 8.5 scenario, it could reach +4%. The smaller increase in electricity demand in the Spain compared with Italy mainly reflects to the narrower scope for the future electrification of consumption, as it is currently already largely electrified as a consequence of the presence of nuclear power in the country. These effects only reflect the long-term impact of temperature on electricity demand and the inertial evolution of the national energy system. They do not consider the repercussions of climate change on economies underscored in the IPCC's special report on global warming, which could also have indirect effects on economies and, therefore, on electricity demand.

Effects on energy demand
(2030-2050)



The strategy to tackle climate change

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

The strategy of the Enel Group has proven its ability to create sustainable long-term value, integrating the themes of sustainability and close attention to climate change issues. The Group is among the leaders guiding the energy transition through the decarbonization of electricity generation and the electrification of energy consumption, which represent opportunities both to increase value creation and to contribute positively to more rapid achievement of the Sustainable Development Goals set by the United National (SDGs) in the 2030 Agenda, placing SDG 13 for the fight against climate change at the centre of its strategy.

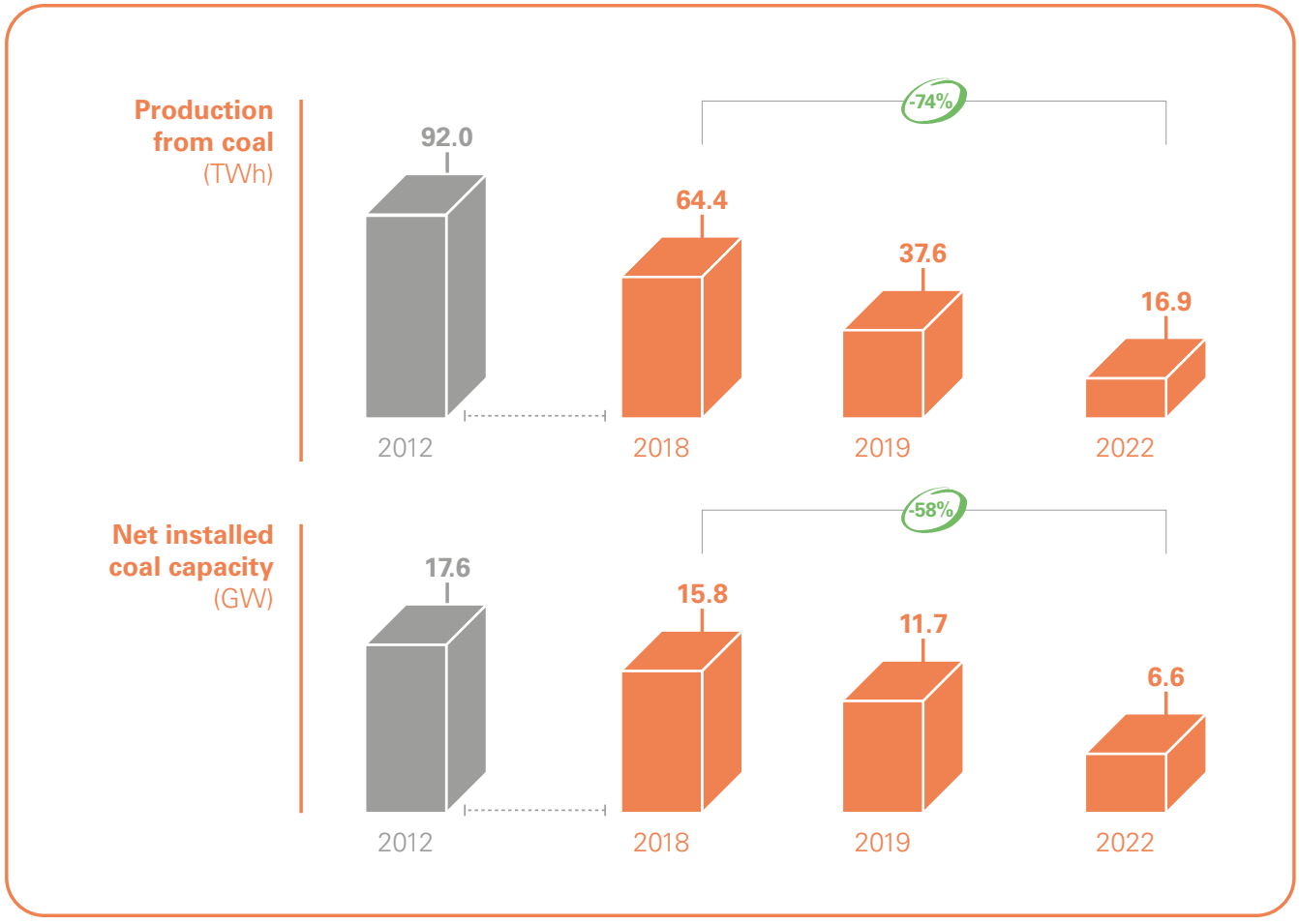
As a result, the 2020-2022 Strategic Plan is based on a renewed set of "purpose driven" strategic pillars that represent the main industry trends connected to energy transition and the fight against climate change, also identifying the main transformation enablers. The trends in decarbonization and electrification, which are naturally connected with the generation and sale of electricity, will be enabled by the development of increasingly digital grids and the evolution towards a platform-based business model.

Thanks to the strategies implemented in the field, the Group could achieve an ordinary low-carbon EBITDA of 18.3 billion euros in 2022 that will bring the contribution of products, services and technologies with low-carbon emissions to 91% of the total ordinary EBITDA. During the period of the Plan, in compliance with the objectives of EBITDA, more than 90% of Capex will be destined to products, services and technologies with low-carbon emissions.

Decarbonization

In terms of decarbonization, in a configuration of the scenario[2] consistent with limiting global warming within the levels established with the Paris Agreement, installed renewables capacity should increase from 35% in 2018 to 69% in 2040 thanks to the progressive decline in generation costs and to the increased public awareness of climate issues. This evolution of the system towards more variable sources will require greater flexibility to manage the balance between generation and consumption. Accordingly, demand response and storage technologies are also expected to grow significantly, also in this case boosted by a steep decline in costs, which are expected to halve over the next 20 years.

The major decarbonization objectives of plan will therefore be achieved thanks to an acceleration of renewables development as well as the **progressive decommissioning of coal-fired plants**. The objective is to achieve an entirely marginal level of coal generation by 2030, with a 74% decrease in production by 2022.



2 Sustainable Development Scenario IEA (International Energy Agency), World Energy Outlook 2019.

The target for **increasing renewables capacity** is expected to rise by 14.1 GW (11.6 GW considering exclusively the net installed capacity) in 2020-2022 and will be achieved through a number of strategic lines of development:

- 5.4 GW will be developed in countries such as Italy, Spain and Chile, where new investments in renewable energy will support the decarbonization of the generation fleet;
- 5.1 GW will mainly be developed in Brazil and the United States, where an increasing number of large customers are moving from the regulated market to purchase electricity from renewable sources developed primarily through long-term power purchase agreements (PPA);
- 3.6 GW will be developed to support our presence in recently opened markets or in entirely new markets, both directly and through joint ventures.

Thanks to these initiatives, 60% of the Group's total installed capacity in 2022 will be renewable.

In order to support the decarbonization process, the plan also envisages a significant contribution from the new flexibility services provided by Enel X. Demand response capacity will expand from 6.3 GW in 2019 to over 10.1 GW in 2022, while storage services will increase from the current 110 MW to about 440 MW in 2022.

Electrification

Electrification, which means the substitution of electricity for other commodities in energy consumption, will play a central role in the Enel Group strategy.

In line with the IEA sustainable development scenario, the share of electricity in final global energy consumption should reach 43%[3] in 2040 (from 24% in 2018). This scenario assumes a significant increase in the average annual investment for end use, which in 2030-2040 should be almost 5 times that in 2018.

The opportunities deriving from this trend will involve a broad spectrum of activities, ranging from distributed generation to energy efficiency upgrading for buildings and electric vehicle infrastructure, thus supporting the growth of companies that move first. Enel's plan seeks to achieve a stable market share in the free markets of European countries, supported by a 65% increase in the number of customers and 21% growth in volumes sold on the free market in 2022.

Further impetus to the electrification process will come from **electric mobility**, with the installation of about 736,000 recharging points by 2022, and more generally **from the new services offered by Enel X**, which will permit developing business models oriented towards promoting the decarbonization of other industrial sectors and services.

Enabling infrastructure

In order to adequately support value creation from these two macro trends, the plan identifies **electricity distribution network** as one of the main enablers. The evolution of the role of distributors will be a key factor in supporting the greater complexity involved with distributed renewables generation and electric mobility, in managing the digitalization process driven by innovative services offered to customers and in ensuring the resilience of the energy system in view of the impacts of climate change. As a result, Enel will continue to invest in **network digitalization** between 2020 and 2022, increasing the number of second generation smart meters from 13.1 million to 28.8 million.

Platforms and ecosystems

Enel will adopt a **platform-based** model on a global level for its grids, in retail and in Enel X, which will make it possible to standardise and optimise the operating processes by supporting the obtainment of the efficiencies set forth in the Plan, and promote the establishment of new business opportunities that promote an energy model that is free from greenhouse gas emissions.

3 Figure referred to "useful energy", intended as the energy that is available to end-users to satisfy their needs (source IEA WEO 2019 SDS).

Main risks and opportunities linked to climate change

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

The identification, assessment and management of risks and opportunities

The process of defining the Group's strategy is accompanied by a careful analysis of the risks and opportunities connected to it, also including the aspects related to climate change.

Every year, before approving the Strategic Plan, the Control and Risk Committee, which is appointed by the Board of Directors, is presented with a quantitative analysis of the risks and opportunities related to the Group's strategic positioning, which includes aspects related to the climate, such as regulatory factors and weather-climatic events.

Climate change and the energy transition will impact Group activities in a variety of ways. In order to identify the main types of risk and opportunity and their impact on the business associated with them in a structured manner consistent with the TCFD, we have adopted a **framework** that explicitly represents the main relationships between scenario variables and types of risk and opportunity, specifying the strategic and operational approaches to managing them, comprising mitigation and adaptation measures.

There are two main macro-categories of risks/opportunities: those connected with developments in physical variables and those linked to the evolution of the transition scenarios. Physical risks are divided in turn between acute (i.e. extreme events) and chronic, with the former linked to extremely intense meteorological conditions and the latter to more gradual but structural changes in climate conditions.

Extreme events expose the Group to the risk of prolonged unavailability of assets and infrastructure, the cost of restoring service, customer disruptions and so on. Chronic changes in climate conditions expose the Group to other risks or opportunities: for example, structural changes in temperature could cause changes in electricity demand and have an impact on output, while alterations in rainfall or wind conditions could impact the Group's business by increasing or decreasing potential electricity generation.

The energy transition towards a more sustainable model characterised by a gradual reduction of CO_2 emissions has risks and opportunities connected both with changes in the regulatory and legal context and trends in technology development, electrification and the consequent market developments.

Consistent with the climate and transition scenarios used by Enel to determine risks and opportunities, the main transition-related phenomena are beginning to emerge in relation to customer behaviour, industrial strategies being adopted in all economic sectors and regulatory policies. Between 2020 and 2030, the transition trends will become visible in response to the evolution of the context: the Enel Group has decided to facilitate the transition, and is therefore ready to seize all the opportunities that may arise from an acceleration in that transition. As discussed previously, our strategic choices, which are already strongly oriented towards the energy transition, with more than 90% of investment dedicated to the transition, enable us to incorporate risk mitigation and opportunity maximisation "by design", adopting a positioning that takes account of the medium and long-term phenomena we have identified. The strategic choices are accompanied by the operating best practices adopted by the Group.

The framework illustrated on the next page also highlights the relationships that link the physical and transition scenarios with the potential impact on the Group's business. These effects can be assessed from the perspective of **three time horizons**: the short term (1-3 years), in which sensitivity analyses based on the Strategic Plan presented to investors in 2019 can be performed; the medium term (until 2030), in which it is possible to assess the effects of the energy transition; and the long terms (2030-2050), in which chronic structural changes in the climate should begin to emerge. The main sources of risk and opportunity identified, the best practices for the operational management of weather and climate phenomena, and the qualitative and quantitative impact assessments performed to date are discussed below. As declared by the TCFD, the process of disclosing information on the risks and opportunities connected with climate change will be gradual and incremental from year to year.

SCENARIO PHENOM-ENA	TIME HORIZON	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	IMPACT	MANAGEMENT APPROACH
Acute physical	From the short term (1-3 years)	Extreme events	**Risk:** especially extreme weather/climate events.	Extreme events can damage assets and interrupt operations.	The Group adopts **best practices** to manage the restoration of service as quickly as possible. It also works to implement investments in **resilience (for Italy)**. With regard to risk assessment in insurance, the Group has a loss prevention program for property risk that also assesses the main exposures to natural events. Looking forward, the assessments will also include the potential impacts of long-term trends in the most significant climate variables.
Chronic physical	From the long term (2030-2050)	Market	**Risk/opportunity:** increase or decrease in **electricity demand**; increase or decrease in **electricity production**.	Electricity demand is also affected by temperature, whose fluctuation can impact our business.	The Group's geographical and technological **diversification** means that the impact of changes (positive and negative) in a single variable is mitigated at the global level. In order to ensure that operations always take account of weather and climate phenomena, the Group adopts a range of **practices** such as, for example, weather forecasting, real-time monitoring of plants and long-term climate scenarios.
Transition	From the medium term (2022-2030)	Policy & Regulation	**Risk/opportunity:** policies on CO_2 prices and emissions, energy transition incentives, greater scope for investment in renewables and resilience regulation.	Policies concerning the energy transition and resilience can impact the volume of and returns on investments.	The Group is minimizing its exposure to risks through the progressive **decarbonization** of its generation fleet. The Group's strategic actions, which are focused on investment in renewables, networks and customers, enable it to mitigate potential threats and exploit the opportunities connected with the energy transition. The Group is also actively contributing to the development of public policies.
Transition	From the medium term (2022-2030)	Market	**Risk/opportunity:** changes in the prices of commodities and energy, evolution of energy mix, changes in retail consumption, changes in competitive environment.	Considering two alternative transition scenarios, the Group assesses the impact of trends in the proportion of renewable sources in the energy mix, electrification and the penetration of EVs to estimate their potential impacts.	The Group is maximizing opportunities by adopting a strategy founded on the energy transition and the rapid expansion of **renewable generation** and the **electrification of energy consumption**.
Transition	From the medium term (2022-2030)	Product & Services	**Opportunity:** increase in margins and greater scope for **investment** as a consequence of the transition in terms of greater penetration of new electrical technologies for residential consumption and **electric transportation.**	Trends in the electrification of transportation and residential consumption will potentially have an impact on Enel's business.	The Group is maximizing opportunities thanks to its strong positioning in **new businesses and services**.
	From the medium term (2022-2030)	Technology		Considering two alternative transition scenarios, the Group assesses the potential opportunities to scale up current businesses in response to trends in the electrification of transportation.	The Group is maximizing opportunities thanks to its strong **positioning in global networks**.

Identification, assessment and management of physical risks and opportunities

Taking the IPCC scenarios as our reference point, developments in the following physical variables and the associated operational and industrial impacts connected with potential risks and opportunities are assessed.

Chronic physical risks

The climate scenarios developed with the ICTP do not provide definitive indications of structural changes before 2030, but changes could begin to emerge between 2030 and 2050.

The main impacts of **chronic physical changes** would be reflected in the following variables:

- **Electricity demand**: variation in the average temperature level with a potential increase or reduction in electricity demand.
- **Thermal generation**: variation in the level and average temperatures of the oceans and rivers, with effects on thermal generation.
- **Hydroelectric generation**: variation in the average level of rainfall and snowfall and temperatures with a potential increase or reduction in hydro generation;

SCENARIO PHENOMENA	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	TIME HORIZON[1]	IMPACT DESCRIPTION
Chronic physical	Market	**Risk/opportunity:** increase or decrease in electricity demand.	Short term	Electricity demand is also affected by temperature, whose fluctuations can have an impact on Enel's business. Although structural changes should not emerge in the short/medium-term, in order to assess the sensitivity of Group performance to potential temperature variations, Enel has performed an analysis of sensitivity to changes of **+/-1%** in electricity demand for the Group as a whole.
Chronic physical	Market	**Risk/opportunity:** increase or decrease in renewables generation.	Short term	Renewables generation is also affected by the availability of resources, whose fluctuations can have an impact on our business. Although structural changes should not emerge in the short/medium-term, in order to assess the sensitivity of Group performance to potential temperature variations, we have performed an analysis of sensitivity to **changes of +/-10% in potential electricity output** by technology.

1 Time horizon: short (2020-2022); medium (up to 2030); long (2030-2050).

- **Solar generation**: variation in the average level of solar radiation, temperature and rainfall with a potential increase or reduction in solar generation;
- **Wind generation**: variation in the average wind level with a potential increase or reduction in wind generation.

The Group will work to estimate the relationships between changes in physical variables and the change in the potential output of individual plants in the different categories of electricity generation technology.

Scenario analysis has shown that chronic structural changes in the trends of physical variables will begin to occur after 2030. However, in order to obtain an indicative estimate of the potential impacts, it is possible to test sensitivity of the Business Plan to the factors potentially influenced by the physical scenario, regardless of any direct relationship with climate variables. Of course, such stress testing has an extremely low probability of occurrence based on historical events and geographical diversification. The variables examined are:

- electricity demand (+/-1% per year), whose variations can potentially impact the generation and retail businesses. It was stress tested for all countries in which the Group operates;
- the output potential of renewables plants was also stressed (+/-10% over a single year). Variations in this variable can potentially impact the generation business. It at the individual technology level around the globe.

The data reported show the effect on a single year for a single generation technology and include both the volume and price effects.

GLOBAL BUSINESS LINE AFFECTED	SCOPE	QUANTIFICATION - TYPE OF IMPACT		UPSIDE/ DOWNSIDE	QUANTIFICATION - RANGE < 100 MIL EUROS	QUANTIFICATION - RANGE 100-300 MIL EUROS
Global Power Generation	Group	EBITDA/year	+1%	Upside	■	
			-1%	Downside	■	
Global Power Generation	Group potential hydroelectric production	EBITDA/year	+10%	Upside		■
			-10%	Downside		■
	Group potential wind production	EBITDA/year	+10%	Upside		■
			-10%	Downside	■	
	Group potential solar production	EBITDA/year	+10%	Upside	■	
			-10%	Downside	■	

■ Upside scenario current policies
■ Downside scenario current policies

Acute physical risks

With regard to acute physical phenomena, the incidence and frequency of extreme physical phenomena can cause significant and unexpected physical damage to assets and generate negative externalities associated with the interruption of service.

To assess the scale of the risks of extreme climate events, the scenario results will be assessed in terms of the frequency and intensity of the key phenomena, together with technical information on generation assets, taking account of the differing levels of resilience, and identifying metrics to measure potential losses and any externalities caused by the interruption of business operations.

The intensification of the effects of climate change means it is essential to adopt adaptive behaviours: each catastrophic event represents a lesson learned for Enel, from which we draw inspiration to strengthen design techniques and preventive measures to ensure the resilience of the asset portfolio.

From this perspective, the method and the information extracted from the *ex post* analysis of events play a crucial role in determining the processes and practices to be deployed in mitigating such events in the future.

Power generation

As regards generation, over time the Group has implemented targeted measures at specific sites and established *ad hoc* management activities and processes.

Measures implemented for specific sites in recent years include:

- improving cooling water management systems for certain plants in order to counter the problems caused by the decline in water levels on rivers, such as the Po in Italy;
- installing fogging systems to improve the flow of inlet air and offset the reduction in power output caused by the increase in ambient temperature in CCGTs;
- installing drainage pumps, raising embankments, periodic cleaning of canals and interventions to consolidate land adjacent to plants to prevent landslides in order to mitigate flood risks.

The Group adopts a series of best practices to manage the impact of **weather events** on power generation, such as:

- **weather forecasting** both to monitor renewable resource availability and detect extreme events, with warning systems to ensure the protection of people and assets;
- **insurance policies**, to cover damage to assets and the negative externalities caused, for example, by lost electricity generation;
- the **real-time remote monitoring of** electricity power plants;
- **safe rooms in areas exposed to tornadoes and hurricanes**, such as the wind plants in Oklahoma in the United States.

In addition, in order to ensure rapid response to adverse events, the Group has adopted specific emergency management procedures with protocols for real-time communication and management to restore operations rapidly and standard checklists for damage assessment and the safe return to service for all plants as rapidly as possible.

Infrastructure & Networks

The Enel Group's Infrastructure and Networks Global Business Line has adopted a more complex and **innovative approach to respond to such extreme events denominated "4R", in addition to the measures already envisaged to upgrade and improve the** electricity distribution **grid**. This new approach has been structured over the past few years in a body of documentation that governs the measures to be taken in preparation for a grid emergency once the damage has been caused. More specifically, the 4R strategy comprises:

- an initial "**Risk prevention**" phase, which includes all actions to reduce the probability of losing grid components due to an event and/or to minimise its effects. This is pursued both through measures to enhance the robustness of grid infrastructure in extreme weather events and maintenance measures. Measures to reinforce the grid have been implemented not only to improve service quality in general, but also to reduce the risk of prolonged or widespread outages in the event of a malfunction, using a probabilistic approach. This approach has mainly been used to reduce the risk of outages at critical installations (primary substations) or for particular grid configurations (where no alternative power supply routes are available);
- in Italy, to prevent service interruptions due to the breakage of overhead power lines as a result of snowfall, the risk of such interruptions has been assessed on the basis of the probability of losing segments of the grid and then calculating the relative impact in terms of customers without power and the loss in terms of power not delivered. To address these risks,

investments include the targeted replacement of uninsulated lines with insulated conductors, increasing the number of alternative routes to restore power and the use of remote control systems to isolate the section of the grid affected by the fault as quickly as possible;

- again in Italy, the measures to increase resilience are contained in the three-year investment plan of e-distribuzione and are designed to limit the risk of service interruptions caused by the main critical factors that may impact e-distribuzione's medium-voltage grid. The measures for the 2017-2021 period involve some 4 million customers and over 7,000 km of medium-voltage lines;
- a subsequent "**Readiness**" phase that includes all measures to improve the timeliness with which potentially risky events are identified, ensuring coordination with the Civil Protection Department and local officials, as well as to prepare intervention measures once a fault has occurred. Examples of measures include systems for forecasting meteorological events and their impact on the grid, the provisioning of adequate equipment to build temporary plant or emergency grid structures, the preparation of operational plans and the organisation of exercises. One of the most important measures is certainly the definition of agreements for the mobilisation of designated extraordinary resources to respond to an emergency. These include both internal resources and the resources of contracting companies operating in other areas of a country and/or in other countries;
- the third phase is the "**Response**" phase, meaning the operational response capacity for a specific extreme event, which is directly correlated with the ability to mobilise operational resources in the field and with the availability of grid backup and redundancies;
- the final phase is the "**Recovery**" phase, which seeks to restore an acceptable and safe level of service in the shortest possible time.

Response and Recovery are complementary. The philosophy that guides interventions in these two phases is that exceptional resources must be used to deal with exceptional events, and that all the available resources prepared in the readiness phase must therefore be mobilised. The assessment of the damage caused to the grid is the first activity to be performed. Enel promptly activates a task force of specialised technicians and deploys special equipment (helicopters and generators) to restore service, and mobilises personnel from other areas/countries. Great attention is paid in these phases to communication with all the players involved and the determination of the most effective strategy to manage the repair of power lines and the restoration of service to customers.

In this regard, the Enel Group in Italy is a permanent guest of the Operations Committee of the National Civil Protection Department and has signed protocols with both the National Civil Protection Department and Regional Civil Protection Departments in order to facilitate communication in emergency situations, joint training and any other initiative that makes collaboration with the civil protection system more effective and rapid.

Identification, assessment and management of transition-related risks and opportunities

As regards the risks and opportunities associated with transition variables, Enel uses the different reference scenarios in combination with the various elements that make up the risk identification process (e.g. competitive context, long-term vision of the industry, materiality analysis, etc.). Priority is given to the most material phenomena. The main risks and opportunities identified within this framework are described below.

Policy and Regulation

- **Limits on emissions and carbon pricing**: the enactment of laws and regulations that introduce more stringent emissions limits by government action (non-market driven) and market-based mechanisms, such as a carbon tax in non-ETS (Emissions Trading System) sectors or an expansion of the ETS in other sectors.
  - **Opportunities**: command & control regulations and market-based mechanisms strengthening CO_2 price signals to foster investment in carbon-free technologies.
  - **Risk**: lack of a coordinated approach among the various actors and policy-makers involved and limited effectiveness of the policy instruments deployed, with an impact on the speed of the trend towards electrification and decarbonization in the various sectors, compared with a decisive group strategy focused on the energy transition.
- **Incentives for the energy transition**: development incentives and opportunities with a view to the energy transition, consequently guiding the energy system towards the use of low-emission energy resources as the mainstream approach in the energy mixes of countries, greater electrification of energy consumption, energy efficiency, flexibility of the electrical system and upgrading of infrastructure, with a positive impact on the return on investment and new business opportunities.
  - **Opportunities**: additional volumes and greater margins due to additional investment in the electricity industry, in line with the electrification strategy, decarbonization and the upgrading of enabling infrastructure.
  - **Risks**: obstacles to achieving energy transition targets due to regulatory systems that do no effectively support the energy transition, delays in permitting, no upgrading of the electricity grid, etc.
- **Resilience regulation** To improve standards or introduce *ad hoc* mechanisms to incentivise investments in resilience in the context of the evolution of climate change.
  - **Opportunities**: benefits from investments that reduce service quality and continuity risks for the community.
  - **Risks**: in the case of especially severe extreme events with a greater-than-expected impact, there is a risk that recovery could be slower than planned, with an associated reputational risk.
- **Financial measures for the energy transition**: Incentives for the energy transition through appropriate policy measures and financial instruments, which should be capable of supporting an investment framework and a long-term, credible and stable positioning of policy-makers. Introduction of rules and/or public and private financial instruments (e.g. funds, mechanisms, taxonomies, benchmarks) aimed at integrating sustainability into financial markets and public finance instruments.
  - **Opportunities**: the creation of new markets and sustainable finance products consistent with the investment framework, activating greater public resources for decarbonization and access to financial resources in line with energy transition objectives and the related impact on costs and on finance charges; introduction of subsidised support tools (funds and calls) for the transition.
  - **Risks**: actions and instruments are not sufficient to provide incentives consistent with an overall positioning tailored to the energy transition, uncertainty or slowdown in the introduction of new instruments and rules due to the deterioration in the public finances or differences in application in the geographic areas in which the Group operates.

Market

- **Market dynamics**, such as those connected with the variability of commodity prices, the increase in electricity consumption due to the energy transition and the penetration of renewables, have an impact on business drivers, with effects on margins and on electricity generation and sales volumes.
  - **Opportunities**: positive effects associated with the growth in electricity demand and the greater room for renewables and all sources of flexibility.
  - **Risks**: less room in the market for residual thermal generation technologies in the short term. However, as the penetration of renewables in the electricity mix increases, the system could require greater flexibility, including regulated gas-fired generation.

Technology

- **Gradual penetration of new technologies** such as storage and demand response; digital lever to transform operating models and "platform" business models.
  - **Opportunities**: investments in developing technology solutions.

Products and Services

- **Electrification of residential energy consumption**: With the gradual electrification of end uses, the penetration of products with lower costs and a smaller impact in terms of residential emissions will expand (for example, the use of heat pumps for heating and cooling).
  - **Opportunities**: increase in electricity consumption.
  - **Risks**: additional competition in this market segment.
- **Electric mobility and electrification of industrial energy consumption**: Use of more efficient and effective modes of transportation from the point of view of climate change, with a special focus on the development of electric mobility and charging infrastructure; electrification of large-scale industrial energy users.
  - **Opportunities**: Positive effects of the increase in electricity demand and greater margins connected with the penetration of electric transportation.

The Group has already taken strategic actions to mitigate potential risks and exploit the opportunities offered by the energy transition. Thanks to our industrial and financial strategy incorporating ESG factors, an integrated approach shaped by sustainability and innovation makes it possible to create shared long-term value.

A strategy focused on complete decarbonization and the energy transition makes the Group resilient to the risks associated with the introduction of more ambitious policies for emissions reductions and maximises opportunities for the development of renewable generation, infrastructure and enabling technologies.

Unlike chronic climate impacts, developments in the transition scenario could have impacts in the short and medium term (by 2030) as well.

As with climate variables, the current Business Plan (2020-2022) can be tested for its sensitivity to the fac-

tors potentially influenced by the transition scenario, with particular regard to the price of CO_2 (ETS). Examining the main transition variables, the price of CO_2 appears to be an especially reliable driver of regulatory measures that could accelerate the transition process.

To assess the impact of possible changes in this driver, the effects of a potential change of +/-10% in the CO_2 price for Italy and Spain are determined. This price change would modify the equilibrium price of both wholesale markets, with repercussions on the margins of Global Power Generation for both thermal and renewable plants.

To quantify the risks and opportunities engendered by the energy transition in the medium term, two scenarios have been considered for Italy and Spain:

- **"Current policies" scenario**: based on the current energy transition policies of Italy and Spain (PNIEC), which are presumably consistent with an intermediate climate scenario between RCP 8.5 and RCP 2.6. The "current policies" scenario considered for the two countries, while among the less ambitious scenarios of RCP 2.6, represents a plausible outlook in that it derives from policies that have already been approved and which will probably not be disregarded. At a global level, however, if the world's leading countries do not adopt effective decarbonization policies, instead pursuing policies that produce no change or actually worsen conditions, the "current policies" approach could still lead to a climate scenario in line with RCP 8.5;
- **"Accelerated policies" scenario**: based on potentially rapid transition policies aimed at achieving CO_2 reduction targets that are presumably consistent with the RCP 2.6 scenario. This scenario also incorporates an increase in energy efficiency and a drive to electri-

SCENARIO PHENOMENA	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	TIME HORIZON[1]	IMPACT DESCRIPTION
Transition	Policy & Regulation	**Risk**: impact on margin due to measures affecting CO_2 price.	Short/medium terms	Considering the potential impact of regulatory measures to incentivize energy transition, the Group assesses the exposure to changes of **+/-10% in the price of CO_2** using sensitivity analysis.
Transition	Market	**Opportunity:** incease in margins due to impact of transition on electrification of energy consumption. **Risk:** increase in competition and possible decrease in market share.	Medium term	Considering two alternative transition scenarios, the Group assesses the impact of trends in efficiency, the adoption of electric devices and the penetration of EVs to estimate its potential effect on electricity demand.
Transition	Products & Services	**Opportunity:** increase in margins and greater scope for **investment** due to impact of transition in terms of penetration of new technologies and **electric transportation**.	Medium term	Considering two alternative transition scenarios, the Group has assessed the impact of trends in the electrification of transportation and residential consumption to assess the potential effects.

1 Time horizon: short (2020-2022); medium (up to 2030); long (2030-2050).

fy end-user energy consumption.

Considering these transition scenarios and models of the energy system, Enel determined their impact on the variables that most greatly affect our business, such as electricity demand, the system energy mix and the increase in electricity consumption due to the electrification of final consumption.

The transition effects over the medium term can produce new opportunities, thanks to the growth of renewables, and potential risks linked to the loss of profitability for thermal plants. Based on assumptions about future regulatory developments and market trends, it is possible to forecast developments in output in the Group's electricity markets (for now, Italy and Spain only) and unit margins. These considerations offer a basis for determining the Group's possible strategic positioning in terms of resource allocation (for example, maintaining or increasing our market share in renewables or accelerating the phase-out of obsolete technologies).

By 2030, the dynamics of the energy transition may produce significant opportunities in the retail electricity market. The progressive electrification of final consumption, especially in transportation and the residential sector, will lead to a significant increase in electricity consumption.

Considering the transition scenarios developed by the Group for Italy and Spain, the increase in electricity consumption in the domestic segment could produce an increase of more than 300 million euros in EBITDA by 2030 compared with 2022. Considering a more optimistic transition scenario, i.e. one with a higher electrification rate for transportation and heating/cooling, the effects could be even greater, leaving unchanged the assumptions for margins and market share set out in the Plan.

GLOBAL BUSINESS LINE AFFECTED	SCOPE	QUANTIFICATION - TYPE OF IMPACT		UPSIDE/ DOWNSIDE	QUANTIFICATION - RANGE			
					< 100 MIL EUROS	100-300 MIL EUROS	> 300 MIL EUROS	IMPACT WITH ACCELERATED TRANSITION
Global Power Generation	Italy and Iberia	EBITDA/Year	+10%	Upside	■			
			-10%	Downside	■			
Retail	Italy and Iberia	EBITDA 2030 vs 2022		Upside			■	▲
Enel X	Italy and Iberia	Gross Margin		Upside			■	▲

■ Upside scenario current policies

■ Downside scenario current policies

Enel's performance in the fight against climate change

103-2 | 103-3 | 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | 305-6

Direct and indirect GHG (greenhouse gas) emissions

The trend of direct and indirect greenhouse gas emissions over the past years, in line with the GHG protocol, is provided below.

GREENHOUSE GAS EMISSIONS [1]	UM	2019	2018	2017
Total direct a gas emissions (Scope 1)	mil t eq	69.98	95.23	105.96
- of which CO_2 emissions from the electricity production and heat	mil t	69.39	94.44	105.20
- of which other direct emissions due to electricity production [2] and other activities	mil t eq	0.60	0.79	0.76
Total indirect greenhouse gas emissions (Scope 2, location based)	mil t eq	5.37	5.08	5.00
- of which indirect emissions from electricity purchased from the network (civil uses, hydroelectric and thermoelectric plants)	mil t eq	1.55	1.40	1.50
- of which indirect emissions deriving from technical losses from Enel's distribution network and electricity system's transmission network	mil t eq	3.82	3.68	3.50
Indirect greenhouse gas emissions (Scope 2, market based) [3]	mil t eq	2.30	2.11	2.19
Total of other indirect greenhouse gas emissions (Scope 3)	mil t eq	56.92	59.56	57.88
- of which indirect emissions deriving from the extraction and transport of fossil fuels, raw materials and waste (upstream)	mil t eq	4.02	6.76	7.13
- of which indirect emissions deriving from the use of sold products (electricity)	mil t eq	28.98	27.39	25.46
- of which indirect emissions deriving from the use of sold products (gas)	mil t eq	23.92	25.41	25.29
Total CO_2 avoided emissions [4]	mil t	77.0	78.5	71.3

1 The methodology and sources considered for calculating greenhouse gas emissions (Scope 1, 2, 3) are detailed in the following paragraph. The values for 2018 and 2017 were modified by adding the new calculation categories introduced in 2019. The Scope 2 emissions for electricity purchased from the grid were recalculated due to the expansion of the calculation basis. Regarding the year-over-year data comparison and the relative sums, the figures shown in the table regarding year-over-year data comparison and subset additions are calculated considering decimal digits that may not be disclosed in the table.
2 For all combustion processes from fossil sources, the production of N_2O (GWP = 265) and CH_4 (GWP = 28) expressed in CO_2 equivalent are included. These values, not present in the 2017 and 2018 reporting, were recalculated for the previous two years. The calculation of the other activities also includes CO_2 equivalent emissions from the combustion of diesel fuel in the generating sets, from the fuel of the company fleet, from the fuel used in the offices for heating and canteens, fluorinated gases and ODS, SF_6 and NF_3.
3 The values do not include the emissions from technical losses of the Enel distribution grid, which were calculated only as location based.
4 Avoided emissions are calculated as the sum of the emissions avoided in the different countries where Enel is present. The resulting value is the product of the generation of electricity obtained from a renewable or nuclear sources and the specific CO_2 emissions from the thermoelectric generation of the country in which Enel is present.

The GHG inventory statements were audited by DNV GL, one of the main certification entities world-wide, with a reasonable level of certainty for Scope 1, Scope 2 and Scope 3 emissions, as limited to the sale of natural gas, and with a limited level of certainty for the other Scope 3 emissions included within the scope of application of the inventory. The audit was conducted according to Standard ISO 4064-3 for the compliance of greenhouse gas (GHG) inventories with the WBCSD/WRI Corporate Accounting and Reporting Standard (GHG Protocol).

Scope 1 emissions

In 2019, the **direct CO_2 emissions (Scope 1)** were equal to approximately 70 mil t, with a 27% decrease as compared to 2018 mainly due to reduced thermal generation and in particular a reduction in the coal component (-42% as compared to 2018). The considerable share of these emissions originates from the energy production **in thermal power plants** fuelled by coal, oil & gas and combined cycles. The percentage of emissions related to EU ETS is equal to 49.5% of the total Scope 1. Scope 1 also includes the CO_2 emissions generated during the petrol and diesel combustion process in the engines of machines controlled by the

Company and by the combustion of diesel in the auxiliary motors used in renewable (hydroelectric) and nuclear technologies, as well as the distribution of electricity. The combustion processes from fossil fuels also include the generation of N_2O (GWP=265) and CH_4 (GWP=28) expressed as a CO_2 equivalent. These values were recalculated also for the two previous years.

Other direct CO_2 equivalent emissions originated from the **leakage to the atmosphere of SF_6** (GWP=23,500) which occurs mainly within the scope of electricity distribution and, secondarily in energy power plants. SF_6 is used in high and medium voltage electrical equipment due to its capacity to isolate and extinguish electric arcs and as of today it is irreplaceable for these applications. The quantities released to the atmosphere in 2019 as related to the entire perimeter of the Group amount to 8,367 kg, which equals 197 thousand t of CO_2 equivalent. In percentage terms, SF_6 contributes towards 0.28% of Scope 1 emissions, which represents an extremely limited amount. As regards Scope 1, Enel considers the emissions of leakage to the atmosphere of gases and mixtures containing greenhouse gas that were calculated by applying the average global warming potential value of the family gases.

Scope 2 emissions

Scope 2 emissions concern the **indirect emissions deriving from the generation of the electricity purchased and consumed by the Company**. Scope 2 includes the CO_2 emissions associated with electricity consumption taken from the electricity network for civil uses or for the generation of energy in thermoelectric and hydroelectric plants. Since 2016, all supplies of electricity for the offices and Italian power plants come from renewable sources. This supply includes the issue of green certificates by the competent authority. The calculation of Scope 2 for the consumption of energy taken from the network is reported according to two points of view, one is location based, equal to 1.55 mil t_{eq}, and the other is market based, equal to 2.30 mil t_{eq}.

In compliance with the GHG protocol, this category includes the indirect emissions deriving from technical losses from Enel's distribution network and the transmission network of the electricity system in which the Group operates, calculated for all countries of operation for 2017-2019. The emissions caused by the losses were calculated based on the part of energy that exceeds the quota produced in the considered country, to avoid the double accounting of emissions already included in Scope 1. An additional division was made for the fraction distributed and sold in the retail market by Enel and for the share distributed on behalf of other market competitors. These losses, as for Scope 2 for Enel's distribution and transmission network, were calculated based on the market share exceeding generation. In 2019, the total value of Scope 2 for distribution and transmission grid losses equalled approximately 3.8 mil t_{eq} (according to the location-based methodology).

Scope 3 emissions

Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in Enel's entire value chain, from generation and transport to the sale of energy. They do not derive from controlled or owned sources.

With reference to the power generation business, an estimation was made of the fugitive emissions of methane from coal mining during extraction as well as emissions from the transport of the utilised fuels (coal and diesel) for the operation of its plants.

In 2019, Enel expanded the categories used to account for Scope 3 emissions and has recalculated the 2018 and 2017 values for its entire operational perimeter during those two years. As a result, a calculation is provided for the emissions related to the gas and electricity retail market in Europe and the electricity retail market in Latin America generated as a consequence of the use of sold products (electricity and gas) by end customers. The Group has assessed that for the gas in the European market, this value is approximately 23.9 mil t_{eq}, and that the value of emissions produced by the consumption of electricity by its customers is approximately 29.0 mil t_{eq}.

CO_2 reduction targets

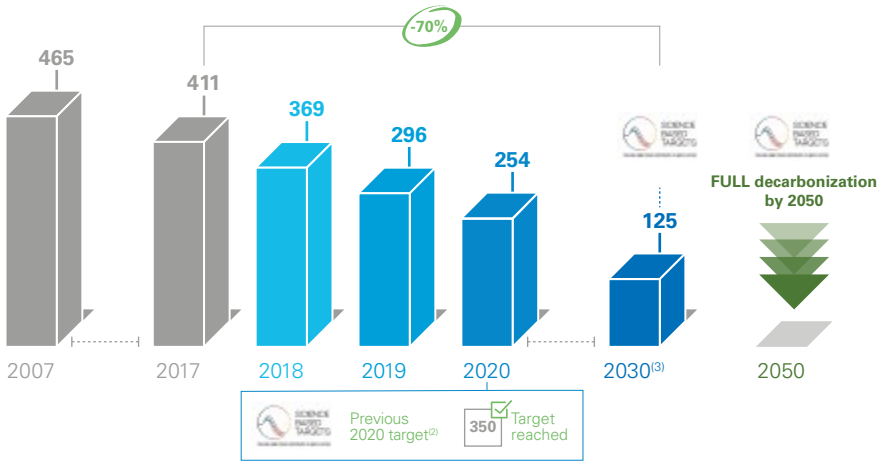
The Group's ambition for leadership in the fight against climate change was further strengthened in 2019: the target for the reduction of direct emissions from electricity production by 2020, which was set in 2015 at 350 g/kWh_{eq} of CO_2, with a 25% reduction compared with 2007, was achieved one year early. In fact, 2019 closed with a reduction of 37%, to 296 g/kWh_{eq} of CO_2. This target has been certified by the Science Based Target Initiative (SBTi) as consistent with the 2DS scenario (2-Degree Scenario) of the International Energy Agency (IEA), which defines an energy system development path and an emissions trajectory consistent with at least 50% chance of limiting the average global temperature rise to 2 °C in 2100. As a result, the reduction target for 2020 has been upgraded in the new 2020-2022 Strategic Plan to 254 g/kWh_{eq} of CO_2.

In September 2019, Enel further enhanced its commitment by setting a new target for 2030, with which it undertook to reduce direct CO_2 emissions per kWh_{eq} (Scope 1) by 70% compared with 2017. This target, for direct emissions from electricity production, is nearly three times as ambitious as the previous target for 2020 and is fully aligned with the Paris Agreement. In addition, the objective has been certified by the Science Based Target Initiative, ensuring consistency with the well below 2C pathway and the B2DS IEA's scenario, which is currently the most ambitious certification criterion available for the utility sector. They define an energy system development path and an emissions trajectory with at least 66% chance of limiting peak warming between present and 2100 to below 2 °C.

This acceleration in Enel's decarbonization roadmap is also a response to the appeal of the Intergovernmental Panel on Climate Change (IPCC) as part of its effort to strengthen the global response to the climate change threat. Included in the special report, the appeal warns of the impacts of global warming of 1.5 °C above pre-industrial levels and the related global greenhouse gas emission pathways.

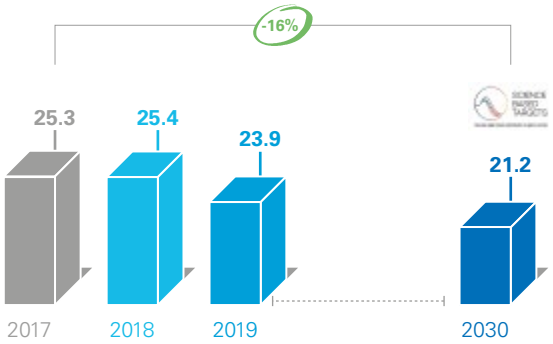
In parallel with direct emissions, Enel has set a new target, also certified by the Science Based Target initiative (SBTi), to also reduce indirect emissions associated with the consumption of gas by Enel's end-user customers (indirect emissions from the use of products sold), which represent a significant source of indirect Scope 3 emissions, by 16% by 2030.

Scope 1[1]
(g CO_2/kWh_{eq})



1 Includes direct emissions due exclusively to energy generation. Other direct emissions are not considered in the definition of the target as they are considered marginal and satisfy the exclusion criterion according to SBTi methodology that fixes a margin of 5% of the total Scope 1 and Scope 2 emissions.
2 Scope 1 as of 2020 in line with the IEA 2DS scenario. As of 2020 the reduction in CO_2 emissions is equal to 25% of the base year 2007.
3 Scope 1 by 2030, in line with the Well Below 2C path of the Science Based Targets initiative and with the IEA B2DS scenario. As of 2030 the reduction in CO_2 emissions is equal to 70% of the base year 2017.

Scope 3 gas retail[1]
(mil t CO_2)



1 Scope 3 related to the sale of gas in the "retail" market by 2030, in line with the 2C path of the Science Based Targets initiative.

Even if Enel constantly monitors Scope 2 emissions and is actively committed to their reduction, the Group has not set a specific reduction target, as they represent less than 4% of the total Scope 1 and Scope 2 emissions in 2017 (base year of reference for new emission reduction targets announced in 2019). Therefore they are considered marginal and fall within the criteria of exclusion according to the SBTi methodology, which fixes a margin of 5% of total Scope 1 and Scope 2 emissions. Furthermore, the Scope 2 emissions, being connected to specific emissions per country, are estimated as being decreasing progressively, as the generation mix in countries in which Enel is present are changing following the increase in electricity production from renewable sources.

Financial, operational and environmental metrics

Financial metrics

The main metrics and the financial objectives used to measure and manage the risks and opportunities related to climate change are presented below. In 2019, Enel's EBITDA associated with low carbon emissions technologies, services and solutions was equal to 1.62 billion euros, with a growth of 10.7% in comparison to 2018. This results from greater renewable capacity, the expansion of the grids and the growth of final users. Furthermore, the Capex technologies, services and solutions with low carbon emissions has grown approximately 17.5% as compared to 2018, reaching 9.1 billion euros, equal to 92% of total Capex.

Revenues from coal-fired power plants, following the company's strategic decisions that have inspired a sustainable business model that pursues, among others, the objectives of fighting climate change and decarbonization, are continuing to decrease. In particular, in 2019 revenues related to coal-fired power plants amounted to 2.8 billion euros (a 30.8% decrease as compared to 2018), equal to 3.5% of the Group's total revenues. Furthermore, total revenues from thermal generation (coal, oil & gas and CCGT) represent 12.8% of total revenues, equalling 10.3 billion euros (a 5.5% decrease as compared to 2018).

The "General Purpose SDG-linked bond", which Enel launched on the US and European stock market, included specific targets related to the installed renewable capacity ratio and the reduction of greenhouse gas emissions, while contributed towards reaching 22% of the debt related to the sustainability objectives.

FINANCIAL METRIC	UM	2019	2018 [1]	2019-2018	%
EBITDA from low-carbon products, services and technologies	billion euros	16.2	14.6	1.6	10.7
	%	91	91	-	-
Capex for low-carbon products, services and technologies [2]	billion euros	9.1	7.8	1.3	17.5
	%	92	91	1	-
Revenues from coal-fired power plants	billion euros	2.8	4.0	-1.2	-30.0
	%	3.5	5.3	-1.8	-
Revenues from thermal generation	billion euros	10.3	10.9	-0.6	-5.5
	%	12.8	14.4	-1.6	-
Revenues from nuclear power plants	billion euros	1.3	1.1	0.2	20.1
	%	1.6	1.4	0.2	-
Debt ratio with sustainability criteria [3]	%	22	15	7	-
CO_2 reference price	euros	24.8	15.9	8.9	56.4

1 The 2018 data regarding EBITDA and Capex were reclassified due to a change to the calculation methodology for those metrics in comparison to low-carbon products and services.
2 The "low-carbon products, services and technologies" category considers the Enel Green Power, Infrastructure and Networks, Enel X and Market Business Lines (excluding the sale of gas).
3 The value was calculated considering the impact of the financial instruments, which include sustainability criteria for the entire gross debt.

Operational metrics

302-1 EU1 EU2 EU3 EU11 EU30

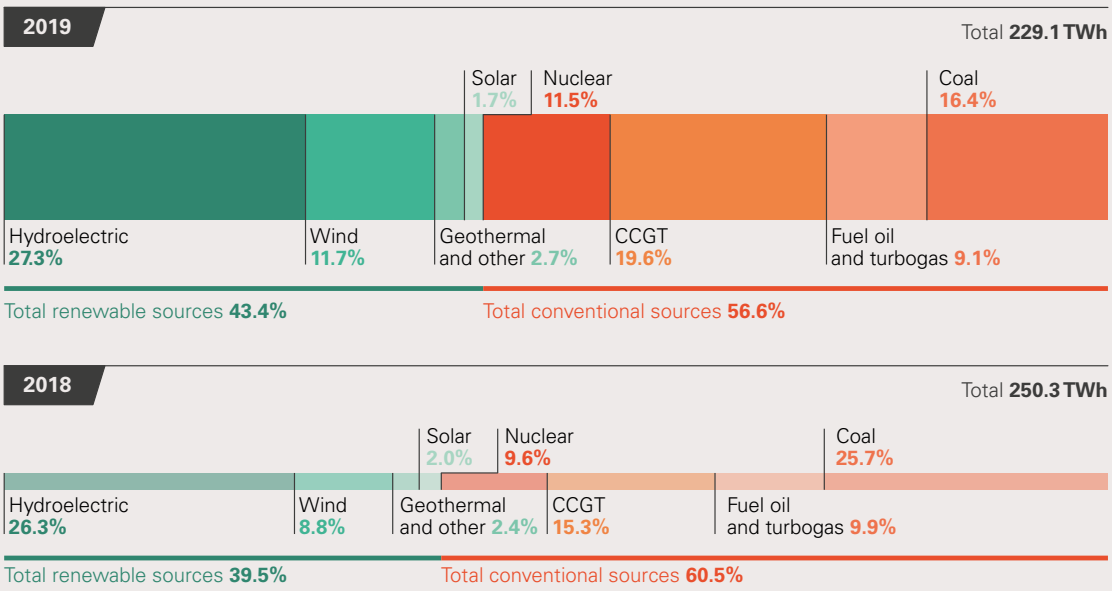
The following table presents the main operational metrics used for measuring Enel's commitment to the fight against climate change along the electricity value chain.

ELECTRICITY VALUE CHAIN SEGMENT	OPERATIONAL METRIC	UM	2019	2018	2019-2018	%
GENERATION	Net efficient generation capacity [1]	GW	84.3	85.6	-1.3	-1.5
	- of which renewables	%	50.0	45.8	4.2	-
	- of which thermoelectric	%	46.1	50.4	-4.2	-
	- of which nuclear	%	3.9	3.9	-	-
	Net production [2]	TWh	229.1	250.3	-21.2	-8.5
	- of which renewables	%	43.4	39.6	3.8	-
	- of which thermoelectric	%	45.2	50.8	-5.6	-
	- of which nuclear	%	11.5	9.6	1.9	-
	New services					
	Demand response capacity	MW	6,297	6,215	82	1.3
	Storage capacity	MW	110	70	40	57.1
	Additional indicators					
	Average thermoelectric park efficiency (%) [3]	%	42.0	40.1	1.9	-
	Total direct fuel consumption	Mtoe	30.1	37.0	-7.0	-18.9
DISTRIBUTION	Digitalization					
	End users with active smart meters	no.	44,668,538	43,770,085	898,453	2.0
RETAIL	Electrification					
	charging points for electric mobility (public and private)	no.	79,565	48,967	30,598	62.5

1 Does not include managed capacity, equal to 3.7 GW in 2019 and 4.2 GW in 2018.
2 Does not include generation from managed capacity, equal to 10.2 TWh in 2019 and 9.7 TWh in 2018.
3 The % was calculated based on new methodology that does not consider the Italian oil & gas plants in the decommissioning phase/considered marginal. The values do not include consumption and generation for the cogeneration related to the Russian thermoelectric park. The average efficiency value is calculated based on the plants in the park and weighed based on generation values.

Net electricity production in 2019 totalled 229.1 TWh, a decrease on 2018 that reflected an 18.7% decline in thermal production compared with the previous year, mainly due to a reduction in coal-fired production (-41.6% compared with 2018). The energy Enel produced in 2019 from zero emissions sources amounts to approximately 55% of total consolidated production (a significant increase in comparison to 2018, equal to 49.2%), whereas it is equal to around 57% including the production from additional capacity managed according to the "Build, Sell and Operate" model.

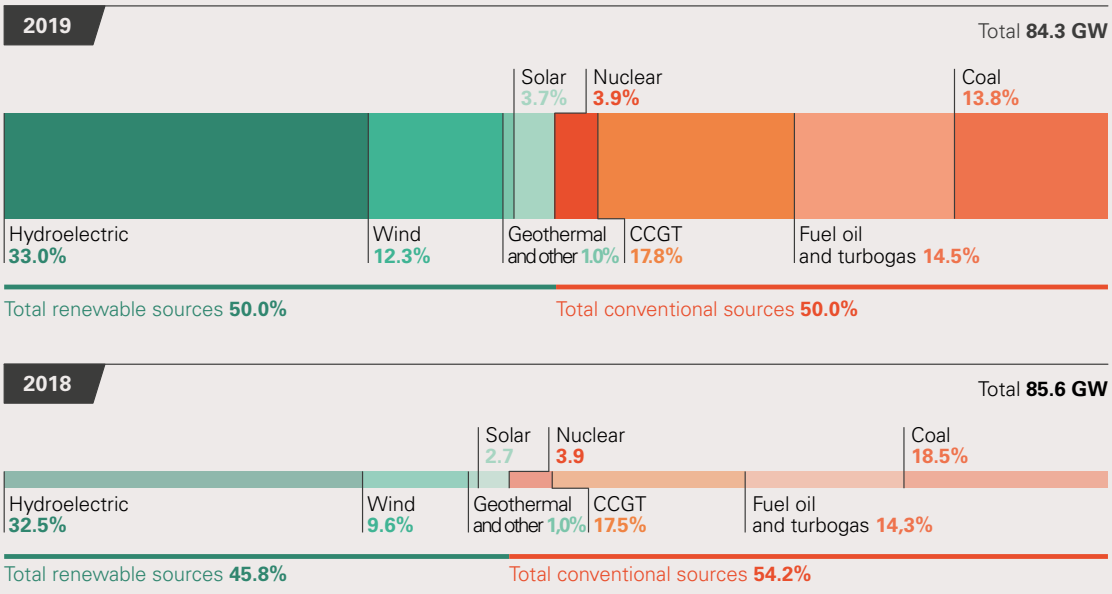
Net electricity production (%)



At the end of December 2019, the Group's total **net efficient installed capacity** was 84.3 GW, down 1.3 GW from 2018, mainly due to the sale of the Reftinskaya coal-fired power plant in Russia. This reduction was partially offset by the entry into operation of new renewable plants, mainly wind and solar in Spain, Mexico and the United States.

In order to contribute towards the decarbonization of its energy mix, in 2019 Enel increased its renewable installed capacity by 3.6 GW, while reducing its coal capacity by 4.1 GW. As a result, installed capacity from zero emissions sources has reached 53.9% (50.0% considering only renewable sources) of Enel's total installed capacity in 2019, whereas it is equal to 55.8% (52.0% considering only renewable sources) when including additional capacity managed according to the "Build, Sell and Operate" model.

Net efficient installed capacity (%)



In 2019, Enel played a fundamental role in developing new solutions to accelerate the process of energy transition through the development of 110 MW of storage capacity, corresponding to a growth of 57.1% in comparison to 2018, and 6.3 GW of demand response, 1.3% higher than 2018.
The digitalization of the electricity network, which has been identified as a key enabler able to positively influence climate change through levers such as the integration of more renewable energy or an increase in energy efficiency, continued being a priority for Enel also in 2019. In particular, in 2019 the total number of end users with active smart meters grew 2% as compared to the previous year, reaching 44.7 million in 2019.

Enel has also continued defining solutions for promoting the decarbonization of other sectors, such as transport. The Company is in fact committed to developing electric mobility initiatives and promoting sustainable transport, installing 79,565 charging points in 2019, a 62.5% increase in comparison to 2018.

Environmental metrics related to climate change

303-3

The following table presents the environmental metrics related to climate change, in addition to the greenhouse gas emissions previously described in the dedicated paragraph of this chapter.

ENVIRONMENTAL METRIC	UM	2019	2018	2019-2018	%
Specific water requirements for total generation [1]	l/kWh_{eq}	0.33	0.38	-0.05	-13.2
Withdrawal of water in water stressed areas [2]	%	14.1	11.6	2.2	-
Generation with water consumption in water stressed areas [2]	%	8	8	-	-

1 Following Enel's adoption of the new GRI 303 in 2018, requirements refer to the total amount of water withdrawn, including reuse of wastewater, necessary for plant operation. The specific requirement for total generation is calculated considering the total water consumption for thermoelectric and nuclear generation, compared to total thermoelectric (including the heat contribution in MWh), renewable and nuclear generation. This value does not include the water used for open-cycle cooling, which is returned to the original body of water. Consumption is calculated as the difference between the water withdrawn and the water returned.

2 The World Resources Institute (WRI) has defined a "Water Stressed Area" as an area where the annual amount of water available *per capita* is less than 1,700 m^3.

Targets

The following table shows the main operational targets included in the 2020-2022 Strategic Plan that reflect Enel's role in the fight against climate change along the entire electricity value chain, in addition to the greenhouse gas emissions reduction targets as described in the previous section.

ELECTRICITY VALUE CHAIN SEGMENT	DESCRIPTION OF THE TARGET	UM	2022
GENERATION	Net efficient generation capacity [1]	GW	90.7
	- of which renewables	%	60
	- of which thermoelectric	%	37
	- of which nuclear	%	3
	Net production [2]	TWh	249.3
	- of which renewables	%	57.5
	- of which thermoelectric	%	32
	- of which nuclear	%	10.5
	New services		
	Demand response capacity	GW	10.1
	Storage capacity	MW	439
DISTRIBUTION	Digitalization		
	Installed smart meters 2.0	mil	28.8
RETAIL	Electrification		
	Charging points for electric mobility (public and private)	no.	736,000

1 Does not include managed capacity, equal to 5.6 GW in 2022.
2 Does not include generation from managed capacity.

Furthermore, the following assumptions were defined:

- EBITDA incidence for low-carbon products, services and technologies equal to approximately 91% in 2022;
- Capex incidence for low-carbon products, services and technologies on the total more than 90% in 2020 -2022;
- incidence of sustainable financial mechanisms equal to approximately 43% in 2022.

Finally, Enel is committed to improving its performance in other environmental aspects concerning climate change, fixing ambitious targets, such as the 50% reduction in water requirements for the electricity production process by 2030. For more information about Enel's environmental performance, refer to the "Environmental sustainability" chapter of the Sustainability Report 2019.

Energy transition - Infrastructure, ecosystems and platforms (1/2)

Plan 2019 > 2021 Operational improvement for a better service

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
9 11	Innovation of large infrastructure, mainly through the digitalization of distribution networks, smart meters and charging stations	46.9 mil users with active smart meters[1] 5.4 billion euros invested in digitalization in 2019-2021 455 thousand charging points	44.7 mil users with active smart meters[2] Value no longer reported[3] Over 79 thousand charging points[4]	I Operational efficiency T Technologies and digitalization E Climate change G Partnerships
9	Cabling ratio	67%	65%[5]	I Operational efficiency E Environmental management S Safety management
7 9	Network losses (Italy)[6]	Value lower than 4.9%	4,7%	I Operational efficiency E Environmental management

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Electrification

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
9 11	Innovation of large structures, mainly through the digitalization of distribution grids, smart meters and charging stations	~47 mil users with active smart meters[7] 736 thousand charging points[4]	I Operational efficiency T Technologies and digitalization E Climate change G Partnerships
7 9	Cabling ratio (km of cable lines/km of lines in total)	64%[8]	I Operational efficiency E Environmental management S Safety management
7 9	Network losses (Italy)[5]	4.7%	I Operational efficiency E Environmental management
7 9 13	New producer connections (Italy and Spain) New producer connections (power) (Italy and Spain)	280 thousand new connections 4.3 GW	I Operational efficiency E Climate change

1 Includes the replacement of smart meters.
2 Includes 13.1 million 2.0 smart meters
3 Since 2019, digitalization investments have been included within total capital expenditure destined for operational efficiency. They are therefore no longer reported separately.
4 Public and private charging points installed.
5 Excludes Eletropaulo. The 2019 result including Eletropaulo is 60.1%.
6 Includes the technical losses (Joule effect) and non-technical losses (energy theft) of e-distribuzione (Italy).
7 Includes 28.8 million 2.0 smart meters
8 Target redefined following the inclusion of Eletropaulo.

Energy transition - Infrastructure, ecosystems and platforms (2/2)

Plan 2019 > 2021 Operational improvement for a better service

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
9	Incentivization of transactional operations in the web/app customer area[1]	17 mil transactions	5.3 mil transactions	T Technologies and digitalization S Social inclusion I Customers
11	Customer Satisfaction Index for Enel Energia SpA in the Italian free market	93% in 2019	90.2%[2]	I Customers
7 9 11	New brand positioning inspired by the concepts of simplicity, transparency, proximity and reliability: > Flexible, more dynamic offers for customer service > Customer relationship increasingly personalised and more digital	Commercial offers based on the concept of flexibility thanks to the new 1G and 2G meters 100% renewable energy offers App update: single interface for management use and customer involvement	325,000 contracts (associated with "Ore FREE" [FREE Hours] and "Notte e festivi" [Night-time and holidays] offers) 1,792,599 contracts 1.2 million Enel Energia customers who downloaded the app	T Technologies and digitalization S Social inclusion I Customers

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Electrification

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
9 11	**Voice of customer** for ongoing improvement Customer Satisfaction Index for Enel Energia SpA in the Italian free market Perceived quality - value between 1 and 5[3]	 ~91% Value between 4 and 5	T Technologies and digitalization S Social inclusion I Customers
9 11	**Digitalization** of the customer relationship (customers who use digital services - millions of users/year)[4]	6.9 in 2022	I Customers T Technologies and digitalization S Social inclusion
9 11	**Inclusive offers** dedicated to elderly, weak, destitute, marginalised, vulnerable, ex social bonus customers	"Over 65" offer: remodelling of the offer dedicated to customers over 65 on all Enel channels	I Customers S Social inclusion
9 11 12	**Paperless**: online sales, archiving and digitalization of documents, digital bills, interactive bills	> Digitalization of some credit documents (reminders and warnings) > Increasing use of tablets by the sales force to sign contracts	I Customers T Technologies and digitalization E Climate change

1 Italy, transactions in the customer web area (www.enel.it) and the Enel Energia app.
2 The value is calculated on a scale of 1 to 100. For 2019, the values have been estimated on the basis of established trends. Following a change of methodology, from 2018, the CSI (Customer Satisfaction Index) value is determined annually rather than half-yearly as it was in 2017 and 2016.
3 This indicator measures the quality perceived by the customer on a monthly basis compared to the last contact with Enel Energia.
4 This indicator measures the number of users who use the digital services offered by Enel Energia at least once during the year (app, personal web area, chat in public and private web areas).

LINK Sustainability Report
At a Glance
Performance indicators

LINK Annual Report

Infrastructure, ecosystems and platforms

504 TWh
electricity transported on the Group's distribution network, up by 4% on 2018

302 TWh
energy sold, up by 2% on 2018

Almost
70 million
electricity and gas customers

2,230,029 km
of distribution network

Enel's constant attention to the customer and commitment to providing quality products and services are important aspects of the Group's relationship with its customers in the various countries in which it operates. Reliability, safety and continuity of distribution, together with quality, effectiveness and transparency in the sale of energy characterise each stage of the relationship with customers.
In 2019, 504 TWh were transported on the Group's distribution grid (484 TWh in 2018) and the final number of energy and gas customers was almost 70 million, slightly down on 2018 (71 million). Energy sales amounted to 302 TWh in 2019, up by more than 6 TWh (+2%) on 2018. Enel also manages a demand response capacity of around 6 GW.

Distribution network (km) per geographical area
(total km 2,230,029)

	High voltage	Medium voltage	Low voltage
Italy[1]	-	31%	69%
Iberia	5%	27%	68%
Latin America	6%	37%	57%
Romania	3%	61%	36%
Total (%)	2%	40%	58%
Total (km)	46,606	887,439	1,295,984

1 In Italy there are also 22 km of high-voltage network.

	Electricity market customers	Gas market customers
Italy	23,689,113	4,155,689
Iberia	10,634,958	1,648,705
Latin America	26,661,440	-
Romania	3,072,945	52,142
Total	64,058,456	5,856,536

WE'RE AT WORK AND ALL TOGETHER WE'LL SUCCEED

The uninterrupted energy supply to homes, hospitals and companies is guaranteed by the thousands of Enel people working in its plants and on the grid, supported by a large number of people experimenting with agile working in particular to provide customer support.
"All together we'll succeed"

Operational excellence and distribution quality

103-2 | 103-3 | DMA EU (former EU7) | DMA EU (former EU23)

The distribution network is the crossroads of change all over the world, allowing existing and future actors to connect and enabling numerous new services to be provided thanks to its quality, efficiency, size and reach. Smart technology allows the development of a platform business model, managing a more complex and dynamic energy system with increasing generation loads distributed from renewable sources, contributing to boost the resilience of infrastructure in the face of increasing adverse weather phenomena and cyber security risks, as well as promoting sustainable electrification for all users in the various regions where the Company operates. A new concept of circularity has been launched which allows value to be drawn from waste but above all action to be taken from the design stages of products/processes. A major effort has also been made to promote sustainable cities, for example by launching the "Urban Futurability" project. The continuous improvement of infrastructure therefore becomes central to the socio-economic development of communities, as well as for the daily life of people. This is fully consistent with the commitments made in relation to the UN's Sustainable Development Goals and in particular SDG 9 "Infrastructure and innovation".
It is Enel's precise responsibility to ensure a continuous and safe supply of energy to the national electrical systems of the countries in which it operates as a distributor. The quality of the supply is closely linked to the reliability and efficiency of the transmission and distribution infrastructure, which must be able to meet the required levels of demand. Coordinating with the other entities that op-

erate in various capacities on the grid infrastructure, Enel carries out continuous grid development and efficiency measures. Maintenance and modernisation work on the grid is carried out to reduce the number and duration of service interruptions. This also allows real-time monitoring, guaranteeing timely intervention to repair faults and ensure an optimum energy supply. In this context, remote control systems play a key role, allowing local operating centres to carry out all the operations necessary to ensure continuity of the electricity service provided. Even from the point of view of network losses, digitalization of the infrastructure and the use of a remote management system, combined with the use of electronic smart meters, allow greater effectiveness to be achieved in monitoring energy balances, while reducing fraud and enabling new services that market operators can offer to customers.

After several years of experience with smart grids, Enel has launched a new enabling technology known as **Network Digital Twin®**, a 3D digital model that faithfully replicates the electricity infrastructure, from its individual physical elements to the most complex operational dynamics. It is a large-scale application of Industry 4.0 technology, which integrates network automation, the Internet of Things and 3D modelling with advanced data management (machine learning, artificial intelligence, etc.). In addition to improving network management, it allows an open 'ecosystem' to be created to encourage information sharing for the benefit of people and cities, improving the quality of the service, the relationship and the involvement of all stakeholders. Thanks to the advanced platforms, therefore, more information can be made available and the data from the electricity grid can be accessed in a more timely and detailed manner, promoting awareness of the use of energy, efficiency and savings. As part of the "**Urban Futurability**" project, in October 2019, the district of **Vila Olímpia** in São Paulo, Brazil, saw the launch of **Latin America's first Network Digital Twin**, which improves urban resilience and creates opportunities for an extraordinary range of new services and benefits for the cities of the future on an infinitely larger scale that is more compatible with the gigantic dimensions that demographic projections envisage for megacities by 2050. This project shows that the digitalization of electricity grids, buildings and urban infrastructure can take place in a real living laboratory. Citizens, business owners, municipalities and universities can co-create innovative solutions that integrate infrastructure with local needs, such as mobility, safety, waste reduction and the urban environment.

Smart meters are the cornerstone of distribution network innovation and digitalization work, the driving force behind urban redevelopment and fundamental enablers of advanced home automation. From the beginning, their installation has been accompanied by specific information and awareness campaigns, given that energy savings of 10% can be achieved by using this technology, particularly thanks to the real-time availability of energy use information. By the end of 2019, 44.7 million end users had an active smart meter and 13.1 million end users had second generation meters (CE2G). In addition to transmitting detailed measurement data (daily four-hour load curves) to the concentrator, the latter provide a customer-dedicated communication channel called "Chain 2", which allows data to be sent between the CE2G and in-home devices. Greater transparency of information relating to energy use, energy exchanges with the grid and production in the case of "prosumer" users is possible and the development of the home automation and **active demand** market is encouraged. Customers therefore become protagonists and have the opportunity to participate in the energy market and be remunerated for offering flexibility to the electricity system, reducing or increasing energy use or production/input. In particular, "Chain 2" provides

access to dedicated **demand response** and **energy efficiency** services (including a warning that available power is being exceeded and the limiter is being activated, thus providing a service that extends beyond simply displaying the energy and power used and produced), the promotion of **awareness and home automation** and the **customisation of tariffs**, allowing the introduction of innovative forms of contract.

Enel has also embarked on a challenging path aimed at **redesigning the value chain by adopting a circular economy model**, to reduce environmental impacts by maximising the recovery of end-of-life products and materials. The first example is the "**Circular Smart Meter**" project launched in Italy and Brazil, which aims to reduce the environmental footprint of smart meters through, for example, the end-of-life use of their materials, starting with plastic and copper. A proactive "circularity by design" approach which integrates circularity right from the design stage, as minimising the use of new natural resources also cuts costs throughout the life cycle (from design, manufacture and operation to scrapping), creating new efficiencies. In designing and building the "Circular Smart Meter", environmental and economic impacts had to be measured in order to identify the most relevant components and redesign them in a circular perspective, recovering and regenerating waste such as plastic, copper, steel, etc. enhancing them for a second life as new network assets, and finally exploring innovative tracking techniques for reverse logistics. A long and complex process from the engineering point of view, including comparative analyses and laboratory tests, to guarantee the same reliability as traditional meters. In Brazil, the "Circular Smart Meter" is a virtuous example of how to promote a closed-loop within the value chain by reusing waste material within the same industrial cycles to produce the new generation meter. The short-term goal is to apply the methodology developed to other network assets as well, measuring the expected benefits in economic, environmental and social terms and then scaling the methodology to other business operating processes.

Rethinking one's business by applying an ecosystem and circular logic also means identifying new opportunities to put customers at the centre, offering customised products and services, to build and strengthen a relationship based on trust, transparency and rational use of energy, particularly in innovative ways. Customer involvement also requires **constant listening**: Enel wants to know what its stakeholders think of services it offers and their customer experience. For this reason, it carries out surveys to measure the degree of satisfaction and uses specific communication channels in the various countries in which it operates, in accordance with legal and regulatory requirements. In Italy, for example, there is a telephone infrastructure and innovative services that allow response capability to be increased, thus providing information to customers more quickly and accurately. For example, the e-Notify service is available for e-distribuzione, which allows dedicated communications and alerts to be sent to customers, as well as the Eddie chatbot, a virtual assistant designed to inform and communicate with customers.

Italy: Puglia Active Network (PAN)

PAN is intended to improve performance and enable innovative management of the electricity network, integrating the energy produced by local renewable distributed generation plants and guaranteeing customers constant access to information on consumption trends. A 170 million euros project in response to the NER 300 European call for proposals involving almost an entire region: 29,300 km of medium-voltage networks (91% of the total in Puglia), 102 primary substations, around 8,000 secondary nodes, 45,000 distributed generation assets. In particular, the project provides for:

- boosting the medium-voltage electricity network for greater efficiency and safety;
- the regional development of an electric vehicle charging infrastructure integrated into the distribution network, to promote a new model of eco-sustainable mobility with zero emissions;
- monitoring of energy consumption with the Smart Info+ kit for low-voltage zero-emission supplies.

Quality of service and promotion of responsible consumption

The leadership of a company like Enel involves customer care and attention to providing a quality service, not only in the supply of electricity and/or natural gas, but also and above all in the intangible aspects of the service related to customer perception and satisfaction. The multiple areas of activity include: the development of new contact methods and channels; the improvement of back-office processes; monitoring of complaints and enquiries in order to reduce processing times and ensure proper management; analysis of customer reports, in order to understand customer perception and any critical issues in progress, so that the appropriate corrective actions can be implemented immediately without compromising overall customer satisfaction.

In 2019, Enel promoted the adoption of new solutions and innovative technologies aimed at improving the customer experience and also involving startups and stakeholders, as well as sharing best practices in order to spread them to the various countries of operation with specific market-related customisations, thus minimising time-to-market. Relations with consumer associations have been intensified, exploring collaboration opportunities aimed at improving the relationship with customers and working together to create services that increasingly respond to new needs and requirements, without neglecting the weaker sections of the population. In April 2019, the Company launched the "Mass customization & inclusion" challenge, aimed at gathering innovative ideas and proposals for customised products and services considering diversity and inclusion issues. The winning proposal was the "e-domorent" project for the sustainable use of home appliances. In addition, four creative sessions were organised involving over 100 people from the retail area, in Bogotá and Bucharest, aimed at finding new and innovative ideas to launch cutting-edge solutions, products and services on the market.

Finally, the main lines of action for the next three years, concerning customer centrality, circular economy, digitalization and sustainability, were identified and shared. Putting the customer at the centre means developing new relationship models that promote listening and involvement to ensure the continuous improvement of services. Enel also undertakes to enhance the contribution that each individual customer can make to decreasing their impact on the planet, adopting consumption styles geared towards the use of renewable energy, recycling and reuse, sharing and reducing waste, starting with paper contracts and bills. A push to simplify all stages of the "customer journey" by disseminating innovative services that support the customer, from the signing of new exclusively paperless contracts and simple interactions to check energy use and receive digital bills, to electronic payments, including instalment plans, through virtual assistants, apps and chatbots. Enel's commitment to the right energy transition for everyone puts it at the forefront in offering innovative and inclusive services for elderly customers, weak, destitute, marginalised, vulnerable families or disabled people (Pedius, Braille bill, compatible sites for the visually impaired).

For further information about customer management in the various countries, in addition to the following paragraphs, please refer to the individual Sustainability Reports of Enel Group's subsidiaries.

Customer satisfaction

102-43 102-44 103-2 103-3 417-1

The attention paid to quality of service issues is confirmed again this year by the results of customer satisfaction surveys carried out in all the countries where Enel operates as an electricity vendor or distributor.

In **Italy**, the customer satisfaction index (CSI) for 2019 was 92.4[1] for the regulated market (92.4 in 2018) and 90.2[1] for the free market (90.2 in 2018). In addition, monthly satisfaction surveys are carried out among customers who have received an answer to a written or verbal complaint. The survey is conducted by telephone interview after a response has been sent or the customer has been contacted by telephone.

In **Iberia**, through the subsidiary Endesa, efficient customer service is the main value pursued in the relationship with customers, striving for maximum efficiency in the operation of its customer service channels, tools and platforms through a process of constant innovation and improvement. 20 key indicators are monitored every month to ensure respect for the improvements identified during the previous year. The CSI has been improving over the years, reaching 7.3[2] for the free market (7.2 in 2018) and remaining at 7.2 for the regulated market in 2019.

In **Romania**, customers can voice their opinions via the contact centre, e-mail and website. The information is gathered once a month and the results used to improve the quality of service and business processes. The general satisfaction index was 85[3] (87 in 2018) for the free market and 89[4] for the regulated market (86 in 2018).

In **Latin America**, customer satisfaction indicators are a fundamental consideration when defining strategies and designing new products. In Brazil, customer satisfaction is measured using a specific index calculated by the Brazilian association of electricity distributors (ABRADEE - Associação Brasileira de Distribuidores de Energia Elétrica). The index is determined after conducting a sample survey among customers on aspects such as: energy supply, information and communication, utility bills, customer support and image. In Peru as well, surveys are carried out, using structured and standardised questionnaires, among people who have used the contact point services. Finally, in Colombia, there is a customer satisfaction form designed to measure market perception of the supply of products and services in order to direct initiatives and the respective resources more efficiently. The quality satisfaction index (ISCAL), the key elements of which include the commercial relationship and billing, has remained at excellent levels in recent years, thanks to the development of the customer relationship plan.

Management of complaints

102-17 102-43 103-2 103-3

In all the countries where Enel operates, customers have various channels available through which to make a complaint or request information (post, website, toll-free number). Enel constantly monitors the feedback received, in order to understand the customer's perception and any ongoing critical issues and to implement the appropriate corrective actions.

In **Italy**, for example, through the company Enel Energia, the Enel Group monitors the commercial quality of all its contact channels, systematically monitoring the sales and management processes. The goal is to ensure the fulfilment of the requirements in compliance with current legislation, privacy and rules protecting the freedom and dignity of workers. Customer reports are managed through dedicated channels and analysed by a specific working group so that the most suitable actions are taken, both at the complaint management stage and, above all, in preventing the underlying causes. This year there was a reduction in the time required to manage the complaint, which fell below the minimum times required by ARERA (Regulatory Authority for Energy, Networks and the Environment) which simultaneously increased the satisfaction of complaining customers.

In **Iberia**, complaints are managed both centrally by the "Atención de Reclamaciones" (complaint management) unit and locally through six local units, in order to prevent any disruptions and determine the appropriate tools needed to

1 The value is calculated on a scale of 1 to 100. For 2019, the values have been estimated on the basis of established trends. Following a change of methodology, from 2018, the CSI value is determined annually rather than half-yearly as it was in 2017 and 2016.

2 The value is calculated on a scale of 1 to 10.

3 The value is calculated on a scale of 1 to 100. The fall recorded on the free market in 2019 relates to the replacement of the customer management IT platform with a more advanced one (SAP platform). The learning curve of the telephone operators was reflected in the quality of service provided.

4 The value is calculated on a scale of 1 to 100.

resolve them, thus improving the efficiency of the process. 2019 marked the beginning of a new form of digitalized complaint management providing an end-to-end view of the process, made even more efficient by a shorter management schedule, resulting in a more positive customer perception.

In **Romania**, customers can send reports using different channels: dedicated e-mail address for complaints and requests, website, direct call centre helpline or visiting a Punto Enel.

In **Colombia**, a digital transformation of the process has started and an automated procedure (RPA - Robot Process Automation) adopted for the management of complaints about energy consumption, in order to speed up the process of responding to customers.

In **Brazil**, a customer experience team analyses the causes of complaints using analytical tools (for example, geographical analysis of complaints), surveys and forums with customers themselves, to develop improvement actions.

Care of vulnerable customers

102-43 | 102-44 | 103-2 | 103-3 | DMA EU (former EU23)

Enel is attentive to people's needs, improving and maintaining access to electricity in the most disadvantaged areas and the poorest people. All the countries in which the Group operates in fact provide forms of support, often linked to state initiatives, which make it easier for certain sections of the population to pay electricity and gas bills, thus allowing equal access to energy.

In **Italy**, since 2008 for the electricity sector and 2009 for the gas sector, a discount has been provided for domestic customers experiencing financial hardship and – for the electricity sector only – for customers who use life-saving electro-medical equipment (known as the "social bonus"). The bonus is funded with state resources and specific tariff components determined by the Authority. Applications for the bonus are handled by the local town council and – if approved – customers are awarded a credit on their bill that varies according to their income and number of people in the family. In 2019, the social bonus was awarded to approximately 512,000 customers of Enel Energia and approximately 450,000 customers of Servizio Elettrico Nazionale. In general, protection is provided in case of disconnection of the electricity supply: in the event of non-payment, customers who have an electronic meter are not cut off completely but their available power is reduced and only cut off completely only if the default persists.

In **Iberia**, the social bonus regulation, which came into force in 2018, with discounts of 25%, 40% or even 100% depending on the level of vulnerability of the customer, was consolidated. At the end of 2019, Endesa paid the bonus to 435,484 customers: 228,821 vulnerable and 206,663 seriously vulnerable customers.

Furthermore, several agreements have been signed since 2015 with local/regional authorities and service sector organisations to avoid cuts in supplies to customers recognised as "vulnerable" by social services. Currently there are 272 agreements in force, including 6 with autonomous regions and 5 with federations of municipalities. In 2019, 36,723 households benefited from these agreements, which are estimated to correspond to over 110,000 people.

In addition, since 2018 Endesa has offered its customers in vulnerable groups the opportunity to pay their bills in in-

terest-free instalments and has specific support channels. Finally, working with the Endesa Foundation and in collaboration with the Red Cross and Ecodes, Endesa has been promoting an energy volunteering project since 2015 to support specific vulnerable situations by providing training on efficient consumption, personalised advice and taking money-saving and safety measures in homes. In 2018-2019, the project benefited 2,410 households, 772 of them in 2019. The project has been re-launched for 2020. During 2019, Endesa signed an agreement with the city of Malaga to protect vulnerable families at risk of social exclusion, making it easier for them to receive financial help from social services by trialling an innovative digital platform (Confía project).

In **Romania**, tailor-made solutions are constantly being sought to meet the needs of the most vulnerable customer groups. Enel has a presence in the Ferentari district of Bucharest, one of the most disadvantaged. By appointing a trusted person from that community, called an "energy mediator", Enel has been able to gain a better understanding of local needs to ensure a more appropriate offer of services. The energy mediator also helps the population of the neighbourhood to perform seemingly simple tasks such as reading meters, signing contracts or accompanying local people to the Enel shop when necessary.

In **Brazil**, customers who rely on life-preserving electro-medical equipment have priority over other customers on the telephone channel and their requests are monitored and promptly supported.

In addition, Enel appropriately manages customers with special subsidies offered by the government, such as the "Social Electricity Tariff" (TSEE) subsidy provided for low-income people.

In 2019, Enel promoted several initiatives that focused on energy efficiency aimed especially at low-income customers: the replacement of fridges and lights, seminars on responsible energy use and household budgeting, inclusion in the TSEE lists.

In **Chile**, Enel Distribución Chile's "oficina móvil" (mobile office) continued to contribute to caring for the most vulnerable customers, bringing the company closer to their homes.

In **Peru**, the "More light, more life" project aims to bring electricity to developing areas of housing. In 2019, Enel carried out work in 94 areas through this programme, involving more than 190 thousand households and contributing to their well-being, safety and quality of life.

A transparent relationship with customers

102-16 | 103-2 | 103-3 | 417-1 | DMA EU (former EU24)

In the various companies of the Enel Group, in accordance with the Code of Ethics, all contracts, communications addressed to customers and advertising messages must be:

- clear and simple, written in language that is as close as possible to that normally used by the people to whom they are addressed;
- compliant with current regulations, without resorting to elusive or incorrect practices;
- complete, without neglecting any information needed by the customer to make a decision;
- accessible to the customer.

In all the countries where the Group operates, specific customer service channels have been set up: physical, telephone and online, to keep customers constantly informed about the features of the products and services offered. Access to information has also been strengthened through the use of social media channels, such as Facebook and Twitter, and specific apps. In order to guarantee that communication with customers is truly transparent, correct and effective, Enel undertakes to ensure that any cultural, linguistic, illiteracy or disability barriers do not affect equal access to information for customers. Services dedicated to deaf people have been developed in Spain and Peru, thanks to the collaboration with the Italian startup Pedius, which has been operating in Italy since 2018.

In **Italy**, in addition to the www.enel.it website, which allows customer relationships to be set up and maintained for commercial and management purposes, there is a specific Enel Energia app designed to manage users quickly and easily, providing access to all the data relating to bills, usage, payment status, etc. It also allows the services associated with the various supplies to be activated or changed, information to be received about new offers and promotions, while also providing access to the dedicated loyalty program.

As part of the "Enel Social Services" programme, created in collaboration with the Prime Minister's Office, the National Electricity Service sends the bill in Braille to blind customers. There is also a chat function for deaf customers on the Enel Energia website (www.enel.it). Also on the Enel Energia website there is a guide with visual and audio contents explaining the bill.

In **Iberia**, the www.endesa.com website provides various functions and payment methods, a section dedicated to privacy management, a chat function available on the app and innovative ways of viewing usage and invoices. All commercial communications, invoices and information sent by Endesa to its customers can be received in two languages: Spanish and Catalan. The www.endesa.com website is also available in Spanish, Catalan and English. In addition, Endesa is committed to overcoming any physical, social and language barriers, particularly through digitalization. Customer contact points are all located on the ground floor to provide access for people with disabilities. Finally, Endesa has a special unit to manage relations with consumer associations and public bodies, which holds regular meetings and participates in various industry forums with a view to adopting increasingly appropriate measures for the continuous improvement of customer relations.

In **Romania**, the www.enel.ro website has introduced an English version for non-Romanian customers. In 2019, a partnership was established with Pago, a bill payment app, with an Enel customer loyalty offer.

In **Chile**, new digital platforms have been developed to provide the same information and the same level of customer service, regardless of whether customers choose to be assisted in person, remotely or digitally.

In **Brazil**, there is a wide range of customer communication channels, with 80% of contacts made through digital channels. Using the website at www.enel.com.br, text messaging and the app, customers can access information and services while maintaining a transparent relationship with Enel. They can also communicate with Enel through the main social media (Facebook, Twitter or Instagram), using specific applications for each social network, and an assistant can also be contacted via chat (WhatsApp, Messenger, DM-Direct Message or e-mail). Virtual assistant Elena, a WhatsApp chatbot, is also available to interact with customers and show them the easiest way to fulfil their requirements.

Enel complies with current **customer privacy** regulations in all the countries where it operates. The Company also undertakes to monitor all third-party companies that may be in a position to use customers' personal data. To this end, dedicated clauses are included in contracts with partners who use personal data to carry out specific activities, for example sales services or customer satisfaction surveys. Customer data are an expression of the individual's personality and identity, therefore they must be treated with due caution and guarantees. Enel considers personal data to be a shared asset and

a corporate asset at the same time. The Group has therefore appointed a Data Protection Officer to guarantee full respect for the privacy of all the individuals with whom it interacts. For further details, see the "Sound governance" chapter.

Energy-saving commercial offers, products and services

103-2 | 103-3 | DMA EU (former EU24)

In all the countries where Enel operates, a wide range of high energy performance products has been launched to guarantee savings in terms of both consumption and emissions.

In 2019, Endesa X established itself as one of the main players in the solar self-consumption market in **Spain**. Thanks to the experience gained and its technical knowledge, it supports customers in enhancing the technology needed to accelerate the efficient consumption of energy, contributing to achieve clean and renewable energy, savings of up to 50% on annual electricity bills and a reduction in CO_2 emissions into the atmosphere. The photovoltaic projects contracted with Endesa X in 2019 will lead to a reduction in emissions from customers of up to 13,500 t/year.

Furthermore, together with Amazon, the e-Home Business Line has developed Homix, a smart home device, currently available in Italy and Spain in the Amazon, Enel X and Endesa Energía stores. Homix learns usage habits and independently suggests ways to fulfil personal requirements and simplify the life of families through the integrated management of heating, safety and lighting, in order to optimise times and consumption. The touch screen integrated with Alexa, Ama-

zon's cloud-hosted smart voice service, is designed to offer maximum ease of use. Using the voice commands, you can ask Alexa to increase or decrease the temperature of the apartment, set reminders for daily activities, ask for information about electricity and gas bills, provide updates on traffic conditions, weather or access to Amazon Music.

Finally, as part of the development of electric mobility solutions suitable for all types of customers, Endesa has continued to establish agreements with large companies to promote the use of electric mobility for their vehicles. For example, Endesa X and Pascual have reached an agreement for the installation of 76 charging points between the company's 27 sales offices, the 6 factories and the central offices located in Madrid; as well as for use of the public charging infrastructure, managed by this company across the country. This project aims to achieve a 20% reduction in CO_2 by the end of 2020.

In **Italy**, the "Piano Italia" project to promote the electrification of mobility and sustainable transport is intended to plan and install a network of 28,000 charging points for electric vehicles by 2023.

Also Italian is the "Energy efficiency for condominiums" project of Enel X, aimed at all centrally heated condominiums of more than eight units that are interested in carrying out energy redevelopment and efficiency work on the common parts of the building. In 2019, the new "Ore FREE" offer was also launched, which further contributed to ensuring the centrality of the customer in the offer of Enel Energia services. With Ore FREE, customers use only energy from renewable sources for their household consumption and can choose the time slot in which to take advantage of three hours of free energy. This important change is the first step towards achieving more responsible consumption and greater attention to increasingly sustainable behaviour thanks to the new open meter services.

In **Brazil**, numerous energy efficiency projects have been launched to improve people's awareness of energy consumption, promoting the replacement of obsolete electrical equipment (fridges, freezers, lighting), with a significant impact on energy consumption and on improving energy efficiency in homes. In 2019, around 267,000 customers benefited from educational projects on responsible energy use. Mobile units equipped with an explanatory model showing how energy is generated, transmitted and distributed travelled to various areas of the country to explain its operation and simulate different types of energy use with fun activities for all ages. The results of the programme in 2019 were 46,813 MWh/year of energy saved and 8,812 kW of demand avoided. The energy saved is sufficient to supply 26,000 homes for a year.

Enel X

DMA EU (former EU7)

Set up in 2017 with the aim of guiding the transformation of the energy sector by providing value-added services for customers, Enel X operates according to an open strategy based on digitalization, sustainability and innovation and acts as a circularity accelerator, both with its suppliers and customers and on the market. In particular, Enel X:

- involves customers, commercial and industrial, in the energy transition, allowing them to save costs and monetise their flexibility by offering sustainable and innovative solutions;
- supports the electrification of cities and energy efficiency, creating an ecosystem of digitalized infrastructure and innovative services;
- simplifies the management of home services, creating a sustainable ecosystem accessible to all.

A model that allows urban ecosystems to be connected with industrial districts and production chains, mobility needs and individuals. Many different connections are made: distribution systems and energy storage batteries, smart lighting solutions and low-energy LEDs, electric mobility and fast charging services, tools for the smart management of energy and equipment in houses, buildings and cities, software to control energy exchanges in distributed self-production systems (demand management & response).

In order to supply the new solutions, Enel X is structured in five Global Product Lines:

- **e-City**: for public and artistic lighting, energy efficiency, safety and optical fibre;
- **e-Home**: for the development of smarter homes, capable of reducing energy consumption and guaranteeing greater well-being, for renewable generation with integrated solutions that also include storage;
- **e-Industries**: to offer an integrated and tailor-made service to customers, from strategic consultancy to energy monitoring systems and efficiency technologies, from distributed generation to the smart use of batteries, as well as microgrid solutions in isolation and connected to the network and the most advanced demand response systems;
- **e-Mobility**: to promote electric mobility with increasingly innovative solutions, thanks to recharging infrastructure, new technologies and second life battery services;
- **Financial Services**: to provide innovative solutions in the payments and financial services sector. Specifically in the context of its development strategy and the supply of financial services, Enel X has completed the acquisition of a 55% stake in PayTipper, a payment services company with a widespread network of sales points that offers its customers financial services to facilitate people's daily lives.

In addition to the five Global Product Lines there is also an **Innovation & Product Lab**, which designs, develops and tests new products and services, also with the contribution of customers.

Below are some of the projects developed or being tested:

- **DER Aggregation**, a pilot project aimed at aggregating

Enel X: a constantly evolving circularity laboratory

LINK At a Glance

Enel X is a circularity accelerator within its ecosystem of suppliers, partners, installers and customers. The aim is to speed up circularity through the **Circular Economy Boosting Program**, which is not only applied to portfolio solutions, generating a verified score, but also provides for industrial and public administration customers to obtain an **Energy Circularity Report**, which measures energy circularity and identifies a structured roadmap to increase it by implementing a series of innovative solutions.

More information about the process is available on the dedicated website at: https://www.enelx.com/it/en/circular-economy.

The starting point for the Circular Economy Boosting Program is the **Circular Economy Score**, which allows the degree of circularity of the solutions in the portfolio to be measured. 51 solutions have already been evaluated in 4 countries relating to: public lighting in Italy, Spain, Chile and Colombia; public and private recharging, juice lamp, residential photovoltaic, storage systems, residential boiler and solar thermal in Italy; residential air conditioning in Italy and Chile. Sample results are available at www.enelx.com and www.enelxstore.com.

In 20 cases, based on these assessments, specific "circular intelligence" activities were carried out (analysis of the market context, scouting of innovations and startups) in order to identify opportunities to enhance the circularity of the various solutions, effectively completing the **Circular Economy Boosting Program**.

Furthermore, in 2019, Enel X undertook to start various projects related to the circularity pillars, including:

- "product as a service" - **Second Life Platform as a Service**: Enel X offers its customers in Italy innovative energy service solutions linked to the reuse of photovoltaic panels previously partially used in the Enel value chain;
- "extension of useful life" - **regeneration of juice pole replacement parts**: working with its suppliers, Enel X has introduced recovery and regeneration processes for the functioning spare parts of juice poles, with the aim of reusing them for maintenance and repair both in Italy and Spain; similar processes will also be applied in Latin America.

residential photovoltaic systems, including small ones, equipped with storage, enabling them to provide network services and preparing them to make part of their capacity available, thus contributing to the security and flexibility of the electricity system;

- **Click Enel**, platform for Colombian customers who do not have a credit card, allowing them to purchase online subscriptions with the fee added to their electricity bill;
- **EV Trip Planning** and **Anagog**, two projects that improve the customer's experience of electric mobility through travel planning that takes into account the vehicle's charge status, driving and road conditions, offering increasingly personalised services aimed at reducing "range anxiety" and making everyone understand the advantages of electric mobility;
- **Juice Ability**, which offers users with physical disabilities the opportunity to recharge their electric wheelchair through the Enel X charging infrastructure;
- with the aim of enriching Enel X's commercial offer with new digital products and services for public administration, there are projects such as **City Analytics 2.0**, which, by analysing Big Data applied to geo-localised data flows, allows the urban areas with the highest "human presence" to be identified and displayed, clearly showing urban mobility and tourist flows; **Urban Advertising**, where digital screens and totems, integrated and combined with urban furniture, allow people to communicate, inform and display advertisements; **Smart Pole**, a new public lamppost that also provides services such as video surveillance, wi-fi, defibrillator, SOS button and multifunction socket using the same infrastructure base.

Furthermore, circular guidelines have been established for maintenance services to spread circular economy practices among the network of Enel X installers and maintainers for the e-Home Business Line in Italy; some commercial agreements have been established (including Enel X solutions) for our tradesmen, as well as a specific Enel X programme to reward the "circular" services and circular choices of our customers.

Enel X Circular Economy Client Report

During 2019, the first **seven Circular Economy Client Report** were finalised.
For public administration, Enel X has developed a new assessment model aimed at assessing the level of energy circularity of municipalities on two levels: **at city level** and **specific site level**.
For cities, the assessment covers five areas: **circular economy**, **energy**, **mobility**, **waste**, **emissions**. Each of these areas is assessed on the basis of four dimensions:

- governance & policy (existence of local targets and plans to promote the circular economy and related issues);
- support tools (promotion of municipal initiatives and incentives aimed at promoting circularity towards citizens and the private sector);
- digitalization (integration of digital tools to enable, promote or facilitate the adoption of circular behaviour by citizens and the private sector);
- *status quo* (assessment of the current status and targets achieved on items related to the circular economy).

For the specific site, the assessment focuses on the energy aspects of the building under analysis. In particular, the assessment areas are: **renewable energy**, **energy efficiency**, **energy management**, **circularity enablers** (for example, network services, electric mobility solutions).
The first complete **Circular Economy Report** pilot **dedicated to public administration** was the one produced for the **Municipality of Serrenti (South Sardinia) and its school**; a small Sardinian municipality that won the Cresco Award in 2018, as it is rated as one of the Italian municipalities that is investing most in the renewable energy and smart grids sector. In addition to the Report the municipality was also supplied with a **citizens' annex**, a booklet containing a simple summary of the main findings of the Report.

People centricity - Our people and their value (1/2)

Plan 2019 > 2021 Engaging people we work with

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
4	**Digital skills** - Promote training on digital skills among all our people	100% people involved	46% people involved	S People growth S Training T Technologies and digitalization
8	Climate survey	100% people[1] involved 86% participants	100% people[1] involved 86% participants	S Listening and dialogue
8	Performance appraisal	100% people[1] involved 99% appraised	100% people[1] involved 99% appraised[2]	S People growth
5	**Gender** - % of women in selection processes[3]	50% women	42% women	S Diversity and inclusion S People growth
8	**Disability** - Appointment of Focal Points	In all Group Countries in which there is at least one Enel person with a disability	100% of countries	S Diversity and inclusion

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Engaging people we work with

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
4	**Digital skills** - Promote training on digital skills among all our people	100% people involved	S People growth S Training T Technologies and digitalization
8	Climate survey	100% people[1] involved 87% participants	S Listening and dialogue
8	Performance appraisal	100% people[1] involved 99% appraised	S People growth
5	**Gender** - % of women in selection processes[3]	50% women	S Diversity and inclusion S People growth S Diversity and inclusion
5	**Gender** - Increase the number of female managers and middle managers		S Diversity and inclusion S People growth
8	**Disability** - Appointment of Focal Points	100% of Group Countries in which there is at least one Enel person with a disability	S Diversity and inclusion
4 8	**Reskilling and upskilling** - Promote and plan reskilling and upskilling programmes for Enel people in order to support the energy transition		S People growth S Training T Technologies and digitalization

1 Eligible and reachable people having a permanent contract and working in the Group for at least 3 months during 2019.
2 Forecast data, since the closure of the assessment process has been postponed to May 2, 2020 due to the Covid-19 crisis.
3 Selection processes involving blue collar workers and the USA perimeter are not included as local legislation to protect anti-discrimination practices in the recruiting phase does not allow to monitor this data.

People centricity - Our people and their value (2/2)

Plan 2019 > 2021 Engaging people we work with

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
4 17	Scholarships available for employees	390 scholarships	175 scholarships	S Training
3 8	Extension of the Travel Security model	100% of international and intercontinental travel in countries with the exclusive presence of Enel X and EGP in 2019	Integration of data of all countries[1] in the integrated Travel Security system	S Security
3 8	Physical protection of persons[2]	Launch of the new policy in all countries and definition of a global reporting solution	> Global policy developed and already in force in all countries > "Basic dashboard solution" developed on the Global Security Dashboard portal	S Security

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Engaging people we work with

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
4 17	Scholarships available for employees	390 scholarships	S Training
3 8	Extension of the Travel Security model	Further extension of e-Travel portal's functions (itinerary planning and authorisation process for all countries)	S Security
3 8	Physical protection of people[2]	> Re-issue of tender for travel security and threat intelligence services > Evolution of the Global Security Dashboard portal (GSD) with new travel and local security indicators	S Security

1 Costa Rica, Taiwan and Singapore and not included.
2 Services for mitigation of the risk of aggression and robbery for Enel people operating in countries with high crime rates.

LINK **Sustainability Report**
At a Glance
Performance indicators

LINK **Annual Report**

Our people and their value

21%
women in the workforce

3,726
new hires

38.8
average training hours per employee

83.7%
ERR manager (Equal Remuneration Ratio)

Thanks to the **energy**, **know-how** and **common vision** of Enel's people, we are capable of managing the constantly evolving complexities, while maintaining our commitments to the market. Progress springs from **ideas** and **co-creation**, and is nourished by values such as **trust**, **responsibility**, **proactivity** and **innovation**.

The main trends make it necessary to define a new world of work that responds more dynamically to the challenges of the future, making a different leadership model necessary. Technological advances offer ever greater choice and flexibility, both in the way in which tasks are carried out and in the organisation and management of people. The necessary skills change and upskilling and reskilling strategies assume ever greater importance to allow companies to develop talent and contribute to socially responsible approaches to accompany the transition without leaving anyone behind. On average, companies are populated by five different generations of people, and women constitute a professional potential that is yet to be appreciated.

In this context, Enel is working towards:

- creating a **new role of leader** capable of managing the change presented by the external environment and simultaneously capable of guiding people towards the achievement of objectives, acting as a facilitator. Courage, curiosity, resilience, and enormous generosity are characteristics that identify the leader of the future that focuses on the potential of people in their entirety, in terms of both skills and aptitudes;
- guaranteeing an open, dynamic **working environment** that promotes the entrepreneurial approach, the assumption of risks, innovation and management of discontinuities, and that embeds diversity and inclusion;
- promoting **constant updating of skills**, capabilities and experience. Training is ever more a partner of growth for all, stimulating individual initiative, self-learning and a pro-active aptitude, while also sharing a wealth of resources in terms of knowledge and passion. This makes it possible to remain abreast of the times and capture the weak signals of today that may well become the market trends tomorrow.

Agile, job change, mentoring, shadowing, coaching, failure culture and open feedback are all tools that make it possible to enable this new cultural ecosystem and thus to create value in the long term. In particular, the agile approach, launched in 2017, constitutes a different way of working, oriented towards improvement and continuous learning through sharing of responsibility towards a common goal. In 2019 approximately 500 initiatives were staged in 11 countries, with the involvement of almost 3 thousand people, 44% of whom took part in specific training sessions on mindset, the main agile frameworks and the associated profiles, necessary to promote and

accelerate agile transformation in Enel. In addition, onboarding initiatives have been carried out together with communication campaigns designed to disseminate the agile culture and to engage people. Job change has been promoted to allow people to open up to new possibilities and challenges, facilitating cross-fertilisation at all levels and diversification of competences, and to bring aptitudes to bear in different contexts, creating increasingly horizontal and complete professional profiles. 30,000 hours were dedicated to mentoring and shadowing activities in 2019, in order to exchange experiences, acquire different outlooks, expand competences, and strengthen the network of relationships, with more than 4 thousand individuals engaged in coaching activities since 2017. In the past year the shadowing project was further extended to involve all Group managers worldwide and thereafter white collar staff of the main metropolitan sites in a peer2peer experience to gain familiarity with new organisational contexts, experiment with new activities and extend their network. Also promoted was the voluntary participation "**I-coach**" initiative designed to disseminate the coaching and feedback culture that supports the Open Power transformation, stimulating the capacity of a personal vision, of coaching towards new objectives and challenges, of improvement and self-development. The course is delivered by certified Enel coaches who share their skills, applying all their passion for serving others. Each course day consists of an alternation of practical and theoretical sessions. Finally, in the 2018-2019 period around 545 thousand feedback messages were exchanged.

#IOLAVORODACASA

Enel has taken action to deal with the emergency linked to the spread of Coronavirus (Covid-19), also to support the countries in which it works. Smart working was immediately implemented for around 50% of staff, protecting their health and guaranteeing business continuity, and a specific task force has been set up with the aim of monitoring the phenomena, defining suitable actions and sharing experience across the various countries.

A dedicated section has been created on the company intranet with useful information, advice and materials. Specifically, the new section contains recommendations for prevention and behaviours to adopt together with information concerning work in the field (preventive and protective measures, how to don disposable gloves, how to use face masks, and travel permit forms) and digital working, also with a focus on the prevention of cyber fraud.

Also, the eDucation global platform contains the following sections, which are updated on a daily basis with new learning contents:

- "Lavorare insieme", coaching pills, advice and suggestions to use IT tools and equipment to their best advantage;
- "Informarsi", support for smart working activities;
- "Rigenerarsi", tutorials on the subject of personal and family well-being.

In addition, Enel has asked its people for ideas on how the Company could contribute to facing and overcoming the emergency in Italy in the optimal manner. There is no restriction on the areas of application and type of resources to use, internal or external, although solutions must be practical, realistic and rapidly implementable.

Enel people in the world

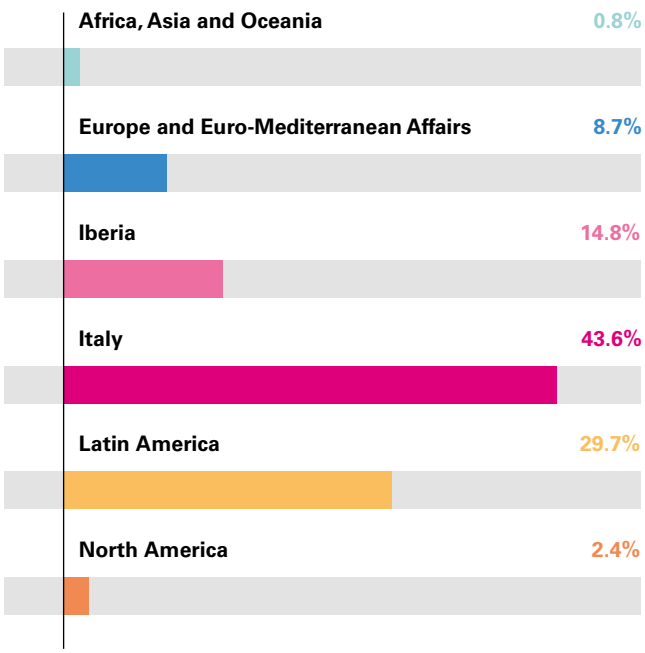
As of December 31, 2019 the Enel Group employed **68,253** people (down by 1,019 with respect to the end of 2018). The reduction in the Group workforce is the effect of the net balance between new recruits and terminations in the year (-1,094 people) and the change in scope (accounting overall for +75 people), including decommissioning of the Mercure plant, which is part of Enel Produzione in Italy, acquisition in March of the Tradewind company in the US, sale of the Reftinskaya GRES plant in Russia and acquisition of PayTipper Network Srl, FlagPay Srl and PayTipper in Italy.

Since 2015, Enel has adopted a model of values and conducts, the "Open Power" model, which takes form in various operational aspects, in order to increase the involvement and participation of the people working at Enel, and which serves as the point of reference for all people management and development processes. Specifically, there are 4 values (responsibility, trust, innovation and proactivity) and 10 behaviours:

1. Adopt and promote safe behaviours and take the initiative in order to improve conditions regarding health, safety and well-being.
2. Take decisions in their daily activities and accept the responsibility that goes with them.
3. Deliver results and aim for excellence.
4. Seek new solutions and do not give up when faced with obstacles or failures.
5. Change their priorities rapidly when required to do so by changes in the scenario.
6. Share relevant information and are cooperative, as well as willing to listen to other people's opinions and ideas.
7. Acknowledge colleagues' merit and provide feedback when asked or independently which improves their work.
8. Ensure customers' and/or colleagues' satisfaction by acting effectively and fast.
9. Strive to include everyone, acknowledge and enhance the value of individual differences (culture, gender, age, disability, personality, etc.).
10. Fulfill commitments and perform their work passionately and with determination.

The "People and Organization" Function defines organizational models in line with the Group's strategy and the long-term plan for managing people that work in the Company. The various people management, development and motivation processes are governed by specific policies and procedures at global and local level (for example, procedures to recruit, employ and manage people), and dedicated sections are available on the company intranet (for example, on meritocracy). Enel's organizational model has a matrix of Business Lines/Countries and Regions, flanked by the Global Service Functions and Holding Functions that provide support for the business.

The main data and targets linked to the People and Organization Function are submitted to the Control and Risks Committee, to the Corporate Governance and Sustainability Committee and to the Board of Directors, in the framework of meetings dedicated to the Sustainability Plan, to the Sustainability Report, and to the progress of Enel's positioning in the main ESG ratings and sustainability indices.



Talent, development and management of people

103-2 103-3 404-1 404-3 DMA EU (former EU14)

In line with the current transformation scenario, which requires new skills and professional profiles, **selection and recruiting, training and development** processes play a key role in the Company. **There were more than 3,700 new recruits in 2019**, mainly in Italy and Latin America; relations with universities were consolidated by means of a series of *ad hoc* initiatives, and a new Recruiting Day pilot project was launched based on an aptitudinal model aimed at supporting the various recruiting requirements, creating a pipeline of young people. Testing was also carried out on new digital instruments that will support the selection process in 2020: a video interview based on IA and a gamification experience.

In a transformation scenario 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 focus on the development of existing professional competences, adding new skills according to the needs dictated by innovative technology and processes. 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 activities.

Continuous learning plays a core role for Enel. A total of **2,600,000 training hours (38.8 average hours *pro capite*)** were delivered in 2019, with the involvement of **62,482 people**, equal to **91.5%** of the entire workforce. Training activities concern all aspects and targets: technical, behavioural, managerial, agile linguistic, onboarding experience for new recruits, training in health and safety, and in digital skills and culture. This is an authentic lab aimed at increasing the occupational and personal competitiveness of all people, providing them with tools and methods to allow them to adopt an aware stance when facing the radical processes of change that impact working methods from a cultural and organisational perspective. In addition, the Company's commitment continues to support not only the dissemination of digital competences and learning, but a digital culture above all. At 2019 Enel had engaged 46% of people in training activities on **digital skills, in line with the goal of achieving 100% of its people within 2022**. In continuity with the evolutionary path of leadership started in 2017 (from leader to coach), Enel has designed a cultural transformation journey called "**Leadership in Digital and Data-Driven Transformation**" addressed to management. During these meetings, dialogue was promoted between the best Italian and international companies, innovators in transformation of the business model and in digital culture development. In 2019, between April and December **19 training sessions** were launched **in Italy** with the participation of more than 500 managers, and **12 sessions** in the rest of the world, with around 300 managers taking part. This initiative is accompanied by experiential training activities such as mentoring, coaching and job shadowing.

In April 2019, global adoption was completed of the **eDucation** learning platform, thanks to which management and monitoring of all training initiatives is guaranteed by means of a common service model in all Group countries. **eDucation** also is the interface providing access to residential and online courses for all Enel people: to date nearly **90% of the Enel population** has completed at least one course on the platform. The eDucation platform allows Enel people to access **around 200 multiple online contents in several languages** selected from the best providers on the market and constantly updated and expanded, in addition to the courses produced by Enel. Apart from freely making use of the courses, participants can become content promoters, suggesting books, courses, articles, videos, links, documents and reports, also from external sources, by means of the "learning playlists", exchanging comments and attracting followers, in an expression of the principles of networking and knowledge sharing. In 2019, the main online courses of global interest released concerned language skills for Italian, English and Spanish, which attracted more than 15,000 self-training participants worldwide; digital training on the Office suite; knowledge of the e-commerce sector; training

on the anti-corruption topics related to the ISO 37001 certification for all the Group's Italian companies and for Enel Green Power's Italian and foreign companies; training on Management Systems, on methods for the safe execution of work-related travel and on safety on the roads.

The Enel training model is open to the outside, through the Schools and Academies, which were reinforced in 2019. The purpose of the programmes is to respond to the specific technical and specialised training needs of the various business areas and to contribute to the development and upskilling of technical and managerial competences they contain, performed in collaboration with strategic academic partners and with the support of Fondazione Enel. In particular, **nine Schools** were set up between 2016 and 2019, engaging partners in the form of universities and renowned research institutes, and **five Academies** were opened.

In 2019, the process of qualitative and quantitative **performance appraisal** saw the engagement of Group people at various levels in a fluid process of exchange and across the board feedback (360°feedback), shifting the focus towards the organisational network rather than pursuing an hierarchical model. In particular, 100% of eligible and reachable people were engaged in 2019[1], of whom 99%[2] were assessed. In contrast, the quantitative assessment was performed for the population with variable remuneration, providing for the allocation of objectives and their subsequent appraisal. Finally, the new campaign was launched for definition of **Succession Planning**, the process whereby all Group managers are required to identify the best talents available to fill managerial roles in the short term (Ready) and in the medium term (Pipeline). To complement the development of successors, the manager and the People and Organization Function identify personal growth projects based on their individual and professional profile, in relation to the positions for which they have been identified. Successor identification is performed in accordance with the following reference criteria: celebration of meritocracy, diversity and functional osmosis. The appointment of new managers then occurs following an aptitude assessment, which serves to check alignment between the level of responsibility to assign to the person in question and the management model that the Company deems necessary for today and

the future. The assessment methodology is designed to analyse competences, aptitudes, motivation and potential of future managers and to assess their ability to interpret Enel's cultural identity in their daily actions, in a horizontal manner with respect to the Group's professional families. The assessment is designed to identify people capable of implementing Open Power values and behaviours, to meet the challenges that Enel intends to overcome. Specific guidelines have been defined for management and identification of future candidates in all the Group's countries.

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

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

Listening and dialogue

102-43

One important listening tool in the Company is the **climate survey**, which makes it possible to identify areas of improvement in relation to three key topics – well-being, engagement, and safety – and suggestions on topics and aspects of working life. Following the 2018 survey the identified action plans are currently under development. To answer the issues that emerged from the climate survey concerning work-life balance and well-being, a process of in-depth analysis of the **digital detox** topic was launched in 2019. Further to analysis of studies and research into the impacts of hyperconnectivity, a set of actions was defined, also with the participation of Enel people in dedicated focus groups, in order to facilitate the transition from a hyperconnectivity culture to a culture of responsible use of electronic devices.

Another key tool for feedback and proximity to people consists of interviews with **People Business Partners**, corporate figures dedicated to listening and identifying the needs of people in order to integrate them with the needs of the organisation. These figures are assisted by **People Support Points**, i.e. physical meeting points to which people can refer to resolve administrative and operative topics associated with their employment relationship. Planning is also proceeding for the People & Business Partner network and support services to facilitate the management of the personal and professional daily life of employees suffering from chronic illnesses. The initiative constitutes an important phase of attention to an extremely delicate topic and is aimed at promoting the professional and social inclusion of all people.

Internal communication

Enel considers internal communications to be an important support in creating the corporate culture and in both organisational and people growth, soliciting and promoting the exchange of information, know-how and experience. Several global campaigns were promoted in 2019, including the launch of **Enel People**, a new section of the website www.enel.com dedicated to employer branding and talent acquisition. The existing platform has been completely reinvented and an interactive journey has been recreated, making it possible to explore life in the organisation and get an idea of the environment in which Enel people work all over the world, listening directly to their opinions in relation to innovation, sustainability and technology, and also in relation to their personal experience in the Company. In addition to collecting all open positions in the various Group countries, the section provides a storytelling function relating the enormous diversity and wealth of experience of Enel people.

Internal communication is also the main vector to disseminate Enel's strategy and the objectives identified for the near future. In 2019, Enel's internal media were further developed in order to guarantee that the contents reach the entire population of the Company in all its Countries and Regions, and that they are accessible also from mobile terminals and outside the company network.

Diversity and inclusion

103-2 103-3 405-1

Enel's commitment to diversity and inclusion is a process that began in 2013 with the adoption of the **Policy on Human Rights**, followed in 2015 by the **"Diversity and inclusion" Policy**, in parallel with adoption of the **seven "Women's Empowerment Principles"** (**WEP**) promoted by the UN Global Compact and UN Women and in compliance with the UN Sustainable Development Goals.

Moreover, the Global People Care and Diversity Management unit was set up in 2016 within the People and Organization Function, where it performs the role of guiding and supervising adoption of the policy, also by monitoring a detailed set of internal indicators linked to the various actions and areas of application.

2019 saw the publication of the **workplace harassment** policy, the aim of which is to disseminate a culture of opposition to all forms of harassment in the workplace and offer

adequate tools to deal with situations of this type. The policy provides definitions and indications on the whistle-blowing and investigation process and on the related disciplinary and preventive measures and is applicable to employees and third parties working with Enel people in all contexts in which the Company conducts its operations. Publication of the global policy was followed by publication of various local policies which, in certain cases, adapted the global policy to match the regulatory framework in individual countries. The policy concerns both moral and sexual harassment, referred to any undesirable behaviour or conduct such that results in the creation of work conditions that are degrading, hostile, humiliating, intimidating, offensive or unsafe. In this context, harassment means physical, verbal or visual acts or behaviours. The policy regulates harassment events that take place in the workplace and also those that occur outside, such as during work travel, luncheons, dinners, external visits and social events linked to the Company's business. The policy provides a whistle-blowing mechanism using the Enel Code of Ethics channel, and adequate disciplinary actions and penalties (commensurate with the seriousness and frequency of the conduct), which can result in termination of employment in the most serious cases. Also internal training and awareness activities are planned on the subject of ethics in the workplace, behaviours to adopt, and respect for diversity.

Enel's approach to diversity and inclusion is based on core principles of non-discrimination, equal opportunities and equal dignity for all forms of diversity, inclusion, and work-life balance set down in the related policy of 2015. Application of the policy in recent years has made it possible to develop global and local projects celebrating diversity of gender, age, nationality, and abilities, and disseminating a culture of inclusion, with awareness and communication initiatives that involved all organisational contexts, thanks also to the commitment of company management and of all people who, in line with the requirements of Open Power behaviours, recognise the value of each person regardless of individual differences.

2019 saw the production of "Inclusion Ongoing" – the edition of the D&I Days organised since 2017 – with the aim of focusing on the concept of inclusion = value and the path leading from the culture of inclusion to inclusive behaviours, with the active engagement and empowerment of all. At the same time, an awareness campaign was launched called "Inclusi-ON": the name of the initiative is designed to communicate the idea that inclusion is an attitude that must be activated – switched ON – and that each individual is responsible for assuming.

Enel has confirmed its commitment in relation to the topic of diversity and inclusion, also through the definition of specific public targets that form part of the Sustainability Plan and the progress of which is reported in the Sustainability Report. These documents are analysed by the Corporate Governance and Sustainability Committee and the Control and Risks Committee, and subsequently approved by the Board of Directors. In 2019, the Board of Directors was given a specific training session on the subject of disabilities at the time of Enel's participation in "Valuable 500", the global initiative addressed to 500 private sector companies with the aim of providing an outlet to express the potential of disabled personnel in the corporate, social and economic spheres.

Gender diversity

At December 2019, **women accounted for 21% of the entire Group population** and their presence in the initial stages of selection processes **was recorded at 42%**[3] (39% in 2018), in line with the goal of reaching 50% by 2022 in order to guarantee equal representation. Women managers have followed an upward trend in recent years (2014: 14% vs 2019: 21%), while women in executive roles currently total 11.1% (2 out of 18). The 2019 equal remuneration rating - ERR manager[4] concerning the managerial population is 83.7%. In general, the trend of global equal remuneration ratings is influenced by the different average salaries in the countries in which the Group operates and by the incidence of newly acquired companies or divested companies.

Enel carries out periodic monitoring of the presence of women in managerial positions and on salary equity, and the 2020-2022 Sustainability Plan provides for an increase in the number of women in management and middle management positions. In this context, Enel is committed to the development of women for senior positions, implementing specific management actions whose results however can only be fully appreciated in the medium/long term, considering the effects of the generational dynamic. In the short term, salary equity is anyway guaranteed *de facto* for new appointments to managerial positions, and a dedicated budget has been created to guarantee equal pay for equal roles. Moreover, the salary

3 Blue collar workers and the US scope were excluded from the selection pool because local regulations protecting anti-discriminatory practices during recruiting operations prevent monitoring of this parameter.

4 ERR manager (Equal Remuneration Ratio) = fixed + variable female managers / fixed + variable male managers.

review policy contains specific guidelines to take account of diversity issues, which are also among the criteria employed to identify talent to insert in succession plans (refer to the "Talent, development and management of people" paragraph in this chapter).

A large number of activities were carried out dedicated to empowerment and the development of female leadership in the countries in which the Group operates, and the path aimed at facilitating **access by female students to technical faculties** (Science, Technology, Engineering, Mathematics - STEM) continued to be pursued by means of awareness initiatives, carried out in schools, in universities, and in company sites.

In relation to parenthood, there are specific paternity and maternity programmes in place. Many countries are implementing improvement measures with respect to local legislation in relation to maternity, paternity and parental leave. With respect to legal requirements, extra days of maternity leave are granted, together with supplementary remuneration, in Argentina, Brazil, Colombia, Peru, Guatemala, Italy, Mexico, United States, and Spain. For example, in Italy Enel pays 100% of the normal salary in the first 5 months, compared to the legal requirement of 80%. Also, Colombia offers the opportunity of smart working in the last month of pregnancy, while in Argentina smart working is possible for two days per week in the first six months after returning from maternity leave and, in India, to support critical situations during pregnancy. Paternity leave is guaranteed by law in many countries, and in the majority of them Enel provides additional days of paid leave. For example, in Italy, five further days of paid leave are provided in addition to the five days required by law for 2019. Conversely, in relation to paternity leave, Enel's collective bargaining agreement in Italy provides for remuneration equivalent to 45% for the first month and 40% for the second and third months, while the legal requirement is 30% for the first six months. On the other hand, Russia, Romania, Greece and Panama recognise a monetary contribution on the birth of a child, while in South Africa the full salary is paid during the period of leave that is not remunerated under local legislation.

Active on the global level, the **Parental Program** project is aimed at promoting organisational and personal awareness of the value of parenthood in order to assure optimal reconciliation of personal and professional needs concerning this

critical stage of life. In this context, **New Parents New Energy** is a training programme operating in Italy, designed to elevate the value of parenting skills in the work context and to support new parents in reconciling roles and managing their daily lives. Also active is the **MAAM-CHILD** digital platform, which stimulates active reflection on individual experience in order to bring it to the table in a work-related setting and that uses life and caring experiences as an opportunity for developing essential soft skills for effective work activities, namely organisational, innovative and relational capabilities. Finally, various awareness initiatives were carried out on the subject of violence against women.

As a testament to the commitment concerning the topic of gender equality, for the first time this year Enel was included in the Bloomberg **Gender Equality Index (GEI)**. The Group is in fact one of the 325 companies of the approximately 6 thousand businesses listed on the stock exchange in 84 countries assessed based on the degree of dissemination and success of their inclusion initiatives. Also Enel's Spanish subsidiary Endesa was included in the index for the first time. The recognition is due to the practices aimed at promoting the presence of women on the Board of Directors, in managerial positions and among new recruits, helping to guarantee equal remuneration and social benefits and work-life balance solutions for all employees.

Age diversity

The tutorship programmes proceeded in 2019 for new junior recruits, in order to support their induction into Enel. There are also **knowledge transfer** programmes in place where each Country and Business Line identifies the most suitable methods to facilitate intergenerational exchanges, involving both senior (mainly on technical topics) and junior (mainly on digital skills) Enel people as internal coaches or experts. In 2019, around 1,100 seniors shared their know-how with more than 12 thousand co-workers, and around 300 juniors did the same with more than 7 thousand co-workers. Furthermore, on the global level, a programme of manager to manager and manager to upcoming juniors "**Job Shadowing**" was launched, aimed at facilitating the exchange of Open Power competences, managerial styles, values and approaches, in order to promote mobility and dissemination of knowledge and to consolidate the professional network. New recruits are also assigned a **tutor** as an informal point of reference for professional development, to help them get to know the organisation and the value system.

The tutorship is currently part of the **onboarding** process, which also envisages a global training project dedicated to graduates between 22 and 28 years of age from all over the world. The project promotes the Open Power culture and makes participants Open Power ambassadors in their countries of origin. In this context, the promotion and development of new skills has been assured by setting up "**Click Laboratories**", innovation centres addressed to young new recruits with the aim of developing cross-sector and knowledge integrated with digital competences and soft skills.

Disabilities

There are **2,254 people with disabilities** in Enel, of whom around 1,700 in Italy. Specific statutory legislation in many of Enel's countries calls for minimum numbers of disabled staff in the workforce, and all countries in the Group were found to be in line with the related provisions. In each of the relevant countries[5] there is a reference focal point dedicated to identifying needs and promoting initiatives aimed at assuring the inclusion of people with disabilities. In consideration of the large number of disabled staff in Italy, 2 focal points were created. Including diversities also means providing people with tools, services and working methods to allow them to perform their duties in a fully independent manner. In Italy, several initiatives within the "**Avanti tutti**" project have been adopted, aimed at delivering tools to make processes and environments inclusive and to promote autonomy, making life in the organisational context more simple and productive. Examples include Pedius for safety, the app that allows the hearing impaired to receive and make telephone calls thanks to a voice synthesis system integrated with safety functions, company guidelines for accessibility to web contents and a large range of specific training initiatives. In Spain, a **personalised counselling and *Plan Familia* service** is active for Enel people with disabled family members, in addition to the Company's voluntary activities aimed at the employability of disabled persons at risk of social exclusion. In addition, various communication campaigns have been launched to promote awareness on the importance of the inclusion of people with disabilities through the use of virtual reality tools, workshops and interviews.

5 Relevant countries are those in which there is at least one disabled member of staff.

Work-life balance, people care and corporate welfare

103-2 103-3

Enel is attentive to organisational and personal well-being, and has pursued an undertaking for several years to promote solutions to improve work-life balance and to support the tangible and daily needs of individuals in order to respect all the situations, also of a contingent nature, that an individual may be required to deal with during his or her working life. The caring activities, which involve all Enel people, concern the spheres of personal and family life, psychological-physical well-being, organisational matters, and work-life balance.

In particular, Enel promotes:

- organisational caring: various forms of flexibility, including smart working, which was launched in Italy in 2016 and then extended to the Group's other countries, and which leverages individual responsibility and the relationship of trust between the individual and the Company and that also supports a contribution to reducing environmental impact. At the end of 2019 more than 10 thousand people in Italy and 17 thousand in the entire Group were involved in smart working initiatives;
- personal caring: mindfulness courses, workshops on nutritional and relational well-being, programmes to promote physical exercise, courses in yoga, pilates and postural gymnastics, and life saving actions for proactive management of psychological-physical well-being, both at work and in personal life. Cultural meetings were also staged to promote discussions concerning relevant topics in the company and personal sphere;
- family caring: specific projects such as "**Together Digital Day**", a cyber security and coding laboratory for employees and their children from 8 to 16 years of age, and "**Millennials Enel Day**", a workshop with the purpose of orienting employees' children aged from 18 to 27 in their choice of educational and professional paths in an increasingly complex job market. In 2019 these initiatives involved around 100 young people.

Staff in Italy can also transfer holidays and time-off for solidarity motives among co-workers of the same company to assist young children or adolescents, parents, spouses, members of a civil union or unmarried couples who require constant treatment or in the case of very serious personal or family situations. In addition to holidays donated by co-workers, Enel offers an equal amount of paid leave.

	Italy	Spain	Romania	Russia	North America	Latin America [1]	Africa, Asia and Oceania	Europe and Euro-Mediterranean Affairs
Flexi-time	☑	☑		☑	☑	☑	☑	☑
Seasonal work hours		☑				☑	☑	
Part time	☑	☑		☑	☑		☑	☑
Teleworking [2]	☑				☑	☑	☑	☑
Smart working	☑	☑	☑	☑	☑	☑	☑	☑
Time bank	☑		☑		☑	☑	☑	☑

1 Argentina (smart working), Brazil (smart working, time bank, flexi-time), Chile (smart working, flexi-time), Colombia (smart working, time bank, flexi-time), Peru (teleworking, flexi-time, seasonal work hours).

2 Teleworking in Italy involves work services to be carried out mainly from home, with one or two days on site per week. Teleworking in Latin America is carried out with just one or two days per week working from home.

Supplementary healthcare assistance and complementary pensions

103-2 103-3

The majority of countries in which the Group operates offer supplementary health insurance policies at advantageous conditions with respect to the alternatives available on the market. In many cases it is the Company that provides benefits related to prevention and periodic check-ups (refer also to the chapter on "Occupational health and safety"). For all Italian employees and their dependent family members, in agreement with trade unions Enel set up the Supplementary Healthcare Provision for Enel Group Employees (FISDE) in 1997. The Provision disburses repayments and redemptions for healthcare expenses, promotes initiatives for the disabled and individuals subject to socially challenging situations (drug addiction, alcoholism, learning difficulties, psychological-social disorders) and sets up preventive medicine programmes. Also in 2019, members were able to take advantage of symposia with the Italian National Council of Psychologists (CNOP) and Psychoanalytic Society (SPI) for psychological support services. In line with the FISDE solidarity principle, also ex Enel employees can continue to benefit from the services offered by the Provision by continuing to pay the membership fees.

Supplementary assistance programmes for employees, their family members and communities are also supplied thanks to the protocol of social action attached to the collective bargaining agreement. The measures to support personnel includes the facility to access additional pension funds and the award of various types of individual benefits in services associated with employee severance indemnity. At December 31, 2019, employees covered by the Enel Group pension plan totalled 70% of the population. Pension funds exist mainly in Italy (Fopen and Fondenel), Spain, and Brazil.

Enel has drawn up an insurance policy to cover the Group's over 68,000 employees worldwide in the event of hospitalization with the Covid-19 virus. The insurance tool, which was specifically designed for the needs of the Enel Group, represents the first ever of its kind in the world aimed at guaranteeing support at global level for the ongoing pandemic and will guarantee additional benefits on top of all other insurance policies and forms of health care already used within the Group.

Management of travel-related risks

As from 2016, Enel people travelling to destinations considered at risk are provided with specific information detailing the healthcare situation and safety conditions of the countries in question. In particular, by means of the company travel reservations system, the Security Travel Guide and Health Guide are sent out before departure, with any necessary updates integrated during the trip. In relation to specific risks associated with the destination, whenever necessary Enel prepares suitable protective measures (expert guides, bodyguards, etc.). To coordinate the entire process, a 24/7 supervisory function supports personnel during travel, monitors the relevant news reports and coordinates responses in the presence of situations of objective danger or emergency. The model is active in all Group countries, guaranteeing 100% coverage of international and intercontinental travel with the integrated Travel Security system.

Industrial relations

103-2 103-3 402-1

Enel complies with labour law in the various countries and the conventions of the International Labour Organization (ILO) concerning workers' rights (freedom of association and collective bargaining, consultation, right to strike, etc.), systematically promoting discussion between social partners and seeking an adequate level of agreement and sharing of corporate strategies by employees. In 2019, the percentage of employees covered by collective bargaining agreements was 91.2%, in line with the figure for 2018 (91.5%).

Industrial relations activities on the Group level continue to

be conducted in accordance with the model set down in the Enel Global Framework Agreement (GFA) signed in Rome in 2013 with the Italian federations and the global federations IndustriALL and Public Services International. The agreement is founded on the principles of human rights, labour rights and of the best and most advanced transnational industrial relation systems of the reference multinational groups and institutions on the international level, including the ILO. These principles include the principle on remuneration, whereby the minimum compensation of the Group's employees cannot be lower than the level established by the collective bargaining contacts and legislative and regulatory treatments in force in the various countries, in line with the matters set down in the ILO conventions. Enel guarantees that the equal pay principle is respected in all countries in which it is present and it is committed to guarantee a living wage to all its employees.
In the framework of this agreement, Enel recognises the right of its employees to set up or participate in trade union associations in order to protect their interests. It also awards them the right to be represented, in the various generation units, by trade union organisations and other forms of representation elected in compliance with the legislation and practices in force in the countries concerned. Enel recognises the value of collective bargaining as a tool to determine the contractual conditions of its employees and to regulate relations between company management and trade union associations. Enel complies with the principle of independence of unions and does not interfere in any way with the organisation of representation, allowing access of its employees' representatives to the workplaces in order to communicate with their members, in compliance with the law and the industrial relations systems in force in each country. Enel supplies adequate information to its employees and to the trade union organisations that represent them, in order to facilitate collective bargaining. The GFA agreement was also recognised and acclaimed as a best practice among European and non-EU multinationals. Enel provides its people with a full range of information concerning collective labour agreements and trade union agreements, in accordance with the provisions of statutory legislation and by means of the company intranet. In the case of organisational changes, Enel provides prompt information as indicated in the table shown hereunder.

COUNTRY	MINIMUM PERIOD	LEGAL PROVISIONS/COLLECTIVE AGREEMENTS
Italy	25 days	Legal provisions
Spain and Portugal	30 days	Guarantee Framework Agreement of Endesa SA and subsidiaries in Spain (September 12, 2007)
Russia	60 days	Legal provisions
Romania	Obligation to inform and consult worker representatives on business developments and to inform them periodically about the Company's economic situation. For group layoffs, at least 30 days' notice for the trade union organizations and 20 days' notice for workers. The maximum period for the group layoff procedure is 90 days	Legal provisions Collective agreement
Argentina	Obligation to periodically update worker representatives; traditionally the notice period for changes in working hours, employee roles or place of work is 48 hours, although there is no specific regulation	-
Brazil	Obligation to issue a "timely" notice	-
Colombia	Neither the law nor collective bargaining provide for a minimum notice period in the event of organizational changes	-
Peru	Neither the law nor collective bargaining provide for a minimum notice period in the event of organizational changes	-
Chile	Neither the law nor collective bargaining provide for a minimum notice period in the event of organizational changes	-

People centricity - Communities and value sharing

Plan 2019 > 2021 Engaging local communities

SDG	ACTIVITIES	TARGETS	2019 RESULTS	CATEGORIES
4, 17	Inclusive and equitable quality education	2.5 mil beneficiaries in 2030[1]	1.3 mil beneficiaries (2015-2019)	S Education S Community relations G Partnerships
7, 17	Economic, reliable, sustainable and modern energy	10.0 mil beneficiaries in 2030[1]	7.9 mil beneficiaries (2015-2019)	S Access to energy S Community relations G Partnerships
8, 17	Durable, inclusive and sustainable economic growth	8.0 mil beneficiaries in 2030[1]	2.1 mil beneficiaries (2015-2019)	S Social development S Community relations G Partnerships
17	Dissemination of strategic partnerships and promotion of operative partnerships		~800 partnerships set up	G Partnerships
1, 2, 3, 5, 10, 17	Implementation of new projects in support of the communities in which Enel operates in order to create shared value (CSV) and to foster the energy culture		~1,800 projects	S Community relations G Partnerships
9	Diffusion of the Creating Shared Value (CSV) model in the operational units (Business Development, Engineering & Construction, Operation & Maintenance)		1,375 total CSV applications	I Industrial growth S Community relations

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Engaging local communities

SDG	ACTIVITIES	TARGETS	CATEGORIES
4, 17	Inclusive and equitable quality education	2.5 mil beneficiaries in 2030[1]	S Education S Community relations G Partnerships
7, 17	Affordable, reliable, sustainable and modern energy	10.0 mil beneficiaries in 2030[1]	S Access to energy S Community relations G Partnerships
8, 17	Sustained, inclusive and sustainable economic growth	8.0 mil beneficiaries in 2030[1]	S Social development S Community relations G Partnerships
17	Strengthening of strategic partnerships and promotion of operational partnerships		G Partnership
1, 2, 3, 5, 10, 17	Implementation of new projects in support of the communities in which Enel operates in order to create shared value (CSV)		S Community relations G Partnerships
9	Dissemination of the CSV model in operating assets		I Industrial growth S Community relations

1 Cumulative targets since 2015

LINK **Sustainability Report**
At a Glance
Performance indicators

LINK **Annual Report**

Communities and value sharing

1,800
sustainability projects

4
million beneficiaries

1,375
applications of the CSV model (Creating Shared Value)

800
partnerships

Listening to stakeholders, knowing the territory and measuring created value

The energy industry is going through profound change. Focusing on social and environmental factors, plus an inclusive approach, enables us to create long-term value for the Company and the communities in which it operates. A model expressed along the entire value chain: analysing the needs of the communities starting from the phases of developing new businesses; taking into account social and environmental factors while setting up sustainable construction sites; managing assets and plants to make them sustainable development platforms in the areas where they are located. Further development is seen by the extension of this approach also in the design, development and supply of energy services and products, contributing towards creating cities that are increasingly sustainable by leveraging access to new technologies and circular-economy approaches.

Enel is committed to respecting the right of communities and contributing towards their economic and social progress by interfacing with a multitude of stakeholders on a daily basis. Having knowledge of the specific local situations and listening to the needs of the stakeholders become essential elements for identifying targeted solutions, considering the multiplicity of economic, social and cultural situations in which Enel operates and of which it is an integral part with the management of its assets.

In 2019, with **approximately 1,800 projects and more than 4 million beneficiaries**[1] in the countries in which it is present, Enel made a tangible contribution to the development and social and economic growth of local areas: from the expansion of infrastructures to education and training programmes, from initiatives aimed at social inclusion to projects designed to support cultural and economic activities, in line with the sustainable development goals (SDG).

1 Beneficiaries are the people in whose favour the project was carried out. Enel considers only the direct beneficiaries for the current year. The number of beneficiaries considers the activities and projects carried out in all the areas in which the Group operates (including companies consolidated with the equity method, the foundations and non-profit organisations of the Group, and the companies for which the BSO - Build, Sell and Operate mechanism was applied).

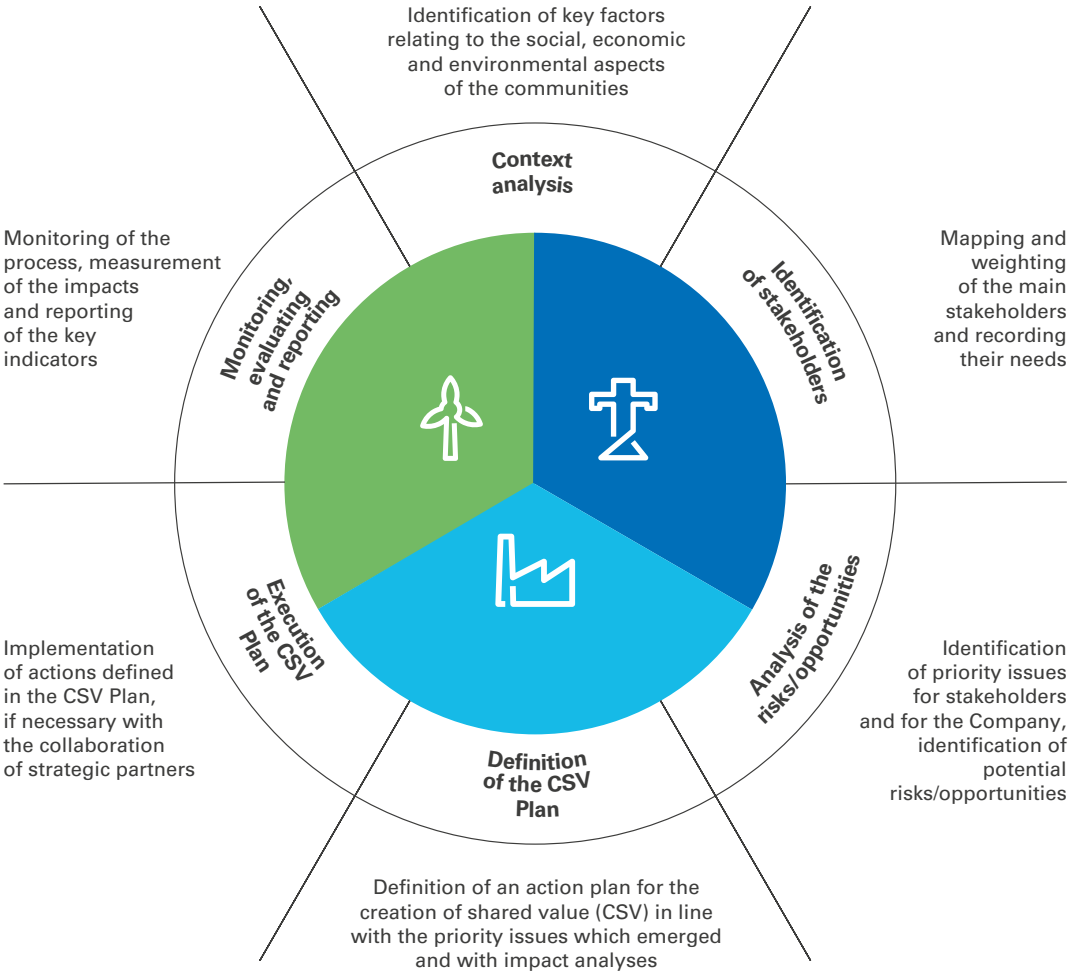
The essential lever to carry out these projects is the recourse to around 800 partnerships with organisations, companies, and institutions operating at the local and international level that promote development of the territory through tailored interventions.

The sustainability of the strategy is also confirmed by the progress made in terms of the Group's contribution to the achievement of the SDGs. During 2015-2019, the Group obtained the following results[2]:

- SDG 4 – projects supported to guarantee inclusive and equitable quality education, which involved 1.3 million beneficiaries (1.0 million during 2015-2018);
- SDG 7 – progress made in offering access to affordable, reliable, sustainable and modern energy for 7.9 million beneficiaries (6.3 million during 2015-2018);
- SDG 8 – promoted sustained, inclusive and sustainable economic growth with projects that concerned 2.1 million beneficiaries (1.8 million during 2015-2018).

Creating shared value model

Application of the CSV model in the Group



2 Only for the scope of the Consolidated Non-Financial Statement pursuant to Legislative Decree no. 254/16 (excluding companies consolidated using the equity method, foundations and non-profit organisations of the Group, and the companies for which the BSO - Build, Sell and Operate mechanism was applied) the number of beneficiaries for 2019 equals approximately 3.7 million, in relation to 1,653 projects (in 2018 there were approximately 6 million beneficiaries in relation to 1,400 projects).

At the Enel Group, the path for applying a new community relations model started in 2015 with the adoption of a Creating Shared Value (CSV) model that integrates social-environmental factors into business processes and along the entire value chain. The dissemination of this method required a consolidation path within the Company on a cultural and operative level. In 2016, Policy no. 211 "CSV Process definition and management" was published. It defines how sustainability must permeate company processes across the board, making it a shared responsibility. This policy was supplemented by issuing an operating instruction (no. 1768 "Project Portfolio Management System"), which represents the approach along Enel's entire value chain in terms of project identification and characterisation as well as its mapping on the dedicated digitalized platform (Project Portfolio Management System); management of the quality assurance process; calculation of beneficiaries; evaluation of project impact. The CSV model applies to the entire value chain with particular reference to business development, engineering, construction and procurement operations as well as asset management and maintenance. The model has six phases, as specified in the figure on the previous page.

An inclusive approach towards stakeholders also includes circular economy solutions. The infrastructures of plants being decommissioned can be reconverted to serve other purposes for promoting the territory by involving the various stakeholders. Another example is the "sustainable" management of the construction sites in order to minimise their impacts (thanks, for example, to the installation of photovoltaic solar panels to satisfy a part of the energy demand, the adoption of water saving measures, including installing water tanks and rainwater collection systems and the use of electric vehicles for transporting workers from the city to the construction site and for their movements within the construction site) and promote the development of this approach by involving local workers.

The definition and dissemination of the guidelines on the use of CSV applications, the preparation and assessment of the sustainability projects, the management of the projects on a Group level and the dissemination of the best practices in the countries in which the company operates are guaranteed by the Holding's Innovability (Innovation and Sustainability) organisational structure and by the relative sustainability structures in the various countries of operation. During 2019, the Sustainability Functions were established also on a Business Line level, which testifies to the process of integrating sustainability at all the subsidiaries. Each country and each Business Line adapts the procedures for the global policy and the procedures for application of the CSV model on a local level, based on the specific aspects of business and the context. In 2019, there were 1,375 **applications of the CSV model**[3] across the various phases of the value chain.

3 An application is interpreted as the use of at least one CSV tool in relation to an asset, in any phase of the value chain and in any Business Line. The CSV applications in the BD phase include applications regarding BD opportunities (also at the beginning phases) and business projects output leaving the pipeline. They can also relate to assets in O&M in the case of modernising projects or decommissioning activities. The CSV applications in the E&C phase can refer to assets passed to the O&M phase at the end of the year. The number of CSV applications in Infrastructure & Networks (I&N) may refer to the concession area, but also areas identified by municipalities and substations. As regards the NFS perimeter (excluding companies consolidated using the equity method, foundations and non-profit organisations of the Group, and the companies for which the BSO - Build, Sell and Operate mechanism was applied) the number of applications for 2019 equals 1,318 (in relation to 699 in 2018).

BD	Thermal Generation	Renewable Energies	Infrastructure and Networks	enel
Business Development	CSV Applications **3**	CSV Applications **85**	CSV Applications **5**	CSV Applications **93**
E&C				
Engineering & Construction	CSV Applications **5**	CSV Applications **59**	CSV Applications **1**	CSV Applications **65**
O&M				
Operation & Maintenance	CSV Applications **81**	CSV Applications **1,063**	CSV Applications **70**	CSV Applications **1,217**[1]
				TOTAL 1,375[2]

1 The total value includes 2 CSV applications relative to the market area in Colombia and Peru and a project in Chile covering all business areas.
2 As regards the NFS perimeter (excluding companies consolidated using the equity method, foundations and non-profit organisations of the Group, and the companies for which the BSO - Build, Sell and Operate mechanism was applied) the number of applications for 2019 equals 1,318 (in relation to 699 in 2018).

Access to energy

DMA EU (former EU23)

The International Energy Agency (IEA) with its report on the state of health of energy resources worldwide shows how the number of people without access to electricity is decreasing gradually, bringing the number below one billion, even if there will still be 620 million people without electricity in 2030. This is a challenge and a primary and fundamental need as reaffirmed also in SDG 7 of the United Nations, which aims to ensure access to affordable, reliable, sustainable and modern energy for all.

In all countries in which it operates, Enel is close to people and supports in particular the most vulnerable sections of the population, both through initiatives, usually inspired by the government, that provide economic support in facing energy costs, as well as through projects in developing countries that promote access to energy by a greater number of persons. This commitment is confirmed in the 2020-2022 Strategic Plan through the definition of specific objectives, including an increase in renewable sources, energy efficiency initiatives, the development of sustainable and circular products and services, engaging local communities through a creating shared value model. The Strategic Plan, the Sustainability Plan that describes in detail their objectives and

commitments from an ESG point of view, including access to energy and the corresponding financial and non-financial reporting are analysed and monitored by the Board of Directors, through the Corporate Governance and Sustainability Committee and the Control and Risk Committee (see the Corporate Governance report, available at www.enel.com). Top management is engaged on a daily basis in realising these strategic objectives by contributing towards supporting the global challenge of guaranteeing access to energy. In line with Enel's sustainable business model, each business line/country promotes specific initiatives for its area of responsibility, such as the development of renewable assets in mature countries and in developing countries (Global Power Generation Business Line), energy efficiency, responsible consumption and offers dedicated to vulnerable segments (Infrastructure and Networks, Enel X, Market-Countries). To support top management, each country is responsible for managing relationships with institutional bodies, regulatory authorities on a national, regional and local level, and associations for promoting the development of solutions for access to energy according to different needs. The Innovability Function, both on a holding level as well as a business line/country level, also promotes the dissemination of a shared value model. It supports innovative solutions that can promote access to energy in remote areas with limited access to electricity. An example is the world's first "**Plug and Play**" micro-grid launched in Chile, which is powered by a photovoltaic source with a hydrogen storage system that guarantees the supply of green energy for 24 hours, anywhere, without having to use diesel generators and is able to operate both on-grid or off-grid.

Promoting access to energy in developing countries

Enel's commitment to promoting access to energy in developing countries does not only involve the supply of electricity, but also the possibility to supply innovative and clean technologies to the population in order to produce energy with a reduced impact on the environment. For example, in Latin America in 2019, 347 MW from renewable sources became operational, increasing the total renewable capacity to around 13,700 MW. In Africa, Enel Green Power is currently the main private operator in the renewable sector in terms of

installed capacity (more than 600 MW in operation and 900 MW under construction), with a presence in different countries, including South Africa and Zambia. In Asia, the Group is present in India through its subsidiary BLP Energy, one of the country's main renewable energy companies, which owns and manages 172 MW of wind capacity, producing approximately 300 GWh a year in Gujarat and Maharashtra.
In parallel to the development of new renewable capacity, and in line with what is required by the SDGs, Enel has defined a specific commitment for SDG 7 "Affordable and clean energy": reach 10 million people by 2030. This target is expressed through projects related, for example, to rural electrification, development of capacity, technology transfer, financial support to promote access to energy or innovative solutions, as well as partnership agreements with relevant stakeholders. In 2019, in developing countries alone, slightly more than 200 projects were created that reached approximately 1.1 million beneficiaries. During 2018-2019, more than 200 partnerships were stipulated regarding this topic (see the paragraph "Listening to stakeholders, knowing the territory and measuring created value").
Some examples are provided below of initiatives that Enel is adopting in developing countries to support access to energy and that were promoted by the various business lines.

- **Cundinamarca 100% (Colombia)**: the programme aims to provide energy to families in areas that are difficult to access with wide geographical dispersion. The project was started in 2016 with the participation of public partners and private associations, using three methods: connection to conventional power grids, installation of solar panels with back-up batteries and the construction of a mini-grid to guarantee access to energy 24/7. In 2019, 722 new families were connected, increasing the total number of connected families to 2,533. In addition to guaranteeing access to energy, the programme also

includes education and professional training projects for the start-up of production companies and support for local agricultural development.

- **Cerro Iglesias (Panama)**: a rural zone without access to electric energy near the Cerro Iglesias hydroelectric power plant. It was illuminated thanks to a creating shared value project together with the Oficina de Electrificación Rural (OER) of the Prime Minister of the Republic of Panama. Thanks to the joint effort with local authorities, today almost 2 thousand residents of the community located in the Panamanian district of Nole Duima, in the comarca of Ngäbe-Buglé, receive electricity in their homes. The project has make it possible to build approximately 14 km of transmission line, install 263 street illumination plants and electrify 423 homes. It is sustainable and renewable energy that permits the residents of the small village today to have illuminated roads and the electricity needed to power their local business activities, schools and health care system.
- **Marginal city areas and rural electrification for indigenous communities (Chile)**: the purpose of the initiative is to improve living conditions for more than 200 families that live in the Medialuna camp, located in the municipality of Lampa. Enel Distribución and Fundación Techo have created an alliance that has produced the initial result of constructing a "community centre" that will be powered by renewable energy from photovoltaic panels, provided with air conditioning and efficient lighting systems. This space not only offers a new meeting point and a recreation area, it will also be the ideal place for developing seminars suitable for the entire community: training courses to reinforce working skills and educational activities such as waste management, the installation of recycling points or the creation of a community garden. This project will be extended to residential customers in a vulnerable situation who live in the Enel concession area. The initiatives for improving access to energy for indigenous communities located near the company plants are still continuing. For example, in the rural community of Pehuén di Callaqui, Alto Bío Bío, in the VIII Region of Chile, 52 families have benefited from the installation of electrical systems in their homes. The systems were supplied complete with electrical lines and the relative authorisations, with the installation of material outside and outside the homes, thereby guaranteeing the quality of the service supplied.
- **Project Ecoenel (Brazil)**: the project, which was launched in 2007, allows providing discounts for the electricity bill for all customers who recycle their waste and bring it to specific collection points. In 2019, this project was also extended to the state of San Paolo, as well as the states of Rio de Janeiro, Ceará and Goiás in Brazil. The project also includes specific training on aware and efficient energy consumption ("Enel Shares Efficiency"). Furthermore, visits were also made to customer homes to evaluate the possibility of accessing the social tariff and provide information about efficient energy use. In 2019, the EcoEnel project reached approximately 180,000 direct beneficiaries (vulnerable customers who are facilitated), recycled 59,000 t of waste, created 240 eco collection points and involved 43 municipalities.
- **Fundación Pachacútec (Peru)**: this institute, which is located near the coastal area of Ventanilla, in the province of Callao, promotes professional courses in industrial electric technology for low-income business owners and local youth who want to start their professional development in the electric sector. The participants had the opportunity to work as part of the staff of the e-distribuzione contractors in Peru or to start their own small/medium-sized local business. The courses, which were also carried out by Enel employees on a voluntary basis, helped 90% of the almost 700 beneficiaries of the programme to enter the working world in the electrical sector. A good part of the people finishing the course were women, who had the possibility to start their profession in a sector that normally was considered only for men.

As regards strategic partnerships, the project carried out with **Liter of Light** was completed, which promoted workshops targeted towards the construction and maintenance of small solar generation units that use plastic bottles and other recycled materials. More than 2,500 solar kits were distributed through the workshop in schools in Peru, Chile, Argentina, Romania, South Africa, Brazil and Italy. By means of learning-by-doing, the workshop allowed students to learn about the possibilities deriving from material recycling from the point of view of a circular economy (through the reconversion of kerosene lamps into electric lamps powered by solar energy), and open source lighting technologies. Furthermore, Enel is contributing towards the programme of the Brazilian government ("**Electricity Social Tariff**"), in favour of low-income families, which offers discounts for energy bills up to a reduction of 65% of the normal residential rate.

Fighting energy poverty in developed countries

Although access to energy is guaranteed in developed countries, there are consumers who struggle to pay their energy bills, following the serious global crisis that has affected low-income families in these countries in particular. Even if governments have the primary responsibility of guaranteeing sustainable, safe and economic access to basic energy services, the electric sector can contribute towards promoting sustainable social-economic development.

Enel has always been committed to collaborating with governments to combat energy poverty and promote access to energy for the vulnerable population of developed countries. Enel's commitment to reaching SDG 7 has been amplified in that sense and for 2030 it will involve all the countries in which the Group operates, and not just developing countries such as Africa, Asia and Latin America (see the paragraph "Listening to stakeholders, knowing the territory and measuring created value" in this chapter).

Over the past years, Enel has adopted different forms of support, often through existing government initiatives, in order to reduce the cost of the energy bill for vulnerable customers in developed markets, such as Italy, Spain and Romania (see also the paragraph "Care of vulnerable customers" in the chapter "Infrastructure, eco systems and platforms").

Various campaigns and activities were also organised to provide the population living in vulnerable conditions with advice about responsible energy consumption.

Here are some examples of the projects carried out in Spain:

- **energy volunteer programme**, launched by Endesa and the Endesa Foundation with the purpose to help low-income families by providing them with specific advice about responsible energy consumption by distributing energy efficiency kits and, in some cases, introducing improvements to the electrical systems of the most vulnerable families. In many cases, the programme helped obtain an average reduction in the energy bill of up to 30%. This initiative is managed by volunteers, from Endesa staff, in close collaboration with civil society organisations. In 2018-2019, the programme benefited more than 2,400 families, 772 of them in 2019. The 2020 edition of the project has also been started;
- **training in responsible energy consumption and bill optimisation**, which in 2019 resulted in the organisation of three training sessions held in Tenerife, Fuerteventura and Zaragoza, with the participation of approximately 77 institutions that estimate providing advice to approximately 9,000 people per year who struggle to pay their energy bill;
- **initiative against energy poverty (pilot project ReluCe)**, an innovative management method for the consumption of electricity through a pre-paid system that also permits providing information regarding how to save money by promoting efficiency consumption and the control of family expenses. During 2019, 18 families in Bilbao who participated in the project were able to reduce their electrical expenses by 23%, and almost 70% of these families adapted their consumption based on the proposed recharges. The system sends a warning if a high rate of consumption is detected, notifies if close to reaching the available balance, sends messages to encourage efficient consumption attitudes. Finally if the customer, when reaching the balance, does not make the pre-paid recharge, the power is reduced to a level that permits covering basic needs, therefore avoiding an interruption of the service.

Main projects in progress and resettlement management

102-42 102-43 102-44 103-2 103-3 EU22
DMA EU (former EU 19) DMA EU (former EU 20)

Enel's 2020-2022 Strategic Plan confirms the Group's attention to aspects such as growth of renewables and the development of low-carbon technologies, such as the digitalization of the grids, installation of charging stations, software platforms and public lighting, thereby abandoning investments in coal plants and the construction of large infrastructure projects with a high environmental impact. This strategy helps the Group be more flexible and minimise the impacts on the ecosystem, territory and community. Presence in such a vast geographic 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 order to identify targeted solutions. Each infrastructure project is discussed therefore, with evaluations by the community and involved stakeholders, which could involve criticism or partial acceptance in some cases, especially when related to resettlement activities. In these latter cases, the Group may be exposed to reputational risks, also in relation to their interaction with local suppliers, as well as operational risks related to delays in executing projects or completing them, with possible repercussions on the supply chain. The involvement of the stakeholders in the processes for the planning and development of the infrastructure is of fundamental importance, especially if the construction of a new plant involves the resettlement of a part of the resident population in the surrounding areas. Resettlement management must involve the population and the concerned persons as well as a close evaluation of the psychological and social problems that are possible at an individual and collective level. The approach in selecting potential sites is therefore to minimise as much as possible the need to move the population. This is done by analysing the economic, political, cultural and social-demographic aspects, including an analysis of the daily life of the communities that live in the area of influence, the distribution of the population, the organisational forms, the employment and remuneration levels. In the cases in which resettlement is confirmed, the project is carried out in compliance with applicable international standards, considering possible impacts on the different forms of physical, human, economic, environmental and cultural capital of the concerned populations. Any resettlement projects will be carried out in compliance with the applicable legislation of the involved country, including the local regulations that specify the conditions for resettlement and the methods for calculating the related economic compensation. Enel's sensitivity regarding this issue is also reflected in the Human Rights Policy approved in 2013 by the Board of Directors (see chapter "Sound governance"). A description is provided below of the most significant cases in progress related to plants constructed in the past but that present residual areas of criticality, the positive and/or negative impacts (actual or 'feared') on the territory and the way in which the concerned Group companies are promoting a proactive dialogue to reach solutions that are as widely shared as possible.

Bocamina plant (Chile)

The Bocamina II plant is a 350 MW coal-fired thermoelectric power plant whose construction started in 2007 in the municipality of Coronel, Region of Bío Bío, in Chile. The plant is part of the Bocamina coal-fired thermoelectric power plant, whose first unit, 128 MW, was built in the 60s and put in operation in the 1970. The second unit was built in an area next to the first, with approximately 1,300 families living nearby. When the construction of the second unit started, the initial agreements were signed in the area of the municipality of Coronel with the families of the communities near the plant. At the end of 2019, out of a total of 1,337 families, 1,237 were relocated. The method for relocating families has been completely reviewed and aligned with the main applicable international standards, including standard IFC no. 5 "Land Acquisition and Involuntary Resettlement".
Starting in January 2017, Enel started a detailed analysis pro-

cess in order to identify the suitable actions to implement in order to improve relationships with the local community. This analysis was carried out also with the support of a company with considerable experience in this topic, "Environmental Resources Management" (ERM), and an action plan was prepared based on the results. Community relations were managed based on the criteria of accountability, transparency, measurement and fairness of the solutions, in order to create shared value over the long term. The main actions concerned:

- the identification of structural improvements needed for the homes in the communities of Huertos Familiares and Doña Isidora. In 2018, a technical committee was formed, comprised of representatives of the Company, the community and the CITEC (Universidad del Bío Bío), which focused on identifying the repairs that were necessary for the homes with construction defects. During 2019, the technical problems were identified for all the houses and the repair work was planned, to be started in 2020;
- the creation of a dashboard summarising the impacts on the quality of life of the families due to the construction defects in the homes in which the communities lived starting from 2010, as well as the quantification and liquidation of the relative compensation;
- the relocation of the churches that had not been involved in the resettlement process. To date, 7 churches are being built, and the first was opened at the beginning of 2020;
- the agreement for the reconstruction of the historical school in Coronel, "Rosa Medel", in another location, including financing by Enel Generación of soil study and the cofinancing for the reconstruction of the school;
- the development of the programme "Mi barrio, nuestro barrio" ("My neighbourhood, our neighbourhood") which includes the implementation of requalification projects for new and pre-existing neighbourhoods in the area of plant influence. During 2019, construction was completed for a sports centre in the community of Huertos Familiares as well as eco-construction works of the site in the Cerro Obligado neighbourhood and a recreational area with green spaces and eco-sustainable infrastructures;
- the development of a transparent and fair system for managing community claims and/or requests. This system made it possible to successfully resolve more than 100 cases, thanks to a multifunctional team that includes legal experts as well as resettlement and sustainability consultants, and that guarantees the verifiability, transparency and fairness of the solutions.

During 2019, innovative initiatives were implemented for local economic development, the recovery of public spaces and the development of the human capital of Coronel, including:

- circular economy projects: in the community of Cerro Obligado a training project was started previously for women in eco-construction and eco-furnishing. The project was implemented in collaboration with the Sembra NGO, and as of today has trained four women. Today the so-called ecological carpenters work in their laboratory in Coronel, where they reuse pallets and other materials from various local industries, transforming them into furniture and other types of objects. The workshop also has electrical means of transport to deliver their products. As of today, this company has recycled more than 1,000 pallets coming from local industry and has made more than 700 pieces of furniture;
- participatory art for the recovery of public spaces: by means of a community participatory process, Chile's longest mural was created in Coronel, located outside the perimeter wall of the Bocamina power plant. The project involved more than 70 people, from children of the age of 7 up to 80 year old grandparents;
- Coronel cleaning plan: the plan involves the elimination of the micro-waste landfills and the removal of residual materials from the homes where the transferred families lived previously, avoiding environmental impacts and situations of abandonment and insecurity;
- Casa Abierta Coronel: a place of reference for the entire community, in line with Enel's Open Power vision, where it is possible to speak openly with the Company, receive information, communicate any complaints and evaluate solutions with a group of available experts. The criteria at the basis are transparency, fairness and non-discrimination.

In 2019, Enel Chile signed an agreement with the country's government for the gradual decommissioning of the three coal-fired electric power plants. The first, Tarapacá, was closed in December 2019, whereas the Bocamina 1 and 2 power plants are to be closed respectively in 2023 and 2040. Further information can be found in the Enel Chile and Enel Generación Chile Sustainability Report (www.enelgeneracion.cl).

Alto Bío Bío plants (Ralco, Pangue and Palmucho – Chile)

Enel Generación Chile manages three hydroelectric power plants in the area of Alto Bío Bío (Ralco, Pangue and Palmucho), an area that is characterized by the historical presence of the indigenous Pehuenche populations. In numbers, the Pehuenche population in the area of influence of the plants amounts to approximately 3,000 people, made up of 800 families in 10 communities (Pitril, Callaqui, El Avellano, Aukiñ Wallmapu, Quepuca Ralco, Ralco Lepoy, El Barco, Guayalí, Pewen Mapu and Ayin Mapu).

In February 2017, an important collaboration agreement was signed with 25 families of the Aukiñ Wallmapu community to start local development projects. The agreement resolves the conflict regarding the impacts generated during the construction of the Ralco plant. In March 2017, Enel Generación Chile officially handed over its ancestral cemetery to the community of El Barco. This was made possible thanks to the support of the *Director General de la Corporación Nacional de Desarollo Indigena* (CONADI) of the Bío Bío region, thereby concretely demonstrating the commitment the Company made with the community following the construction of the Pangue power plant. In June 2017, Enel Generación Chile also signed two agreements with the El Avellano and Quepuca Ralco communities.

Social-economic development

Following a request made mainly by the El Avellano community, a community project was created in 2018 for the collection, transformation and sale of hazelnuts. In 2019, the production department was inaugurated, which made it possible for the community to transform its autochthonous hazelnuts into subproducts to supply to the market, thereby expanding sales to other customers. The project is promoted by Enel Generación Chile, together with the University of Concepción, the community of El Avellano, the municipality of Alto Bío Bío and the Pehuén foundation. It made it possible to transform a traditional activity into a micro-entrepreneurial activity for the community, while also preserving the natural hazelnut forest. In consideration of the touristic and recreational potential of the areas near the plants, and in order to promote the social-economic development of the local communities, specific projects promoting sustainable

tourism were started. In particular, one was started for the area adjacent to the El Barco Laguna, where local business people currently offer camping, tour and gastronomy services. More than 6,000 tourists visit the area every season, representing an important potential for this initiative. The collaboration between Enel and the community was carried out mainly in order to improve the health situation of the area, install new toilet facilities and drains for the treatment of the waste water. A project is being developed in Los Chaicanes to promote potato cultivation. The initiative, which initially aimed to sell the tuber locally to be eaten fresh, led to the production of seed potatoes and the recognition of the project by the agricultural and zootechnical service (Servicio Agrícola y Ganadero - SAG) as one of the 17 producers authorised to sell seed potatoes in the 32 communities of the region of La Araucanía.

As concerns the direct support of local families and students, Enel assigns scholarships to finance school fees, the accommodations for young people in the cities where the schools are located and other school materials. This initiative has involved more than 700 students.

Shared and sustainable water management

The Chilean Ministry of Public Works and Enel Generación Chile have signed an agreement, which was subsequently ratified also with the local associations that manage the irrigation channels in the area of Saltos del Laja, in the Bío Bío region. The objective of the agreement is to improve the flexibility of use of the water, ensuring the supply to families and the power generation. The initiative is the result of a

joint effort with the associations Canalistas del Laja and Canalistas del Canal Zañartu, Dirección de Obras Hidráulicas, Dirección General de Aguas, Enel Generación Chile, Ministerio de Agricultura, Ministerio de Energía and Comisión Nacional de Riego. There is also an agreement with the municipality of Antuco in order to start a pilot project to promote tourism in the area of Salto del Trubunleo during summer. In order to manage possible contingent or emergency situations in a quick and coordinated manner, a specific communication system was defined between the power plants of Pangue and Ralco of Enel Generación Chile, the Angostura di Colbún power station, the municipalities of Alto Bío Bío, Quilaco and Santa Bárbara, the Ministry of the Interior and Public Security (ONEMI) and the Ministry of Energy. For further information, please refer to Enel Chile and Enel Generación Chile Sustainability Reports (www.enelgeneracion.cl).

Just a bit more south, in the region of Los Lagos, in the Mapuche community of Mapu Pilmaiquén, a project was started to return approximately 6 hectares of indigenous land near the Pilmaiquén hydroelectric power station. Today, the community manages this territory with a sustainable tourism project, opening the area's ecosystem to visitors, which is explained according to the Mapuche cosmovision of conservation of the equilibrium of natural resources. This areas, which is called Parque La Isla, welcomes approximately 6,000 tourists every year, which brings economic benefits to the community. A large amount of their profits are invested in park conservation. Thanks to the training of local artisans and the growing flow of visitors, an increasing number of people can benefit from this project by selling their products. To guarantee the presence of the beautiful waterfalls, Enel Generación Chile releases the water from its hydroelectric operation to the benefit of local tourism.

In the region of Maule, where Enel Generación Chile shares the available water in the hydroelectric basins with the agricultural sector, a project was started already in 2015 for the optimisation of the agricultural irrigation process, in collaboration with CITRA (Center for Irrigation and Agroclimatology Research) of the University of Talca. Thanks to the adopted techniques, it is possible to reduce water use by more than 40%. More than 700 farmers were trained in sustainable irrigation techniques and experimental fields were started with the local agricultural school to train the new generations.

El Quimbo plant (Colombia)

El Quimbo is the most imposing civil engineering project realised by the Enel Group over the past years and represents one of the greatest hydroelectric investments in South America. The power plant has an installed capacity of more than 400 MW and is located in the region of Huila, south-west of Bogotá. With a shared and participatory approach, starting from December 2014, a multi-year plan of social-environmental projects was defined in favour of the local population, and in particular families living in or owning property in the area of project influence, as well as those who work or have business activities and services in this area. The families that were surveyed and who meet the requirements were given the possibility to decide between relocation (collective/individual) and the sale of their land. Of the 152 families who decided for relocation, 40 selected individual relocation, receiving land for their productive and residential project. The remaining 112 families opted for relocation in the collective settlements (Montea, Santiago y Palacio, Llano de la Virgen, San José de Belén), with new homes provided with essential services and inserted within an urban context with schools, churches, multi-purpose sports facilities, a football field, green areas, a waste recycling centre and waste water treatment plants. Each family also received 5 hectares of land with an irrigation system in order to develop their own productive activity (crops or mini ranches).

Social-cultural management

In 2019, within the scope of the policy of creating shared value with the community of the collective resettlement of San José de Belén de le Veredas, La Galda and Yaguilga, of the municipality of El Agrado, in the Department of Huila, 20 wells for the irrigation of the crops were constructed and placed in operation[4]. Meetings continued and were intensified between the elderly, children and young people of the resettled communities, to promote the transmission of the historical memory of the area and intergenerational exchange. Two training courses were held for the community leaders, together with seven support activities for the main-

4 Even if in 2018 an agreement was reached with the communities for the construction of 23 wells, at the end of 2018 an agreement was signed for the construction of 21 wells, and, in 2019, 20 were built, as 3 families decided to withdraw from the project.

tenance of the common areas and more than 40 activities to reinforce integration between the resettled communities and the communities welcoming them. Finally, approximately 400 psychological support activities were carried out for all the resettled families and 18 training courses focused on channels for managing marketing and accounting for supporting the agricultural production plans (PPA).

Local economic development

During 2019, projects were continued and new ones were started in favour of the community, in collaboration with important bodies and associations. In particular:

- with the National Training Service - SENA (Servicio Nacional de Aprendizaje) training activities were carried out for the communities of Garzón and Nueva Escalereta;
- with the Public Administration High School - ESAP (Escuela Superior de Administración Publica) a seminar was organised for sustainable projects for community leaders in the municipality of Gigante, with the participation of 29 leaders and officials of the public administration;
- with the Sirolli institute, through the application of a specific professional orientation methodology and customised support based on product analysis, marketing and financial management it was possible to start 23 companies in the region. This contributed towards economic growth and the generation of 49 jobs with permanent contracts and 24 jobs with fixed-period contracts.
- with the Rural development agency - ADR legal and tax advice was provided to the ASOFUNDADORES and ASOPESCADA associations for the qualification process for access to a special tax system, and the ASOSANJOSE association, for the creation of a non-profit entity for the irrigation district.

In 2019, the cooperation agreement stipulated with Casa Luker, the Unites States Agency for International Development - USAID, Eafit University and the Saldarriaga Concha foundation was started for promoting the seeding of 700 hectares of cocoa, initially in six communes of Huila: El Agrado, Garzón, Gigante, El Pital, Campoalegre and Rivera, thereby promoting an improvement in the living conditions of the producers and generating inclusive rural development. As part of the "Obras por Impuestos", mechanism, furniture was provided to 70 educational sites in the communes of Tello and Baraya in order to improve the educational quality standards in these areas that are historically affected by the armed conflict in Colombia.

Environmental management

The educational and support projects continued for the management and rational use of natural resources and environmental protection in the communities in the area of direct and indirect influence, including the educational institutions of the six communes in the area. In particular, in 2019 the following was carried out: 134 initiatives for reinforcing environmental education in educational institutes; 149 activities for environmental promotion with social actors of six com-

munes (more than 1,000 participants), 11 training courses for the communities, 508 visits for promoting good environmental practices with the resettled families; eight ecological groups, 49 actions focused on sustainable tourism together with the local administration and the community organisations.

In general, Enel is adopting all the measures necessary for preventing and managing the environmental impact associated with the project, including:

- a plan for managing wild fauna, with the recovery of approximately 40 thousand animals during 2015-2019;
- a programme for managing fishing, which identified 25 species of fish, with a total capture of approximately 239,000 kg with more than 413,000 fish;
- a plan for the recovery of the habitat of the wild fauna, through the replanting of approximately 31,000 plants and the installation of various structures for the protection of the fauna. Furthermore, the activities of the research centre established by Emgesa continued;
- an ecological restoration programme for the protection and development of native species in the tropical dry forests through a quality analysis of the fruits, seeds and percentage of germination.

Communication channels and legal proceedings

Specific communication channels were defined to provide information and respond to all the questions from the community regarding the project (dedicated web page, social channels, newsletter, etc.). In 2019, approximately 1,000 complaints were received through the community relations offices regarding the services and commitments included in the Environmental License, to which prompt responses were given. In 2019, 177 accompaniment and consultancy visits were carried out in the four resettlements. Additional initiatives and information about the projects are available in the Emgesa Sustainability Report 2019 (https://www.enel.com.co/es/medio-ambiente-desarrollo-sostenible.html) and on the website dedicated to the project (https://www.enel.com.co/es/conoce-enel/enel-emgesa/el-quimbo.html).

Other projects

850 MW EGP-Nareva consortium wind power program

In March 2016, a consortium of three companies, Enel Green Power, Siemens Wind Power and the Moroccan power company Nareva, was awarded the project for the development, construction and management of five wind plants in the communes of Midelt, Tanger, Jbel Lahdid, Boujdour and Tiskrad with a total installed capacity of 850 MW. Their construction will require a total investment of approximately 1 billion euros.

In preparation of the tender process described above, Enel Green Power carried out a preliminary analysis of the social, economic and environmental context (SEECA) with the help of external specialists in the areas where it planned to build the plants. The SEECA identified the relevant social-economic issues and the specific needs of the local communities

that include: develop of infrastructures, development of education, health care, development of services, poverty, social services, land ownership and protection of cultural heritage.
Furthermore, an Environmental Social Impact Assessment (ESIA) was carried out in compliance with the standards of the International Finance Corporation (IFC) and with the guidelines of the European Bank, for investments in the Midelt project, which is being carried out for the Boujdour project and will be developed for the remaining projects.
ONEE (Office National de l'Electricité et de l'Eau Potable) carried out a process of consultation with various stakeholders, with the involvement of the Enel Green Power-Nareva consortium in Midelt, Boujdour and Jbel Lahdid. At the end of each consultation, a question and answer session was held. The process of analysing the project impacts and benefits will guide the definition and adopting of the Sustainability Plan for each project.
Enel Green Power operates in full compliance with the laws applicable to the investment in question. This investment does not involve extraction activities, and the use of local renewable resources will support the social, economic and environmental development of the various areas involved. The investment also complies with the principles adopted by the international community concerning environmental protection and the reduction of emissions from coal. In all of the areas involved in the projects, the consortium will carry out a second SEECA, also to identify any updates to the analyses that were carried out previously. The actions and projects identified by the analyses will be developed when the plant is in operation. However, starting from the project development phase, the consortium will also implement sustainability activities to mitigate the environmental impacts, in particular as concerns water, emissions and waste, by creating a sustainable construction site. The impacts on local social and employment aspects will also be managed through the requirements of technical specifications during every tender phase prior to the construction of the plant, and will be monitored as a result.
For the Midelt plant, the financial close took place on November 5, 2018, and the construction phase started in December 2018 and will end in November 2020. The Midelt construction site has been constructed according to the model of a sustainable construction site. It is creating positive impacts on local communities in terms of employment and the training/transfer of skills: 300 workers, selected from local communities, were trained and employed by contractors and active local SMBs, for example in the transport, hotel, restaurant and cleaning sectors.

Furthermore, the environmental impacts were measured and therefore mitigated by adopting virtuous solutions and actions regarding emissions, water consumption and waste. The main solutions that were implemented are indicated below:

- CO_2 emissions: photovoltaic mini-grid to power the base camp and auxiliary services; generation of photovoltaic energy integrated with batteries used to power the turbine monitoring phase, autonomous photovoltaic modules to power prefabricated buildings/containers at the base camp; street lights powered by photovoltaic plants;
- the use of water, encouraging recycling: the construction of small dams for rain water and water collection systems with tanks on trucks; the reuse of rain water for the production of concrete, while avoiding pollution due to dust; restoration of the drilling well used by the community and installation of a pumping system via a photovoltaic system; installation of the water treatment system;
- use of materials and recycling: crushing and reuse of 100% of the excavation materials originating from works during construction to improve the conditions of the roads and hillsides, and to create new access roads and bridges used also by the community; recycling of waste water using a septic tank; recycling waste deriving from liquid oil, recycling of the utilised wood pallets to create signs at the site.

Further actions will be implemented during the construction phase in Midelt during 2020, and a second SEECA was already started at the site in order to update the issues that emerged during the first analysis and develop specific sustainability projects during the O&M (Operation and Maintenance) phase.
As regards the Boujdour project, the consortium has started the preliminary activities in view of the construction that will start during the second half of 2020. The sustainability actions applied to Midelt will be replicated also at Boujdour, including the actions for supporting the creation of jobs for the local community and the use of local SMBs.

Value for the countries and local areas

103-2 103-3 203-1

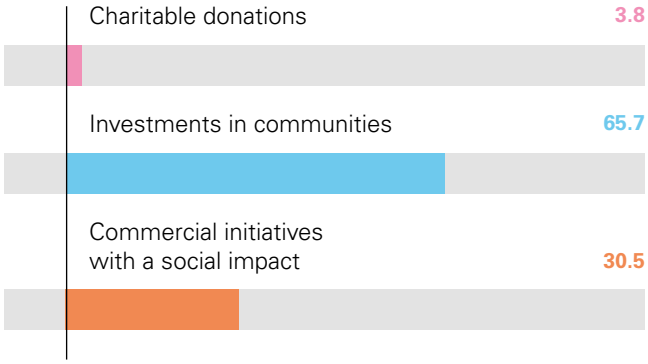
Enel contributes concretely to the development and social and economic growth of the areas and communities where it operates with different types of interventions, ranging from the expansion of the infrastructures to education and training programs, from initiatives targeted towards social inclusion initiatives to projects that support the local cultural life. The LBG (London Benchmarking Group) method, defined by a work group in which more than 100 international companies participate, identifies a measurement model that makes it possible to clearly determine and classify the Company's contribution towards the development of the communities where it is present.

In particular, according to the LBG standard, the expense for the contributions to the communities can be divided as follows:

- donations: *pro bono* contributions and without obligations for the beneficiaries, except that they have to use the donation for charitable purposes and for non-profit associations. For Enel, this item includes all the monetary and "in kind" charitable donations, including those for philanthropic and solidarity activities;
- investments in the community: medium-long term involvement in community support projects, also in partnership with local organisations, targeted towards facing significant problems both for the local area as well as for the Company. This category includes, for example, projects related to a wider strategy to the benefit of the community, such as "Access to electricity", or specific initiatives dedicated to the communities near the power plants;
- commercial initiatives with a social impact: contributes to activities connected to the core business, in which the Company promotes its own brand and its own corporate identity. Examples of these initiatives are the marketing campaigns that also provide benefits for the community, or that include contributions for charitable purposes.

In 2019, Enel contributed **more than 122**[5] **million euros** to the communities in which it operates.

Initiatives in favour of communities by type 2019 (%)



5 This amount relates to:
> Cash contributions - approximately 112 million euros;
> Time: employee volunteering during paid working hours - approximately 3 million euros;
> In-kind giving: product or services donations, projects/partnerships or similar - approximately 1 million euros;
> Management overheads - approximately 6 million euros.

Enel Cuore Onlus (non-profit organisation)

Enel Cuore Onlus was founded in 2003 due to Enel's desire to express its commitment to social solidarity on a more transparent manner. It supports initiatives promoted by non profit organisations that address the wellbeing of the individual and the family, in particular in the communities where Enel is present.

During 2019, the Group confirmed its orientation towards multi-year projects with a large impact and dimension for the community regarding specific current issues. Spaces for learning, growth, study and work were created for children and youth, to help them become independent. As regards the topic of educational inequality, projects were promoted to offer young people living in socially-economically disadvantaged situations the same educational and cultural opportunities as those who instead have all the economic and social means that are necessary. Finally, specific interventions were carried out in favour of children in health structures, promoting their accommodation and the assistance of patients and families through parental support projects as well as through the donation of state-of-the-art equipment. The main projects targeted towards children, adolescents and the future generations are described below:

- **Base Camp for Future Education**, an experimental, two-year project that offers educational opportunities to adolescents with economic difficulties in the peripheral areas of Rome, Naples and Palermo, through the creation of three educational "Base Camp" centres, that is learning environments where a team of carefully selected and trained teachers, educators and psychologists work to help teenagers between the ages of 13 and 16, following them in their studies through an empathetic and stimulating approach to help them with their school education. There is also a calendar of high-quality cultural and artistic events targeted towards the students and the community in the territory where the Base Camp is active, in order to provide further simulation to people who would otherwise find it difficult to access this type of offer;
- **Fenix project**, a rehabilitation process that promotes the reinsertion of minors who committed crimes for which the judge ordered the suspension of the sentence with so-called "probation", an alternative measure to detention, which involves a process of self-assessment and growth for the development of soft skills and technical-professional training in a digital field, in line with the current job market demand. The initiatives involved 20 teenagers who committed crimes in Rome. At the end of the 250 hours of training, 10 of the minors will start internships at a company and social-economic reintegration processes;
- **Miglior inizio (A better start)**, a pilot project developed on a national level to support infancy and new parents during the most delicate phase of their child's life. This project includes material (such as a contribution towards food or daycare expenses) as well as psych-social support actions, with the aim of strengthening the skills of parents during the perinatal period. A social network has been created in support of the project that, by integrating accredited bodies and services, will make the initiative sustainable over time. The project involves five large cities;
- **Nuovo e Grande Buzzi (New and large Buzzi)**, a project that involves the construction of a new 7-storey pavilion connected to the Buzzi paediatric hospital in Milan, dedicated to emergencies and high intensity care. The new pavilion will house the emergency room, the day hospital, operating rooms, the intensive and sub-intensive paediatric care unit and neonatal pathology. Enel Cuore has decided to support the Buzzi Foundation by donating a new 3 Tesla whole-body magnetic resonance machine, contributing towards the creation of Italy's first "x-ray free" paediatric hospital.

For more information please refer to www.enelcuore.it/en.html.

Innovation and digitalization (1/2)

Plan 2019 > 2021 Innovation and digitalization

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
9 11	Coverage of web applications posted on the internet with advanced cyber security application solutions	100%	100%	T Cyber security
9 11	Disseminating the IT security culture and changing people's behaviour in order to reduce risks	15 cyber security knowledge sharing events held each year	16 events delivered	T Cyber security
9 11	Information security verification activities (Ethical Hacking, Vulnerability Assessment, etc.)	350 verification activities per year	More than 800 verification actions carried out	T Cyber security

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Innovation and digitalization

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
9 11	Coverage of web applications posted on the internet with advanced cyber security application solutions	100%	T Cyber security
9 11	Disseminating the IT security culture and changing people's behaviour in order to reduce risks	15 cyber security knowledge sharing events held each year	T Cyber security
9 11	Information security verification activities (Ethical Hacking, Vulnerability Assessment, etc.)	500 verification activities per year	T Cyber security

Innovation and digitalization (2/2)

Plan 2019 > 2021 Innovation and digitalization

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
12	Activities to reduce CO_2 emissions	-16 mil pages printed (2019-2021)	-21 mil pages printed[1]	T Technologies and digitalization S Social inclusion
		Dissemination of teleprecence telepresence video communication systems through a centralised platform	> Roll-out of the new videocommunication platform > ~244 thousand meetings held in videocommunication mode	
		Activities to reduce PC, laptop and monitor downtime	> ~32 mil hours of disuse in downtime[2]; > "Energy Saving" course launched on e-Ducation platform	
9 17	Promoting global partnerships and supporting high-potential startups	Opening of a new Innovation Hub in 2019	1 new Innovation Hub[3]	G Partnerships I Industrial growth T Technologies and digitalization S Social inclusion
		Development in the business of 60 projects with startups	> 83 Partnerships > +80 projects launched in the year with startups[4]	

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Innovation and digitalization

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
12	Activities to reduce CO_2 emissions	-10 mil pages printed	T Technologies and digitalization S Social inclusion
		Extension of the use of videocommunication systems	
		Reduction of CO_2 produced for optimisation of PCs, laptops and monitors in Italy	
9 17	Promoting global partnerships and supporting high-potential startups	Projects launched in the three-year period with startups: approximately 200	G Partnerships I Industrial growth T Technologies and digitalization S Social inclusion
		Adoption within the business of 30 solutions developed with startups	
		75 bootcamps to identify startups with which to collaborate	

1 Compared to 2018.
2 Reduction of the hours of disuse was made possible by promoting the use of portable PCs and rolling out devices offering superior energy performance.
3 From 2015 to 2019, overall Enel has developed 10 Innovation Hubs and 5 Innovation Labs dedicated to startups.
4 Refers to individual collaborations implemented by means of startups.

DMA EU (former EU8)

LINK **Sustainability Report**
At a Glance
Performance indicators

LINK **Annual Report**

Innovation and digitalization

3
Innovation Hubs&Labs opened in Italy in Catania, Pisa and Milan

7
Innovation Hubs opened worldwide in Silicon Valley, Boston, Tel Aviv, Madrid, Moscow, Santiago, Rio de Janeiro

2,500
startups with which Enel came into contact

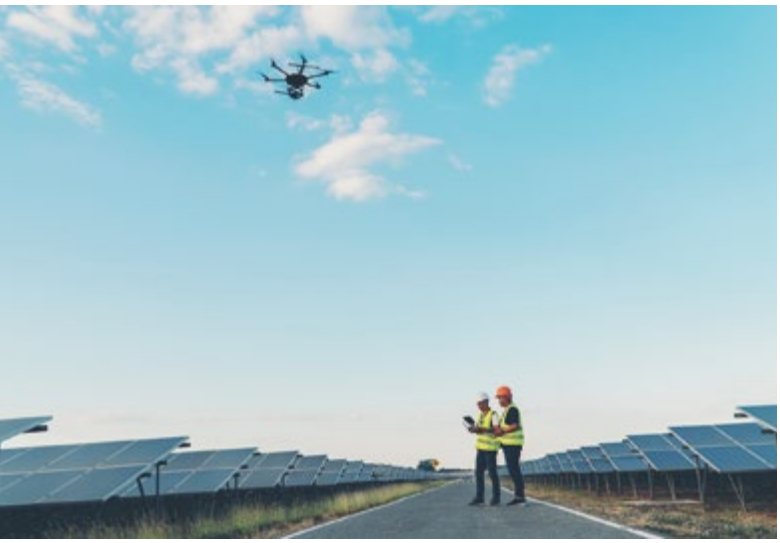
25
innovation and sustainability challenges launched by Enel

Innovation and digitalization are key factors of Enel's strategy of growth in a fast changing scenario, guaranteeing high standards of security, business continuity and operating efficiency. They involve the traditional business and the development of new technologies, both internally and externally to the Company, assuring solutions offering long-term sustainability.

The Open Innovability ecosystem

Enel operates by means of an Open Innovability model in which the solutions, apart from being innovative, guarantee long-term sustainability both for the business and for communities, creating shared and shareable value. An ecosystem based on openness and sharing that makes it possible to connect all company areas with startups, industrial partners, small and medium-sized enterprises, research centres, universities and solver ecosystems, by means of various tools such as crowdsourcing platforms (openinnovability.com) and the Innovation Hubs network. To date, there are **83 innovation partnership agreements** in place, of which **6 new agreements** both global and horizontal within the Group signed in 2019, in addition to the relaunch of existing collaborations to facilitate access to credit by the startups and small and medium-sized enterprises operating in the Enel ecosystem. The partnerships make it possible to develop new solutions for electric mobility, microgrids, energy efficiency, the industrial IoT, and circular economy solutions, in addition to traditional areas of action such as renewables and conventional generation. Furthermore, a process of collaboration with the aerospace sector was launched in 2019, focused on the use of satellite technology for surveillance of power grids to prevent network losses and energy theft, and to promote cyber security.

Over the past year Enel has opened **1 new Hub** in Boston, consolidating its presence in the world's leading innovation ecosystems with **10 Innovation Hubs** (Silicon Valley, Boston, Tel Aviv, Madrid, Moscow, Santiago, Rio de Janeiro, Milan, Pisa and Catania) **and 5 Innovation Labs** (Milan, Pisa Catania, Haifa and São Paulo). The



Group also further extended its areas of collaboration with startups, providing access to all 20 of the Group's laboratories specialising in the main areas of technological development, including smart grids, renewables, and digitalization, with the aim of promoting direct liaisons between Business Lines and startups. Thanks to its capillary presence in innovation ecosystems and the organisation of more than **25 bootcamps** – scouting initiatives dedicated to specific technologies of interest to the Group, in 2019 Enel established contact with some **2,500 startups** and launched more than **60 new collaborations**. Projects started in 2019 include collaboration with a Catania-based startup engaged in building an automated platform for the remote control of photovoltaic plants. In addition, a network of partners has been created to help startups and small and medium-sized enterprises working with the Group to grow, gaining access to capital and industrialising their solutions to streamline wide-sale dissemination.

In conformity with statutory legislation and Enel's compliance programs, innovation activities are managed by the Innovability (Innovation and Sustainability) Function in liaison with the Holding Functions and Business Lines in all the Group's operating countries. Dedicated facilities on the Business Lines level have been set up to facilitate the development and dissemination of innovative solutions. A three-year innovation plan is drafted annually, in line with and supporting the Group's strategic priorities. The plan is subject to approval of the Group Innovation Committee, which is chaired by the Chief Executive Officer, and shared with top management. The **innovation priorities** for the period **2020-2022** are connected to the Group's strategic pillars and achievement of the Sustainable Development Goals, and they concern: digitalization of customer relations (apps for customers, chatbots on social networks, virtual assistants), digital payments and digital extended payment plans ("Everywhere commerce"), "Voice of customer" for continual improvement, circular economy and bill discounts, inclusive offers for senior, disadvantaged, low income, and vulnerable customers, alongside a paperless system and innovative and inclusive digital services, responsible consumption, and flexible offers thanks to the use of the new Open Meters. The innovation process is monitored through the use of specific indicators.

Digital portal: openinnovability.com

The "openinnovability.com" online crowdsourcing platform is a digital meeting place where the dialogue is always open and the ideas limitless. The five steps that make up the crowdsourcing process consist in identifying a need, issuing a challenge, sharing it with the outside world, assessing proposals received and finally, rewarding the best, also economically. The initiatives are inspired by the UN Sustainable Development Goals and oriented towards facilitating access to energy by promoting new technologies and seeking innovative and sustainable solutions to unresolved problems. The community created is composed of some 400 thousand solvers and has allowed Enel to establish a global presence, with more than 100 countries having actively participated in the challenges. In 2019, Enel launched **25 innovation and sustainability challenges**, of which 10 cross-posted also on partner platforms, 4 dedicated exclusively to people working within the Company and 9 that offered the winners the opportunity of working with the Group. A total of **73 challenges** have been issued since the platform was established. Among the challenges launched in 2019, we draw your attention to "**Mass customization & inclusion**", aimed at collecting innovative ideas and proposals for customized products and services in relation to diversity and inclusion issues, in which the winning proposal was the "e-domorent" project for sustainable use of home appliances. A challenge was also launched to identify **chemical free solutions** for cooling circuits treatment, with the aim of eliminating or reducing the use of chemical products.

The culture of Innovability

In 2019 Enel opened a **new Idea Hub** in Peru, thus strengthening the promotion and development of a culture of innovation and entrepreneurship within the Company, with 6 Idea Hubs already present in Chile, Colombia, Brazil, Italy, Iberia and Romania. 2019 saw the continuation of the "**Innovation Academy**" training project launched in 2017 in order to provide Enel people with skills and know-how on innovative working methods and provide soft skills training. The thematic areas addressed were creativity, development of ideas, collaboration, emotional intelligence, customer focus and listening in order to drive change starting from individuals. In 2019 the Academy operated in Italy, Spain, Chile, Colombia and Brazil with part of the courses delivered by internal tutors and with the participation of the Idea Hubs and Innovation Ambassadors. The **Innovation Ambassadors** project, launched in 2018, has been expanded and upgraded by bringing in **more than 200 Enel people** from various Functions and company areas in Italy, Brazil, Chile and Colombia, in order to make innovation an integral part of daily activities by means of specific working methods. Ongoing initiatives also include the "**MAKE IT HAPPEN!**" entrepreneurship programme, created to allow Enel business people to emerge, with the opportunity to propose and develop new business models or internal improvement projects able to create value for the Company. **110 project proposals** were submitted in 2019, of which 62 in the planning phase, one in the acceleration phase, and two in the implementation phase, with the involvement of more than 300 people in 11 countries.

Innovation communities

Energy storage, blockchains, drones, augmented and virtual reality, 3D printing, artificial intelligence, wearables, robotics and green hydrogen are just some of the technologies addressed by the innovation communities, which involve various areas and skills within the Company.

- **Drones** – The use of drones continued also in 2019 in activities of asset monitoring and maintenance, inspecting solar energy fields, wind farms, hydroelectric dams and reservoirs, closed components in traditional plants and electricity distribution networks with the aim of boosting the efficiency of operating, maintenance and functional processes and, especially, reducing workers risk exposure. The community also works actively alongside the Italian regulatory bodies to support the development of civil aviation regulations applicable to drones.
- **Augmented reality devices and wearables** – Enel is active in collaboration and trials for spectacles and devices to assist with various work activities, and innovative methods for virtual meetings and new forms of remote collaboration. Wearables are mainly applied for worker safety, such as sensors to check correct use of personal protective equipment, to track personnel on job sites to avoid interference, and devices to help people carry out their work in "hands free" mode, without having to interact with potential sources of distraction including smartphones and paper documentation. The latest applications include safety jackets and thermal clothing, and applications are currently being studied for tracking stress and health indicators.
- **Robotics** – Robotic systems are equipped with innovative sensors and enormous capacity for data management, processing and transmission, thus becoming ever more versatile and reliable. Enel is extending the adoption of **Exoskeleton technology** to reduce the muscular effort required for heavy work, and Remotely Operated Vehicles (ROV) used for inspection and maintenance of plants (solar and hydroelectric).
- **Artificial intelligence** – The community includes various data scientists, is the most numerous, and covers a vast range of applications on safety processes, video analysis, machine learning and deep learning for classification, fault detection, predictive maintenance and virtual assistants. Enel is applying more than 40 digitalization and artificial intelligence technologies to manage South American electricity networks for the first time. The initiative includes the development of a 3D replica of the **Vila Olímpia electricity grid**, plus installation of around 4,900 sensors to collect network performance data. **Network Digital Twin® technologies**, which include more than **170 initiatives and new collaborations** and 24 partners, will allow remote access in real time, improving operation of the Enel network and hence the service quality supplied to customers in the region.
- **Additive manufacturing by means of 3D printing** – Additive manufacturing of mechanical components can benefit from the new **Direct Energy Machines Additive printer**, which was installed this year in the Santa Bárbara facility. Together with laser scanners and materials testing laboratories, the 3D printer allows Enel

to repair valuable components subject to wear (turbine blades, burner components) and redesign and make innovative components with complex geometries and in special materials.

- **Energy Storage** – The use of storage systems produces an improvement in levels of reliability and an increase in network quality indicators. Together with traditional generation, energy storage guarantees balancing of the network and stability of system loads on a country-wide level. The use of batteries is of critical importance in supporting microgrids, especially for the network service on minor islands.
- **Green hydrogen** – A community was set up in 2019 to study applications linked to the production of hydrogen by means of electrolysis processes powered by electricity from renewable sources.

Intellectual property: innovation driver

Intellectual property is the essential driver of innovation and Enel has launched a specific project for its measurement and assessment, also in order to share the impacts and generate value among the various stakeholders.

For this purpose, in liaison with a research group guided by Roma Tre University and composed of researchers from several academic institutions, the project involves the various Business Lines and is aimed at identifying and organising intellectual property, construed as the portfolio of intangible assets created by human ingenuity (such as patents or software). A digital platform for monitoring and evaluation has also been launched, making it possible to map the patents held by the Group for the first time and to do the groundwork needed to gain insights and perform actions of a strategic and organisational nature in the future.

At the end of 2019, the Group held a total of 826 patents for industrial inventions, subject to specific normative protection, mainly concerning the Global Infrastructure & Networks (506 patents), Enel X (188 patents) and Global Power Generation (132 patents) Business Lines. 83% of the patents have already completed the registration procedure, while the remaining 17% is awaiting the result of the patent office examination phase. On a geographical basis, the patents owned by the Group are distributed across 57 different countries, mainly in Italy (652), then in the US (137), Brazil (19), Spain (9) and Colombia (9).

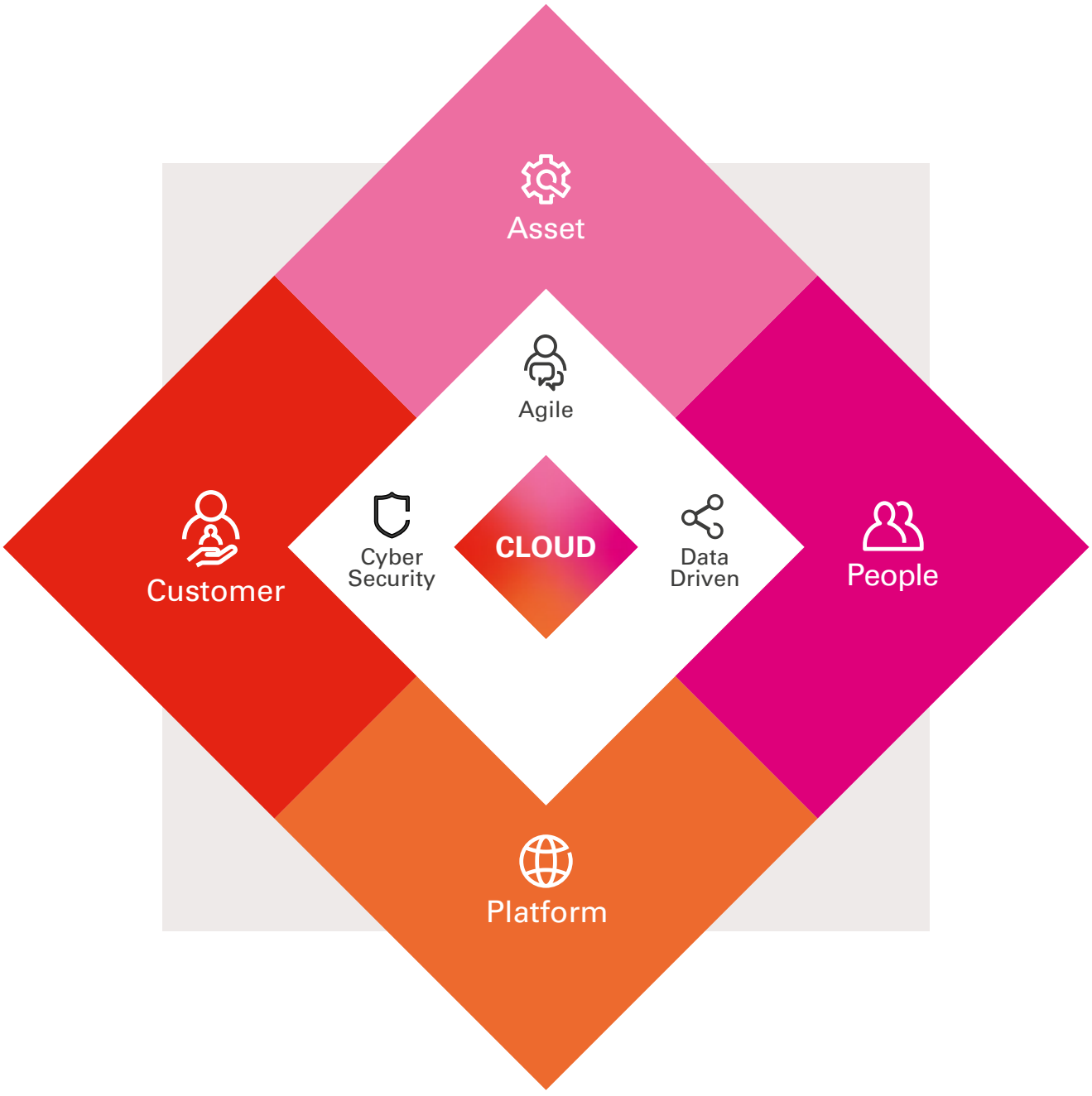
In the framework of the Global Infrastructure & Networks Business Line, the patents portfolio is mainly related to smart metering systems and other technologies, resulting from a multi-annual activity of research and development aimed primarily at extending the functions and information accessible to customers, at simplifying the remote management of devices, optimising processes of communication with the central systems, and preventing any tamper attempts.

The most significant patents of the Enel X Business Line include smart charging technologies for charging points that take into consideration system requirements, customer behaviour, and environmental factors (patent granted in the US) and optimisation mechanisms for B2B customer energy systems which, through the management of electricity consumption, help to identify the ideal balance point between economic sustainability and system efficiency (patent granted in the US and pending in Canada, Australia and South Korea).

The Global Power Generation Business Line has developed patents related in particular to decarbonization of the energy mix and digitalization. Patents of special significance include, for example: patent for hydroelectric plant application that allows hydraulic turbine performance optimisation (patent granted in Italy and Spain and pending in Brazil), patent for thermoelectric plants that makes it possible to detect the buckets closed condition automatically, thus increasing the efficiency and safety of solids loading and unloading processes (patent granted in Italy and pending in France and Germany), and, for photovoltaic plants, a patent for improved efficiency of solar cells (patent granted in Italy, with procedures currently under way for extension to France, Germany and Spain and, beyond the EU, to the US, Japan and China).

The digital transformation

Transformation of the energy sector is leading to the development of new sustainable business models, thanks also to the growing digitalization of services and infrastructure. Specifically, data management plays a key role in supporting the decisional process with the development and application of advanced analytics to engender new synergies. Robotics, artificial intelligence, cyber security, Big Data and cloud computing are among the key elements in which Enel is investing, thus confirming that digitalization is among the core focuses of the 2020-2022 Strategic Plan aimed at supporting business development. In this context, the digital strategy is being oriented towards maximizing margins and reducing operating costs to facilitate the energy transition process. The Group is committed to protecting its critical infrastruc-



ture, to disseminating a culture of cyber security in line with **SDGs 9** and **11**, to virtualization of the asset management operating activities, and to promoting the use of videocommunication systems, in accordance with **SDG 12**.

Digital transformation in Enel is guided by the "**Global Digital Solutions**" unit which, working together with all the Holding's Business Lines and Functions, guides strategic choices, defines the paths of development and guarantees their implementation. The Enel operating models call for an agile working approach to anticipate market demand, with constant attention paid to the satisfaction of internal and external customers, to guarantee innovation and flexibility and the Company's ability to adapt and react to change rapidly. The "Global Customer Digital Hub" was created in 2019 starting from customer-focused activities managed by Country/regional units, in order to maximize the digital impact and promote synergies generated by the integration of the competences of the IT platforms and teams from different countries. This has guaranteed consistency and uniformity among projects and initiatives in different countries, efficiency of costs through centralised sourcing, and faster time-to-market. In addition, the "Enel X Digital Hub" Function has been reorganised, with the introduction of a Digital Factory for each Product Line to manage design, development and adoption of the associated digital solutions.

To support the business over the next three years specific investments are planned to develop the platform business model, which will primarily involve the three company areas of Global Infrastructure and Networks, Retail, and Enel X. For Infrastructure and Networks the global platform will make it possible to standardise operations and maintenance, customer management processes, and allocation of resources and systems. For Retail, a global platform will be constructed to allow standardisation of processes and the back-end and front-end systems, such as the development of global products, thus constructing the operating model around products and services rather than around local markets. Finally, Enel X is a business platform by design model, in which innovative products and services are developed and supplied to customers all over the world. This constitutes an enormous opportunity to create new markets.

Machine learning

Machine learning – Digitalization and development of innovative tools based on **machine learning** technologies will make it possible to carry out **predictive analysis** for maintenance of electricity distribution and generation plant components, identifying faults early and taking action before the occurrence of breakdowns of major components, which would reduce the availability of the plants concerned. Reducing the risk of malfunctions has a significant impact not only in economic terms, but also in relation to the environment and personal safety. Enel is adopting digital technology such as **Big Data, machine learning and automation** on its power network in order to develop intelligent infrastructure that reduces power outages and energy losses and manages distributed generation assets proactively. Enel has leveraged machine learning solutions to boost plant efficiency in terms of heat rate and combustion optimisation. Enel is investing in digital assets in the burgeoning renewable generation sector both for Engineering & Construction and for Operations & Maintenance, reducing the time-to-market of new plants (and hence anticipating the benefits of CO_2-free generation) and increasing their generation output. For example, artificial intelligence is used to predict the power generated and optimise maintenance programmes. Another aspect worth considering is that the effects of digitalization on the end use of energy are doubled. Smart meters provide consumers with full awareness of their energy consumption, while the new Enel X **subCo** provides customers with innovative energy services for efficiency, in addition to "smart" technological systems. This is reflected in major savings of energy consumption and CO_2 emissions.

Cloud

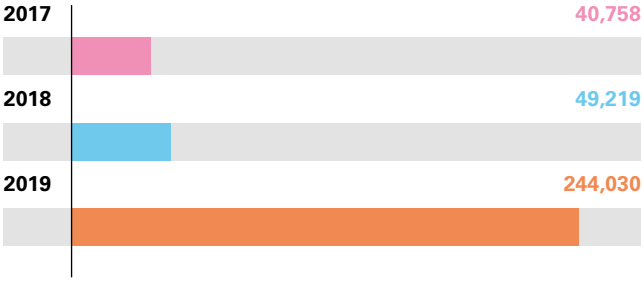
In 2019 the **cloud** was an essential strategic enabler for Enel, allowing the use of infrastructure and application IT resources when required since, by exploiting the access possibilities made available by the network in full, it allows the reduction of wastage deriving from the consumption of unused resources. The proportion of Enel applications on cloud in 2019 reached 100%. The AWS (Amazon Web Services) cloud used by Enel calls for the use of around 16% of the energy required by conventional on premise infrastructure on average, allowing an average reduction of 88% in CO_2 emissions, and it is hosted on green data processing centres 50% of whose energy requirements are obtained from renewable sources.

People: the decarbonization contribution of shared IT services

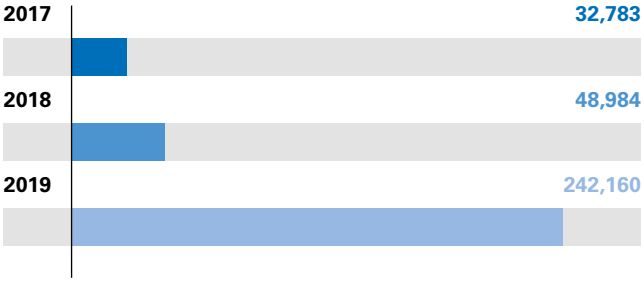
Alongside technological progress and the development of new business opportunities, the central topic remains that of Enel's people and their needs. In this regard, the Company is continuing to pursue the internal digital transformation process aimed at improving the digital skills of its people. In light of this goal, Enel is committed to rethinking its corporate processes, improving existing services and exploiting the new opportunities offered by digital technology to the full. For example, the "**e-API Digital Ecosystem**" was adopted in the Group in 2019, to make data related to generation, e-mobility, customers, people, etc. available to all in the various countries, guaranteeing a common platform on which to share data among the different company areas. For more information, refer to the chapter "Our people and their value".

Video communication

Number of meetings



t CO_2 avoided

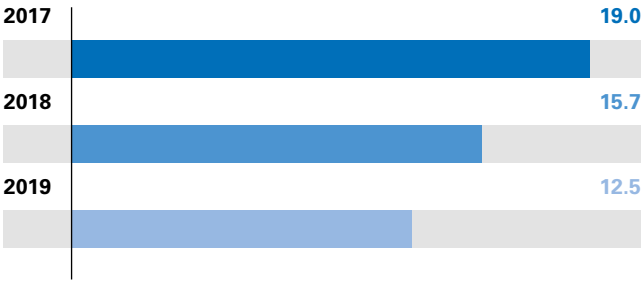


Compared to last year in which the measures intended for the video communication service were related exclusively to the use of the "Blue Jeans" cloud platform, in 2019, through the completion of the "Unified Communication & Collaboration" project, the Global Digital Solutions unit has introduced a new digital platform that has made it possible to enhance, integrate and extend digital services and tools. In 2019, these actions therefore allowed the greater diffusion of the use of video communication solutions, contributing to the increase in savings on travel and transfers and to the reduction of carbon dioxide emissions.

Printing service

Millions of pages

t CO_2 produced



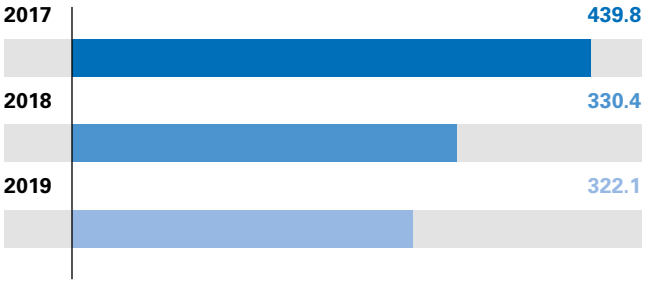
A printing service has been operating in all Enel offices for some time now. In addition to using new-generation printers, designed for more environmentally friendly use, the service was conceived on an advanced business model that has allowed Enel to evolve from the concept of product to that of service. The unique aspects of this service, together with a more rational use of printed documents and digitalization, have led to a reduction in paper consumption over the years and consequently a lower impact on the environment. In particular, based on the number of printed pages and the printers' technical specifications, the quantity of CO_2 associated with the electricity consumption of printers while printing is calculated by applying each country's emission coefficient (data source: Enerdata), which takes into account the specific mix of energy sources present[1].

1 Extract from Enerdata, June 4, 2019. It considers data from the following countries: Italy, Spain, Russia, Romania, Brazil, Chile, Peru, Colombia.

PC Power Management - Italy

Millions of hours downtime

t CO_2 produced



In 2019, electricity consumption outside normal working hours[2] continued to be monitored. This is related to the IT workstations (desktops, laptops, monitors) of Enel people working in Italy. This measurement is possible thanks to a Microsoft[3] feature available on the workstations, which made it possible to identify when they were turned on and not used. Following the analysis, specific awareness actions were defined aimed at mitigating electricity consumption. While showing an increase in hours of inactivity, the new IT tools made available to Enel people have enabled a reduction in emissions.

[data source: Blue Jeans]

2 Monday-Friday (from 7pm to 7am); Saturday and Sunday. The monitoring excluded servers and personal computers that must always remain on (for example, GESI application, Enel Points, Power Exchange, etc.). Specifically, the indicator represents the amount of CO_2 associated with the electricity consumption of desktops, laptops and monitors, to which the average CO_2 emission value is then applied per unit of electricity produced (gCO_2/kWh) relative to the mix of sources in Italy.

3 System Center Configuration Manager.

Cyber security

Digitalization opens new opportunities but also throws down new challenges in the security field. In the electrical sector in particular, service continuity is of critical importance, making it essential to be able to withstand cyber attacks. Indeed, a large-scale power outage could impact private citizens, businesses, institutions and essential services. Enel has adopted a systemic model that makes it possible to increase prevention and the ability to respond to possible attacks for all of its assets.

Policies and management model

In September 2016, the "**Cyber Security**" unit, headed by the Group Chief Information Security Officer (CISO), was set up within the Global Digital, reporting directly to the **Chief Information Officer** (CIO). The unit is engaged in guaranteeing the operation, management, and control of cyber security issues, defining strategies, policies and guidelines in compliance with national and international legislation, and monitoring Group cyber security by means of process-based and technical checks.

The unit operates in synergy with the Business Lines and with the technical units responsible for design and management of the systems, thanks to the "Cyber Security Risk Managers" and "Cyber Security Response Managers". The CISO and Cyber Security Risk Managers also set up the "**Cyber Risk Working Committee**" with the aim of evaluating IT risks horizontally in order to consolidate the approach to risk treatment and achieve the Group's risk posture. The "**Cyber Security Risks Committee**", chaired by Enel's Chief Executive Officer and composed of his main front lines, approves the cyber security strategy and periodically checks the progress of its implementation. Each Group area department participates actively in implementing the cyber security strategy by means of an integrated operating plan

aligned with the Group's objectives. The cyber security strategy and initiatives are recurring topics that are subject to the Group's principal executive and control bodies (e.g. "Board of Directors", "Control and Risks Committee", "Supervisory Bodies", etc.).

In 2017 the Company also set up a specific "**Cyber Security Framework**" policy, which orients principles, organisation and operating processes for a global strategy of analysis, prevention and management of the risks and effects of cyber attacks. This framework is based on a "systemic" vision that integrates traditional Information Technology sector (**IT**) with the Operational Technology sector (**OT**), connected to the world of industry and the Internet of Things (**IoT**). In the context of the creation of this framework, 2017 saw the definition also of the new Cyber Security Risk Management methodology applicable to all IT, OT and IoT environments, which specifies all the necessary phases required to perform a risk analysis and define the associated mitigation plan, in line with the stated cyber security objectives. Enel has also created a **"Cyber Emergency Readiness Team" (CERT)** for proactive management and response to cyber incidents while collaborating and exchanging information within a network of accredited international partners. The existing accreditation agreements with the institutional CERTs in the countries in which Enel operates were upgraded in 2019. Following signing of the agreement with the US national CERT, the number of accreditations has now reached 9: Romania, Italy, Chile, Argentina, Peru, Colombia, Brazil, Spain and the US. Also in 2019 the collaboration proceeds with the Trusted Introducer Service, which includes more than 380 CERTs in over 60 countries, and with "FIRST" (Forum of Incident Response and Security Teams), the largest and most wide ranging community in the sector, with over 510 members in more than 90 countries. Finally, the Enel CERT Global Control room in Turin was upgraded in 2019: another step forward in the consolidation and reinforcement of the Group's cyber security strategy.

Cyber security incident management

Every day, CERT collects more than 2 billion events from more than 3,700 data sources related to the corporate assets, correlating them and producing around one hundred "incidents" (cases requiring treatment). The incidents are classified in accordance with a specific evaluation matrix (Enel Cyber Impact Matrix) on a scale from 0 to 4 that considers both the level of their impact and the level of the existing tools protecting company assets. The majority of incidents identified had no significant impact on Group systems and were automatically or semi-automatically blocked and/or managed by existing company defences (level 0/1). Incidents classified at levels 2/3/4 potentially have an impact on the Group and they are managed by the CERT analysts, bringing in the appropriate units in question in accordance with processes and actors that are predetermined during the monitoring service set-up phase. In 2019 CERT responded to **94 level "2" cyber security incidents** and **10 level "3" incidents**. In all cases detected, all the procedures provided were activated and no significant damage ensued in respect of company assets. No level "4" cyber security incidents were recorded.

If a cyber security incident were to involve a possible data violation, the appropriate and necessary actions would be undertaken immediately, in line with the specific Group policy on "Personal Data Management". If a crisis situation should arise such that threatens business continuity of the Company, and/or the assets, reputation, and/or profitability of the Enel Group, the appropriate and necessary actions would be undertaken immediately, in line with the specific Group policy concerning "Critical Events Management".

CERT allowed Enel to block the following daily threats in 2019:

- approximately **2 million inbound** malicious or spam emails;
- approximately **300 viruses**;
- approximately **400 thousand at risk connections** in outbound emails;
- approximately **120 attacks** on institutional portals.

The number of connections to dangerous sites in 2019 fell thanks to the extension of the technical countermeasures adopted and the increase in the level of protection of Internet navigation, in relation to the extension of the perimeter of countries covered.

Moreover, by means of Threat Intelligence services, in 2019 Enel detected more than **1,300** Internet domains engaged in illicit use of the trade mark for the probable purpose of perpetrating fraud against customers, and reported them to the competent authorities.

Furthermore, more than 800 safety checks were carried out in the sphere of IT and OT, this number representing an increase of 60% versus the checks carried out in 2018.

Finally, since complete migration to the IaaS cloud was ac-

complished in 2019 for the entire perimeter of Enel applications, the number of **"Internet web applications protected by means of advanced cyber security solutions" has now reached 100%**.

Main collaborations with external bodies and agencies

In line with **SDGs 9 and 17**, Enel numbers activities in the area of digitalization and innovation within activities for the promotion of global partnerships with external bodies and authorities, including private organisations, institutions, academies and universities. In line with the Open Power approach, this method makes it possible to share best practices, develop channels for sharing information and create new standards and regulations in which Enel makes its experience available to increase the security of the ecosystem.
Active participations proceeded in 2019 with several work groups for the definition of cyber security regulations and standards in the electricity industry, notably in the context of the "**International Electrotechnical Commission TC57/ WG15 - Data and Communication Security**" and the "**IEC Technical Committee 57**".
There were also several collaborations with institutional partners and participations in high-profile national and international symposia in 2019, with the aim of maintaining an active role in the industry's international community, sharing the Enel cyber security model and the approach employed.
In this context, Enel took part as a founder member in "The National Observatory for Cyber Security, Resilience and Business Continuity of Electrical Grids", a group of experts that acts as a focal point for innovation and research initiatives on critical electrical infrastructure.
Enel takes part in the World Economic Forum work groups and, in 2019, contributed to drafting the paper entitled "Cyber Resilience in the Electricity Ecosystem: Principles and Guidance for Boards", which aims to provide the Boards of Directors of companies in the electricity sector with a series of general and cross-platform principles for governance in relation to cyber resilience of the electricity sector ecosystem.
Furthermore, the Group played an active role in the Conseil de Cooperation Economique task force for cyber security in the energy sector, in order to provide information and recommendations concerning cyber security, of use for European Commission initiatives.

Training and information

The Company pressed ahead with its commitment to disseminating the "cyber security culture" in 2019, staging 16 cyber security knowledge sharing events.
After the first plan launched at the end of 2015, the **Cyber Security Awareness Program** has now become a constant and ongoing initiative at Group level, aimed at creating a culture of cyber security to increase awareness of threats and attacks exploiting the human vector.
In this context, the Company proceeded with the "**Hackers love data. Save it.**" cyber security awareness campaign started in 2017 and addressed to everyone in the Group; in the second half of 2019 two waves were dedicated to "Spear Phishing" and "Social Engineering" attack methods.
Furthermore, 16 cyber security knowledge sharing events were organised at Group level in 2019 and also a continuous and widespread information activity was carried out concerning the main cyber threats (as occurred, for example, in May 2019 after one of the world's main instant messaging systems was hacked), by means of appropriate communications to all Group employees, carried out primarily via the intranet. The Group intranet not only disseminates news concerning cyber security matters rapidly, but also provides access to all the relevant organisational documents and technical guidelines.

Projects

All cyber security projects, programmes and initiatives are designed to avoid, mitigate or remediate IT security risks for the entire Enel Group. Consequently, all cyber security activities – which are managed with a risk-based approach following the principle of security by design – give rise to a continuous due diligence process that also includes self-assurance activities.

The most significant projects include "**Cyber Security Awareness Solution**", launched in 2019 with the aim of identifying and adopting a platform that allows the execution of awareness campaigns that are pervasive, adaptive and active, with adequately calibrated informative contents based on the level of exposure of individuals to cyber threats. The project is aimed at adopting a solution capable of delivering the above contents to all Enel Group people and to various appropriately identified third parties within 2020.

FUTURE

2. ESG BACKBONES

Occupational health and safety

Plan 2019 > 2021 Occupational health and safety

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
3	Extra Checking on Site (ECoS)	150 ECoS in 2021	230 ECoS carried out	S Safety management S Supply chain management
3	Global awareness programmes about prevention and health promotion	18 programmes in 2021	16 programmes carried out	S Training
3	Reduction of injury frequency rates compared to prior years (LTIFR)		LTIFR = 0.15 (-18.2% with respect to last year)[1]	S Safety management
3	Strengthening of horizontal initiatives on Business Lines and/or Countries aimed at growing the culture, awareness and commitment of employees and contractors with respect to health and safety issues		> SHE Project 2.019[2] > Staging of Vendor Days[3] and Country Committees[4]	S Training
3	Improvement of the Operating assets control system in order to optimise directional strategies, methods of execution, analysis of results and the consequent improvement activities		> Standardised and globally unified checklist prepared > Criteria for selection of companies to be checked, based on safety performance and hours worked, defined within Global Infrastructure and Networks > Adoption of IT tools for the execution, collection and analysis of checks (Damasco app)	S Safety management S Safety policies

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Occupational health and safety

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
3	Extra Checking on Site (ECoS)	150 ECoS in 2022	S Safety management S Supply chain management
3	Contractor H&S Assessment and H&S support[5]	150 assessments in 2022	S Safety management S Supply chain management
3	Reduction of injury frequency rates compared to prior years (LTIFR)		S Safety management
3	Strengthening of horizontal initiatives on Business Lines and/or Countries aimed at growing the culture, awareness and commitment of employees and contractors with respect to health and safety issues		S Training
3	Improvement of the operating assets control system in order to optimise directional strategies, methods of execution, results analysis and the consequent improvement activities		S Safety management S Safety policies

1 This value derives from the calculation performed through non-rounded decimal values and indicates the LTFIR combined for Enel people and contractors.
2 SHE 2.019 is the continuation of the SHE 365 project launched in 2018, which involves both Enel people and suppliers in initiatives concerning safety, health and the environment.
3 The Vendor Days are designed to involve vendors of all the Business lines in relation to the objectives and challenges of Enel, especially in the context of health and safety.
4 Country Committees are periodic meetings aimed at facilitating synergy between the Business Lines and improving Country performance from the perspective of health and safety.
5 Contractor H&S Assessment and H&S Support are ratings concerning the performance of Enel contractors in consideration of Health and Safety legislation.

LINK **Sustainability Report**
At a Glance
Sound governance
Performance indicators

LINK **Annual Report**

Occupational health and safety

0.73
Combined injuries Frequency Rate (FR)
for Enel people and contractors, with a reduction of about 18% compared to 2018

0.15
Combined LTIFR for Enel people and contractors, with a reduction of about 18% compared to 2018

230
Extra Checking on Site (ECoS)

SHE 2.019
continuation of the 2018 SHE 365 project on safety, health and the environment

Enel considers the people's health, safety and psychological and physical well-being the most precious asset to be protected at all times of life, at work, at home and during leisure time, and is committed to developing and disseminating a robust safety culture throughout the entire perimeter of the Company in order to guarantee a workplace that is free from health and safety hazards. Enel SpA people are responsible for their own health and safety and for the health and safety of the people with whom they interact and, as specified in Enel Group's "Stop Work Policy", must promptly draw attention to and/or stop any at-risk situations or unsafe behaviours. The constant commitment of all, integration of safety in processes and in training activities, disclosure and analysis of near miss accidents, rigorous selection and management of contractor companies, quality controls, sharing of experience within the Group and benchmarking with the best international operators are the foundational elements of Enel's safety culture.

The commitment of top management to disseminating these elements is formalised in the "Statement of Commitment to Health and Safety", signed by the Chief Executive Officer, which is based on the following key principles:

- compliance with legislation, adoption of the best standards and sharing of experience;
- creation, implementation and continual improvement of the Occupational Health & Safety Management System in compliance with international standard ISO 45001;
- reduction of injuries, occupational diseases and other accidental events through the implementation of suitable preventive measures and checking of their adequacy and effectiveness;
- assessment of all health and safety risks and adoption of a systematic approach to eliminate them at source if possible, or to minimise them;
- promotion of informative initiatives to disseminate and consolidate a culture of good health, safety and organisational well-being;
- adoption of working methods inspired by quality and their dissemination by means of incisive and effective training that aims to create a lasting connection between technical aspects and safety aspects;
- direct commitment of the persons in charge aimed at strengthening a robust culture of leadership in relation to safety;
- adoption of safe and responsible conduct throughout all levels of the organisation;
- design of workplaces and supply of suitable equipment and tools for the execu-

tion of operating activities, guaranteeing optimal conditions of good health, safety, comfort and well-being;
- rigorous selection and management of contractors and vendors, promoting their involvement in safety performance continual improvement programmes;
- constant attention towards communities and towards all those who work with or come into contact with the Group's activities by sharing a culture of health and safety protection;
- annual definition of specific and measurable goals and continual monitoring to check their effective implementation through the involvement of top management.

In January 2019 Enel updated its Health & Safety Policy in compliance with the principles set down in the Statement of Commitment to Health and Safety and in the Code of Ethics.
In pursuit of the Policy, each of the Group's Business Lines is equipped with its own Occupational Health & Safety Management System in compliance with international standard ISO 45001, based on identification of hazards, qualitative and quantitative risk assessment, planning and implementation of preventive and protective measures, verification of the effectiveness of preventive and protective measures, and on any corrective actions to be undertaken.
The Management System involves both Enel people and the personnel of contractors working on Enel's plants/sites. Each system that involves both Enel people and the personnel of contractors working on Enel's plants and sites includes the following shared aspects:

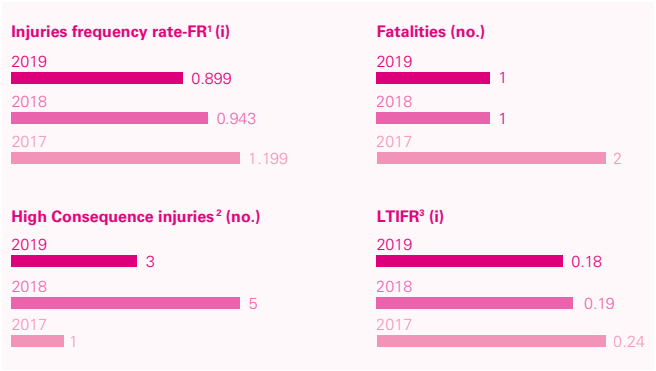
- prior evaluation, elimination and/or reduction of risks through application of the latest technical know-how;
- identification of the necessary preventive measures and the associated implementation programme;
- adoption of residual risk mitigation measures, awarding priority to collective rather than personal solutions;
- active, responsible, and integrated intervention of all parties concerned with safety, involving workers and/or workers' representatives, starting from the identification of risk situations up to the choice of solutions to prevent and/or reduce them;
- appointment of a medical officer, when required, and setting up health surveillance for workers responsible for specific high-risk processes;
- preparation of a programme of information and training of workers in order to increase awareness when dealing with situations of risk;
- regular upkeep and cleaning of workplaces.

From an organisational perspective, the Holding Health, Safety, Environment and Quality unit (HSEQ) assumes the roles of supervision, guidance and coordination, promoting the dissemination and sharing of best practices within the Group and external health and safety benchmarking with top international players in order to identify improvement opportunities and ensure constant commitment in the area of risk reduction. Alongside the Holding Function, the Global Business Lines HSEQ structures orient and support the business in relation to health and safety issues, define improvement plans and monitor their execution.

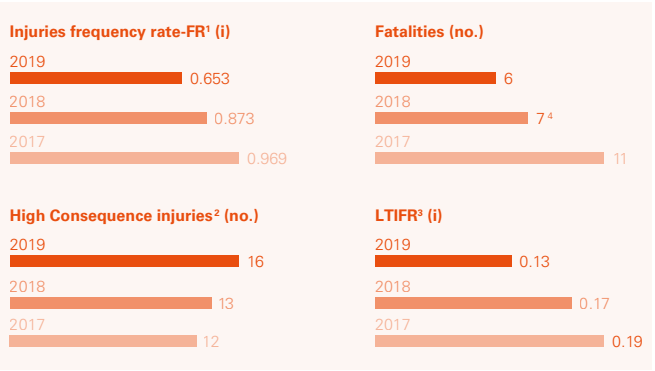
In confirmation of the strategy implemented and the safety policies put in place by Enel, several initiatives were carried out in 2019, aimed mainly at strengthening horizontal activities across Business Lines and/or Countries. "Country Committees" have been set up with the goal of favouring synergies between the Business Lines operating in the Country in order to improve safety performance. Committee meetings are held periodically, usually once a month, and chaired by the Country Manager. The committees are attended by all the managers of the Country Business Lines and the associated HSEQ managers plus the heads of the People and Organization, Procurement and Legal Functions. The Safety KPIs are analysed during the meetings, sharing also best practices and information concerning events of particular significance in terms of safety related aspects; moreover, the states of completion of projects shared by multiple Business Lines and launched by the committee in question are coordinated and analysed. The committees are currently active in all countries in South America, in the USA, Italy, Spain and Russia.

Safety rates

Enel people



Contractors



1 This rate is calculated by establishing the ratio between the number of injuries (all injuries, also those with 3 days of absence or less) and hours worked/1,000,000.
2 Sum of: injuries that resulted in more than 6 months' absence from work as at December 31, 2019; injuries that are still open and considered severe (initial prognosis > 30 days) as at December 31, 2019; injuries categorised as "Life Changing Accidents" (LCAs), regardless of the resulting days of absence from work.
3 The Lost Time Injuries Frequency Rate is calculated by relating the number of injuries (all accident events, also those with 3 days of absence or less) with hours worked * 200 thousand.
4 Considering all areas in which the Group operates and the activities managed, including companies consolidated using the equity method and companies for which the BSO (Build, Sell and Operate) mechanism has been applied, the total number of fatalities is 8.

The injuries frequency rate (FR) combined for Enel people and contractors in 2019 confirmed the downward trend already recorded in prior years, with a total of 0.73 injuries per million hours worked, a figure that is 18.2% lower than that of 2018.

In detail, the FR of Enel people decreased, totalling 0.90 injuries per one million hours worked (-5% versus 2018), and also that of contractor personnel, totalling 0.65 injuries per one million hours worked (-25% versus 2018), thus confirming the effectiveness of the strategies adopted and of the safety policies implemented in the Group.

In 2019 there was 1 fatality involving an employee of the Enel Group (Spain) and 6 fatalities involving contractors (2 in Brazil, 2 in Chile, 1 in Italy and 1 in Romania). The causes are mainly of mechanical type.

In 2019 there were 3 High Consequence injuries involving Enel Group employees (2 in Italy and 1 in Russia) and 16 involving contractors (5 in Italy, 2 in Spain, 2 in Peru, 2 in Mexico, 1 in USA, 3 in Brazil and 1 in Argentina), mainly of mechanical type.

Enel has a specific injuries management policy (Policy 106 "Classification, communication, analysis and reporting of incidents") that defines roles and methods employed to guarantee prompt communication of incidents, ensuring the related causes analysis process, definition of improvement plans, and monitoring of the associated actions depending on the event type.

The criteria prescribed by Policy 106 are applicable not only to injuries of high industrial significance but also to minor events, including those not involving personal injuries (near misses). Therefore, all fatalities or severe injuries (or events that could have potentially caused a fatal or severe injury) involving Enel people or the personnel of contractor companies are analysed by a group of experts. The improvement actions identified are constantly monitored and followed until the time of completion. If the event analysis reveals serious safety breaches by contractor companies, suitable provisions are adopted (contract termination, suspension of qualification, etc.).

In addition, the **Extra Checking on Site (ECoS)** activity proceeded in 2019 with 230 ECoS carried out, in line with the 150 planned. The purpose of the ECoS is to assess adequacy of the organisation and processes implemented in a specific operational area. These checks are carried out by expert HSEQ personnel external to the operating units affected by the investigation, assisted by technical profiles specific to the business, and they make it possible to define adequately monitored corrective actions for preventive purposes.

Safety in contract processes

Safety is integrated in tender processes and the performance of companies is monitored both on a preliminary level, by means of the qualification system, and during contract execution through a large number of control processes and tools such as the Supplier Performance Management tool (SPM).
A specific "HSE Terms" document has been prepared and attached to all contracts since March 2019; the document in question must be signed by contractors when the works are awarded. The document, which is the same throughout the entire Group, defines the obligations in relation to health, safety and environmental aspects that the contractor must respect, placing the same obligation on its subcontractors. Any violation of the contractual conditions in question will produce specific penalties up to termination of the contract and/or suspension of qualification.
Significant impetus has also been given during the year to "Safety Supplier Assessments", which consist in the execution of specific checks concerning safety issues, conducted in the vendor's headquarters and on its job sites. The assessments are carried out during the qualification phase for each new vendor, or in cases in which criticalities emerge (severe or fatal injuries) or low SMP rating scores. 746 assessments were carried out in 2019 in the various countries and Business Lines.
One area of action, already started in 2018 but greatly developed in 2019, concerns the creation of a "Safety Partnership" with vendors having the following basic stages:

- definition of a safety rating to measure companies' management and operational performance. The performance parameters considered include the Contractors Safety Index (CSI), an indicator based not only on detection of non-conformity in the field and ranking of the related severity, but also on the number and seriousness of accidents. This indicator makes it possible to detect faint signals and operational criticalities of contractors so prevention can be selectively focused on the most critical companies in order to take increasingly responsive actions to prevent accidents before they happen;
- the adoption of targeted actions with personalised accompaniment plans for companies in order to reach the required standards.

In critical cases, Enel creates hybrid work teams with the companies to carry out joint analysis of gaps to be filled, define tangible actions to raise safety standards, and then track the implementation phase and effectiveness of the measures adopted.

Infrastructure safety and technological innovation

Enel views technological innovation as a valid tool capable of improving a large number of processes from the H&S perspective. Several innovation projects on safety proceeded and various new projects were launched in 2019 in order to improve processes, starting from personnel training, continuing with the implementation of preventive and protective measures, up to the execution and analysis of corrective checks.
Personal voltage detectors, i.e. portable devices designed to identify electrical voltage on low- and medium-voltage power lines located at operationally significant distances from the worker but not necessarily involved in the activity in progress, have been adopted in the Infrastructure and Networks area. Promoted initiatives include an **app** that uses uploaded confirmation photos to guarantee that all activities calling for preparatory electrical disconnection of live parts have been carried out in full compliance with the globally adopted rules to ensure complete safety.
2019 also saw the experimentation of the **sober-eye** service, which consists in monitoring the physical condition of workers – in real time and by means of an app – by analysing the pupil and its response to light stimuli (specifically, by recording changes in the pupillary light reflex).

Health

403-3

The Enel Group has defined a structured health management system based on preventive measures, to develop a corporate culture oriented towards the promotion of mental-physical health, organisational well-being and balance between the professional and personal spheres. In this context, the Group carries out global and local awareness raising campaigns to promote healthy lifestyles, sponsors screening programmes aimed at preventing the onset of illnesses and guarantees the availability of medical services. In particular, a policy is provided for the prevention of local diseases and for support in the event of diseases and accidents in other countries; in addition, a smartphone app has been introduced with travel information, vaccination guidelines, and a new global insurance policy has been taken out to cover all workers who travel internationally. In relation to the injuries phenomenon, apart from implementing plans designed to reduce the frequency to zero, it is planned to adopt a psychological support programme for employees who have suffered serious injuries, together with their families, in order to assist them from the time of the event up to the return to normality.

Constant monitoring of epidemiological and health trends is carried out within the perimeter of the Enel Group, with the aim of implementing plans composed of preventive measures and measures to protect the health of employees and anyone working for the Group, on both the local and global levels.

Moreover, the Enel Group implements a systematic and continuous process for identifying and evaluating correlated work stress risks, in compliance with the "Stress at Work Prevention and Well-being at Work Promotion" Policy. This allows prevention, identification and management of stress in work situations that can affect individuals and more extensive areas of the organisation, supplying also a series of indications aimed at promoting a culture of organisational well-being.

Finally, the Group provides its people with specific conventions that provide ready access to: medical and healthcare services, assistance actions for persons with disabilities or in emergency situations, and specific preventive medicine initiatives.

Development of safety culture: training and information

EU18

Several health and safety communication campaigns were carried out in the year concerning areas of specific attention for the Company, based both on the publication of information on the company intranet, and on specific services on Enel TV and Enel Radio. Enel people received approximately 692 thousand training hours overall in 2019, in addition to information and training activities on safety, with the purpose of increasing the know-how and specific skills of workers throughout the Group.

On the global level, the Company proceeded with its commitment to the SHE 365 project, launched in 2018, which involved both Group people and vendors in initiatives concerning Safety, Health and the Environment. In 2019 this commitment was reinforced with **SHE 2.019**, which places the topic of "Leadership on safety" at the centre and is developed in three main directions:

- the Commitment chain, to channel actions with the aim of preventing fatalities and serious accidents, with particular attention paid to life-changing injuries;
- Inter BLs integration, that transforms the efforts of the Countries and Regions into common factors of preventive actions, increasing the synergy of the actions of individual Business Lines;
- the Contractors' engagement, to improve the safety

standards of companies working with Enel.

Specific actions have been carried out in the framework of the project, including the "**SHE 2.019 leadership program**", which led to the selection and training of a community of safety influencers to facilitate the dissemination of safety values throughout all organisational areas, and "**Inspector 2.0**", aimed at developing the technical and relational skills of inspectors and supervisors in the field, to strengthen coaching actions towards internal people and companies that work with Enel.

Communications on the global level in relation to health and safety were focused on topics concerning personal health and the most common pathologies.

100%

of personnel of contractors destined to work for Enel who have received training and information on health and safety from their employer

About 861 thousand hours

of training and information addressed to personnel of contractors[1]

1 The value includes also training and information courses supplied by Enel people to allow contractors to access the Group's job sites and/or facilities.

Safety of communities and third parties

103-2 103-3 416-1 EU 25

Enel's installed plants are built in compliance with legislative prescriptions and the rules of best technical practice. Plants, machines and work equipment are subject to systematic and periodic checks and maintenance activities to guarantee correct operation in compliance with regulations and in accordance with the adoption of the best standards.

In order to guarantee health and safety of the community and reduce the impact of the typical activities of the company's generation process on the external environment, the Company carries out monitoring campaigns such as measurement of the electromagnetic fields of power networks, noise levels, vibration and dust created by the electrical machines of power plants and distribution and transformer substations. Also the following environmentally significant factors are monitored: atmospheric emissions and air quality, effluent discharge into surface waters, water quality, production, reuse and disposal of wastes, soil quality, biodiversity impacts.

Considerable attention has been devoted to preventing harmful events involving members of the public who accidentally come into contact with electricity networks due to activities such as job sites near transmission lines or sports and leisure pursuits (fishing, flying kites, etc.). A large number of awareness campaigns have been conducted, addressed both to the general public and to specific categories (construction companies, sports associations, etc.).

Emergencies management

DMA EU (former EU21)

Enel has a common crisis and critical events management system across the various countries in which the Group is present. This global management system involves evaluation of the impact caused by critical events by means of a standard reference scale with three levels. High-impact crises are managed centrally, while medium- or low-impact crisis situations are managed within the specific organisation in the individual countries.

High-impact crises ("Group Red Code") are addressed by creating a central crisis committee in the Security Control Room at the Viale Regina Margherita headquarters in Rome, supplying support 24/7 for communication and coordination of information flows.

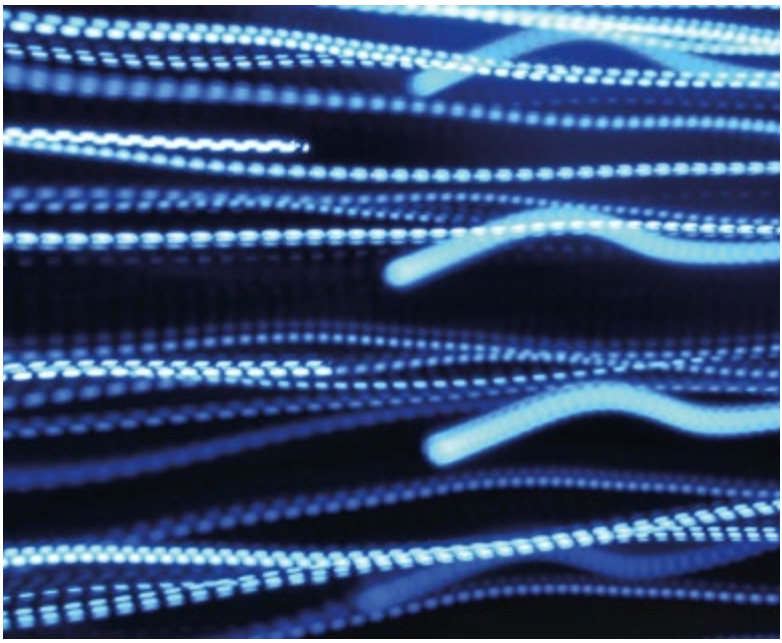
Moreover, the crisis committee defines strategies and actions to deal with critical events and coordinates all actions designed to restrict damage to the Enel Group's property, profitability and reputation.

Enel SpA has a Security unit in the Holding's People and Organization Function, aimed at defining strategies and guidelines on matters of security, reporting to top management and promoting sharing of best practices. Also, a travel safety process has been set up in order to protect Enel people travelling in different countries, supplying information and communications on destination countries, indicating conditions that can constitute health and safety risks of travellers (e.g. political turmoil, terror attacks, crime, health threats, etc.), the guidelines and conduct to follow, and activation of the necessary safety measures with regard to the level of risk identified for the destination country.

Further to the new Coronavirus epidemic (Covid-19) in China towards the end of January and the subsequent spread of contagion in other parts of the world, Enel promptly implemented a raft of different actions in all the Group's geographical areas in order to minimise the risk of contagion and guarantee electricity supplies at the same time. The Company also set up a Global Task Force and specific Local Task Forces, constituted by the Health, Safety, Environment and Quality, Security and Real Time Communications units. In all the countries, the Local Task Force coordinates the pertinent activities and establishes the necessary actions.

Nuclear policy

In the context of its operations in the field of nuclear technologies, Enel has made a public commitment, in the role of shareholder, to guarantee that a clear nuclear safety policy is adopted in its atomic energy plants and that the plants are managed in accordance with criteria capable of assuring the absolute priority of safety and protection of workers, the community and the environment. Further details are available on the Enel website (https://www.enel.com/investors/sustainability-performance/enel-and-nuclear).



Industrial relations on health and safety issues

103-2 103-3 403-1 403-4

In order to consolidate the culture of safety and promote the adoption of behaviours that are consistent with company policies, Enel supports social dialogue and participation of workers' representatives. Joint committees have been set up for this purpose in the main countries in which Enel is present, dedicated to monitoring the issues and projects concerning workers' health and safety on the national level and also in terms of Business Lines. In Italy, in implementation of the matters provided for by the national trade union agreement on the "Italian model of Enel Italia industrial relations", there has been a bilateral commission on workplace safety and protection policies in force since 2012. The commission examines the main projects aimed at improving safety standards, training projects, and preventive initiatives. In 2013, the Enel Global Framework Agreement created an analogous bilateral commission at the Group level, which defined a "joint recommendation" concerning health and safety standards applicable in all Enel countries. In 2019 negations were set in motion to renew the Enel Global Framework Agreement to be signed in 2020. The following details concern the commissions that operate in the main countries on the national and/or local levels.

COUNTRY	JOINT COMMITTEES FOR HEALTH AND SAFETY
Italy	Apart from the bilateral commission on safety policies and workplace protection set up in 2012, there are two committees working for Infrastructure and Networks and for Generation. Periodic meetings are also organised, involving the employer, the prevention and protection service manager, the medical officer and the workers' safety representatives. The meetings are held at least once a year.
Russia	Each power plant in Russia has a health and safety committee. Each organisational unit has a workers representative for matters of occupational health and safety, for a total of 49 representatives, reporting to the company managers and trade unions.
Romania	In compliance with legislative provisions, there are safety and hygiene committees in each company, composed of: representatives of the company members, the specialised physician and professional representatives of the members of trade unions/employee representatives, who meet periodically (every three months) to discuss specific problems and propose measures to manage, control and improve safety.
Spain	The *Comisión de participación y control* has been set up on the national level, while the local level is handled by *Comités de seguridad y salud territoriales*.
Argentina	The power plants have bilateral committees responsible for health and hygiene issues, which meet once a month or once every two months.
Chile	All generation centres with more than 25 staff have *Comités paritarios de higiene y seguridad*, which make decisions concerning occupational health and safety initiatives by means of an annual operating plan. These committees meet once a month.
Peru	There are five bilateral committees that also involve the participation of contractor representatives.
Brazil	All sites have a *Comissão interna de prevenção de acidentes*, composed of company representatives and workers' representatives; attention is focused on setting up accident prevention initiatives.
Colombia	Two joint committees have been set up (COPASST), one for networks and one for generation, with the role of promoting the application of occupational medicine legislation.

Sustainable supply chain (1/2)

Plan 2019 > 2021 Sustainable supply chain

SDG	ACTIVITIES	2021 TARGETS	2019 RESULTS	CATEGORIES
12	Qualified suppliers[1] assessed for health and safety aspects for all product groups	100%	85%	S Supply chain management S Safety policies
12	Qualified suppliers[1] assessed for environmental aspects for all product groups	100%	85%	S Supply chain management E Environmental management
12	Qualified suppliers[1] assessed for aspects of human rights or business ethics for all product groups	100%	85%	S Supply chain management S Human rights G Business ethics
12	Development of a new performance control system enabling the real time recognition and monitoring of suppliers' performances		Track and Rate process launched and extended to the Global Infrastructure and Networks, Enel X and Global Digital Solutions Business Lines	S Supply chain management

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Sustainable supply chain

SDG	ACTIVITIES	2022 TARGETS	CATEGORIES
12	Qualified suppliers[1] assessed for health and safety aspects for all product groups	100%	S Supply chain management S Safety policies
12	Qualified suppliers[1] assessed for environmental aspects for all product groups	100%	S Supply chain management E Environmental management
12	Qualified suppliers[1] assessed in relation to aspects of human rights or business ethics for all product groups	100%	S Supply chain management S Human rights G Business ethics
12	Development of a new performance control system enabling the real time recognition and monitoring of suppliers' performances		S Supply chain management

1 The percentage is calculated considering the total of qualified suppliers and it does not include the major players and subsidiaries of the associated industrial groups.

Sustainable supply chain (2/2)

Piano 2019 > 2021 Sustainable supply chain

SDG	ACTIVITIES	2019 RESULTS	CATEGORIES
12	> Strengthening of tender strategies in which assessment of the K technical factor includes sustainability aspects > Start of actions aimed at sharing best practices throughout the entire perimeter of Enel	"Sustainability K Library" published on the portal shared by all Global Procurement buyers	S Supply chain management
12	> Promotion of activities of information and benchmarking with suppliers > Development of circular economy projects, in line with a "Zero waste" approach, and subsequent extension to the business activities > Activity of training of the employees of Global Procurement on sustainability topics	> Holding of Vendor Days for Business Lines and Countries; Workshops on Circular Economy for Enel X and Global Infrastructure and Networks > Implementation of circular economy projects[1]; introduction of circularity K factors that constitute a bonus during tender procedures; Circular training supplied to buyers of the Global Power Generation Business Line > Execution of training activities including the Italy Sustainability Procurement School, the circular economy session during the Global Procurement Day, the circular economy and sustainability session during the Procurement School Staff	S Supply chain management
12	Development of a new procedure for contractors health and safety evaluation	Launch of the Supplier Safety Assessment procedure	S Supply chain management S Safety policies

I Industrial E Environmental S Social G Governance T Technological

Piano 2020 > 2022 Sustainable supply chain

SDG	ACTIVITIES/TARGETS	CATEGORIES
12	> Increase and strengthening of tender strategies in which assessment of the K technical factor includes sustainability aspects > Start of actions aimed at sharing best practices throughout the entire perimeter of Enel	S Supply chain management
12	> Promotion of activities of information and benchmarking with suppliers > Development of projects in line with the principles of the circular economy, in order to achieve a "zero waste" approach and then extend it to the business activities > Activity of training of the employees of Global Procurement on sustainability topics	S Supply chain management S Human rights G Business ethics
12	Training and awareness raising campaigns in relation to the use of applications developed for the new Supplier Performance Management, with a focus on the new evaluation category dedicated to human rights	S Supply chain management S Human rights

1 Circular economy projects were launched in 2019, such as the EPD project (Environmental Product Declaration), and the "Second Life" project.

LINK **Sustainability Report**
At a Glance
Performance indicators

LINK **Annual Report**

Sustainable supply chain

29,370
suppliers with whom a new contract has been signed

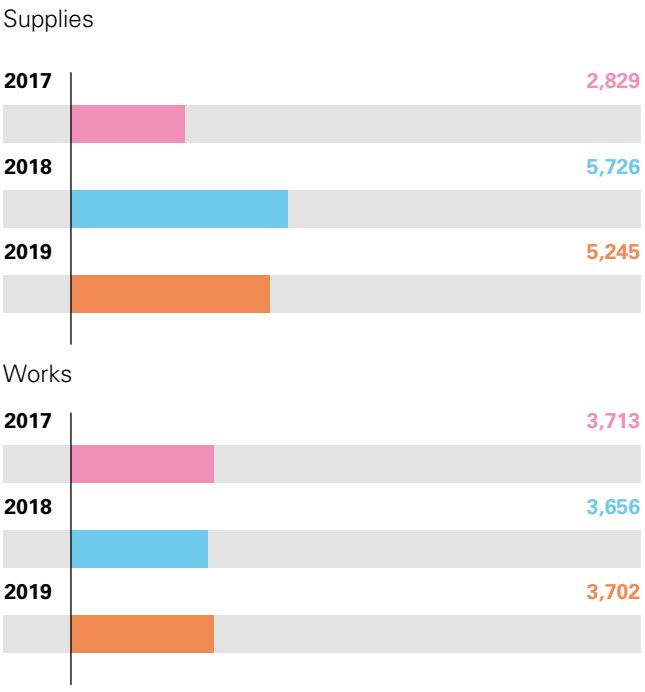
78%
online tenders

2,282
contractors monitored with Supplier Performance Management

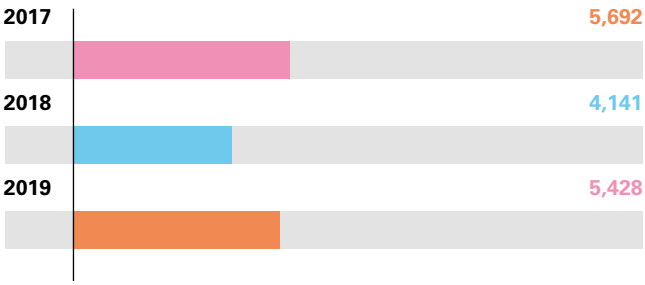
Enel's purchasing processes are based on pre-contractual and contractual conduct geared towards loyalty, transparency and collaboration. In addition to ensuring the necessary quality standards, supplier performance must go hand in hand with the commitment to adopt best practices in terms of human rights, working conditions, occupational health and safety, and environmental responsibility. The Code of Ethics, Zero Tolerance of Corruption Plan, Policy on Human Rights, Model pursuant to Legislative Decree 231/01 and Enel Global Compliance Program underpin its purchasing activities and serve as a guide and code of conduct for suppliers.

Purchases and tenders for goods and services

Works, service and supply contracts (mil euros)



Services



Enel manages relations with its suppliers in a fair, transparent and collaborative way, promoting long-term partnerships. A global strategy with the aim of maximising value creation in its various forms (security, savings, time, quality, performance, revenue, flexibility, risk reduction) and improving stakeholders' end-to-end experience. The transformation that has been ongoing in recent years is based on:

- expanding the professionalism of buyers through user-friendly technologies and by recognising everyone's contribution in a multicultural trust-based working environment driven by passion;
- enhance integration and communication with internal customers, setting out together solutions to fulfil the business' needs;
- involving suppliers from the moment the need comes about, listening to their proposals and developing innovative approaches together.

In 2019, Enel set out specific procedures to adopt new methods such as "Design to Value", which aims to establish innovative solutions in close collaboration with suppliers with an approach that's open to change, and "Should Cost" to develop quantitative analyses and support negotiations between buyers and suppliers.

Procurement processes are carried out in compliance with the applicable local laws, ensuring the quality of service in full compliance with the principles of economy, efficiency, timeliness and fairness. Every procurement procedure is aimed at guaranteeing the principles of free competition, equal treatment, non-discrimination, transparency, proportionality, rotation, and public access. Moreover, the economic principle may be subject to criteria laid down by the tender, inspired by social demands, as well as protecting health and the environment and promoting sustainable development and social stability.

In terms of environmental sustainability and reducing paper usage, the Group is promoting digital processes with its suppliers for qualification/registration, tender management and issuing contracts.

Supplier management and assessment processes

103-2 103-3

Enel carries out structured analyses and monitoring of the procurement process. In particular, it conducts a risk assessment on 100% of the procurement merchandise categories. The main identified risks concern economic, environmental, social and reputational aspects.

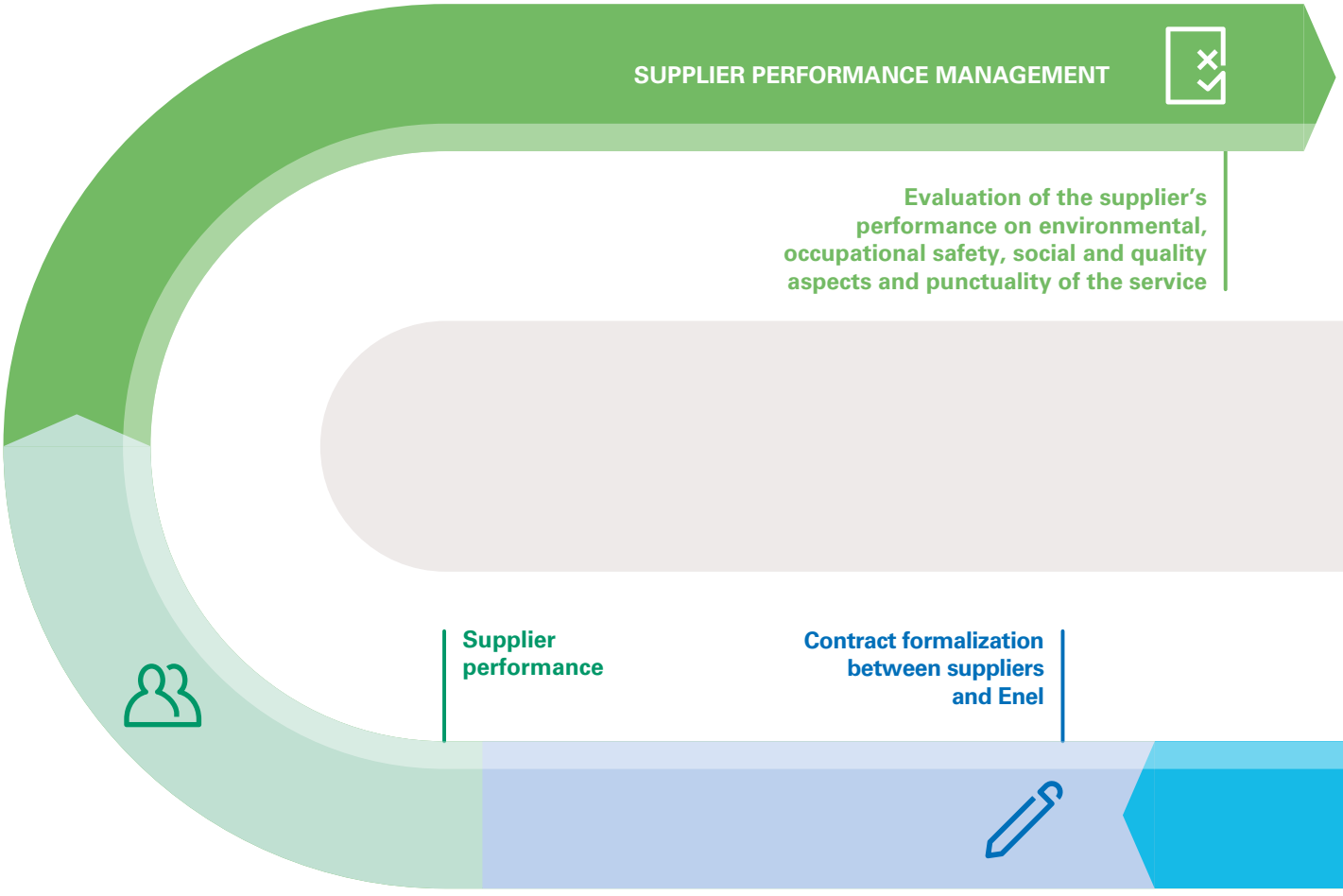
95% of Tier 1 suppliers (approximately 10,000 suppliers[ss]) were considered "critical suppliers" based on their strategic nature related to the business, purchase volumes and potential economic, social and environmental impacts.

The Enel Group's relations with its suppliers undergo basic steps to ensure that the best partners are selected and that contracts are executed to the highest sustainability standards.

1 "Tier 1" suppliers are those with active contracts as of December 31, 2019 of more than 25 thousand euros.

Circular economy

The Enel Group has begun to implement a "Circular Procurement" strategy for the purchase of goods, works or services to minimise and/or avoid negative environmental impacts and waste creation during their life cycle.
The strategy is based on three key pillars:
1) involving suppliers: developing a reward system by adopting specific instruments in the tender phase to encourage a commitment to the circular economy;
2) establishing metrics and KPIs: quantifying, evaluating and validating environmental KPIs resulting from a product's manufacturing cycle;
3) co-innovation: launching co-innovation projects together with suppliers in order to review production processes and/or amend purchase methods in accordance with circular economy models.
The "Circular Economy Initiative for Suppliers' Engagement" project involves about 200 suppliers globally in 12 merchandise categories, which currently account for more than 60% of spending for the purchase of materials. The initiative is based on adopting the Environmental Product Declaration (EPD) with the aim of quantifying, certifying and objectively communicating the impacts generated throughout the supplies' lifecycle (water consumption, CO_2, impact on soil, etc.).
Lastly, by adopting a dedicated IT tool (the Circular Supplier Tool), it is possible to aggregate data and set industry benchmarks and improvement targets.



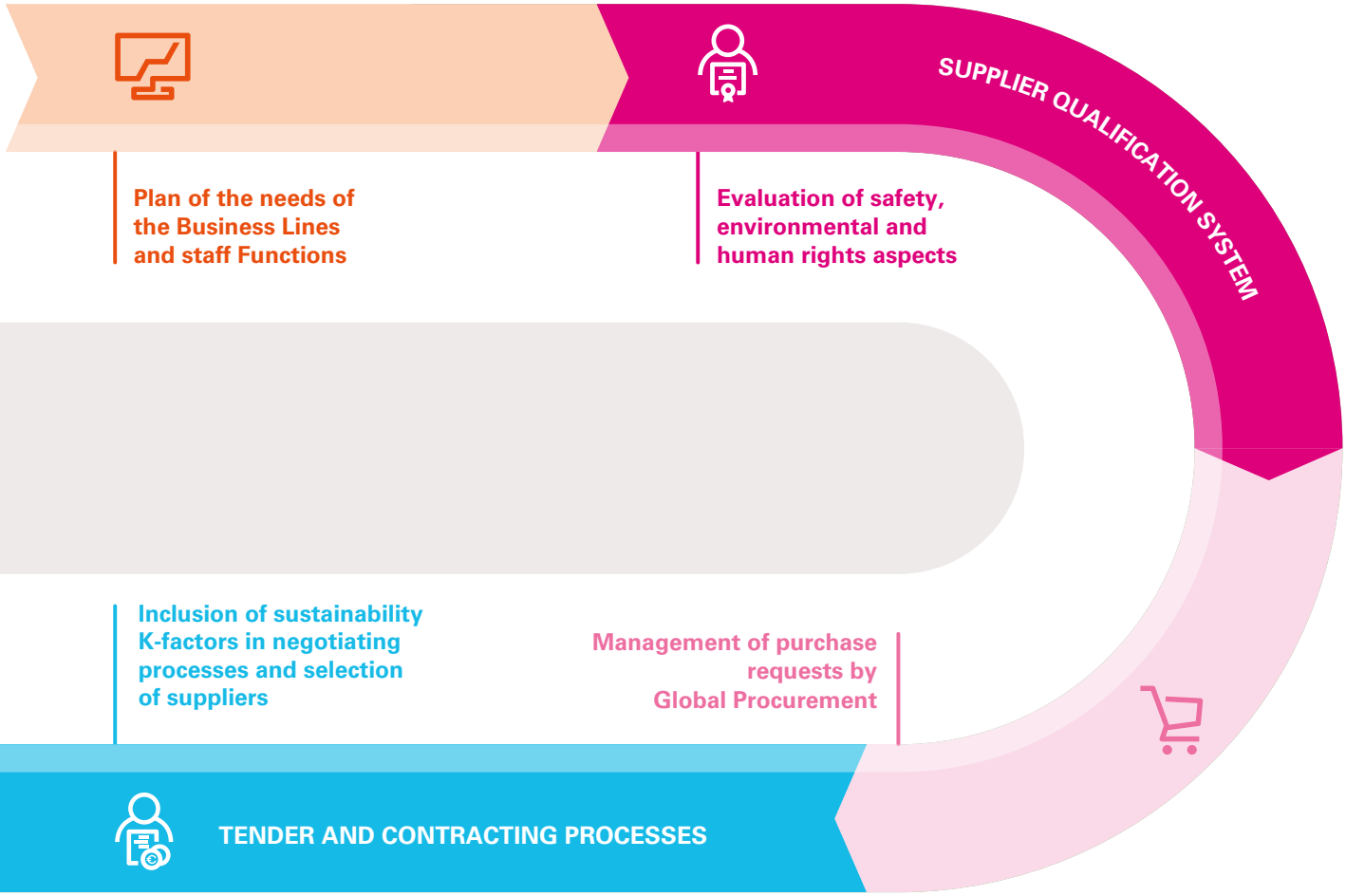
Supplier qualification system

Enel has set up a supplier qualification system for the careful selection and evaluation of companies wishing to participate in procurement procedures. The system assesses the technical, financial, legal, environmental, health and safety requirements, human rights and ethical integrity to ensure the proper level of quality and reliability of any awarded contracts.

Each supplier, taking into account their business, can undergo a qualification process for one or more Merchandise Categories (MCs): suppliers are only deemed suitable when they meet specific requirements set out for each MC. An accurate and comprehensive analysis is constantly carried out of the MC tree involving Enel's Global Procurement units, business units and competent HSEQ areas, by mapping the activities in each MC and assigning a risk level to each issue (security, environment, human rights, spending, irreplaceable supplier, etc.). Following the above-mentioned risk assessment, each MC is grouped into different families associated with their respective assessed risk. Qualification requirements vary based on the implications and specific impacts associated with each group: for example, for a MC with a high environmental risk, the Environmental Management System ISO 14001 certification is usually required, while for MCs with a high safety risk, it is also required to have the Health and Safety at Work Management System OHSAS 18001/ISO 45001 certification.

The assessment system is regulated by an internal procedure and was established in accordance with the relevant laws and regulations. It also includes various assessment procedures to take account of the above-mentioned risk classes.

The system requires compliance with the principles set out in the Code of Ethics, the Zero Tolerance of Corruption Plan and Model 231, the Policy on Human Rights, the UN Global Compact with specific reference to the non-conflict of interest (even potential conflicts) and – depending on the specific



risk classes – it requires specific certificates/self-declarations or on-site visits to verify fulfilment of the above requirements. The company's compliance with the requirements must be ensured for the duration of the qualification and, as such, companies already included in Enel's Register of Qualified Suppliers are constantly monitored for events that may affect both the company itself and its main representatives, including through the use of external databases.

The qualification system serves as:

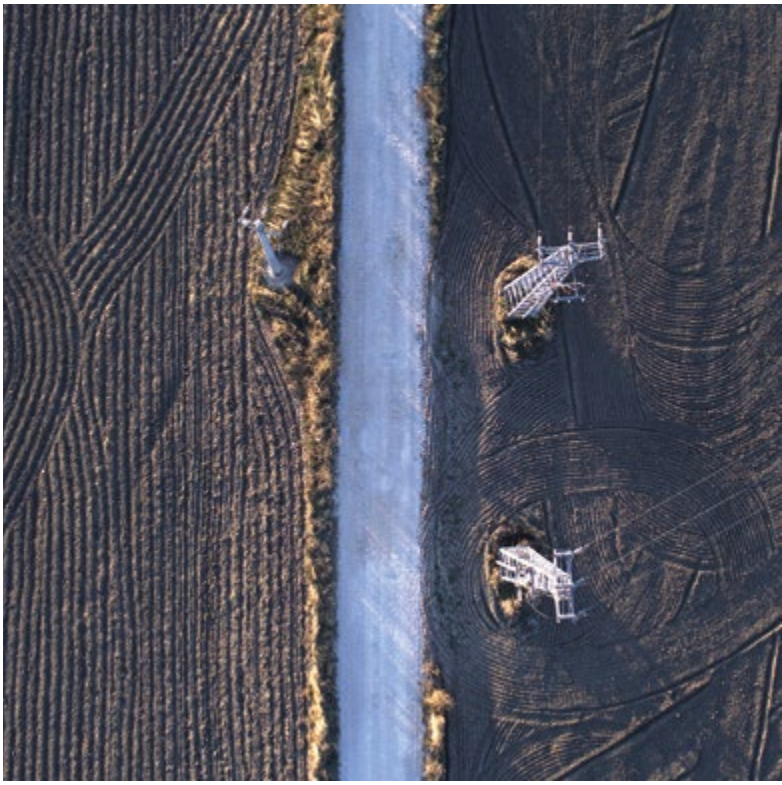
- a guarantee for Enel, as it provides an updated list of entities with proven reliability (in legal, financial, technical and organisational, ethical, health and safety, and environmental aspects) which it can draw upon;
- an opportunity for suppliers to be called to participate in the procurement procedures announced by the Group's companies, in accordance with the relevant rules.

There are three main areas of analysis:

- Health and Safety: the "Safety Self-Assessment" allows Enel to easily send to its suppliers the key requirements to grow together, and in July 2018 it became an integral part of the sustainability requirements for assessing MCs with a Health and Safety risk;
- Environment: environmental assessment criteria vary depending on the merchandise category and level of risk associated with each MC on a scale from 1 to 3. For MCs considered to have a high environmental risk, the ISO 14001 certification or equivalent is always required. Moreover, for these merchandise categories, an on-site audit at the contractor's premises/sites is always required. As part of the qualification process, Enel has introduced a specific assessment of environmental requirements, in addition to the usual checks, for suppliers to be placed on the Supplier Register;
- Human Rights: taking a prudential approach, Enel assesses suppliers in relation to human rights, regardless of the level of risk, through a dedicated questionnaire which analyses the characteristics of potential suppliers in terms of inclusion and diversity, protection of workers' privacy, verification of their supply chain, forced or child labour, freedom of association and collective bargaining and fair working conditions (including fair wages and hours worked). In 2019, the questionnaire was integrated with further verification questions for a more accurate assessment of the potential supplier.

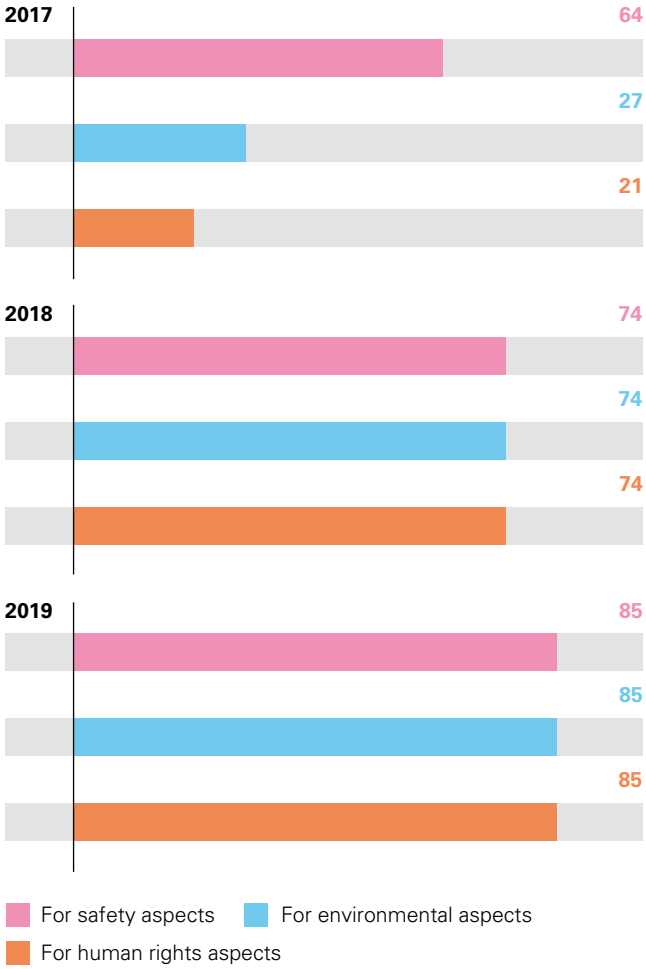
Individual suppliers can only be placed on the Supplier Register (or remain on it if previously qualified) and be invited to participate in the Group's procurement procedures if it is given an overall positive assessment. If, however, the result is negative, the assessment request will be rejected and the contractor may not be called to take part in Group tenders. The evaluation of individual sustainability requirements contributes to the overall assessment of the company's suitability to be placed on Enel's Supplier Register. In the event that a supplier is deemed non-eligible for the Enel Register as a result of a negative assessment on one or more sustainability requirements, the supplier may make a new assessment request at a later time.

In 2019, 100% of qualified suppliers were assessed according to social, environmental and safety criteria[2]. The number of qualified suppliers with a contract still active at the end of 2019 is approximately 3,100 (around 28% of active suppliers as of December 31), while the total number of active qualified companies is approximately 8,200. The following table shows the trend of qualified suppliers as a percentage for the three aspects analysed by process.



2 Only contracts with a value of more than 25 thousand euros (so-called delegated purchases; excluding Sanpaolo, Edesur and part of Romania). The total of new suppliers that did not have a contract in 2018 equalled 3,748 (4,668 in 2018 that did not have a contract in 2017), of which 27% were qualified (17% in 2018).

% assessed qualified suppliers as of December 31



Tender and contracting processes

In 2019, more than 5,000 tenders were launched, approximately 4,000 of which were online. In particular, the online negotiations made it possible to avoid printing more than 1 million pages, reducing the environmental impact of these activities.

Enel has pursued its commitment to introducing sustainability requirements into the tender process by adopting a specific "sustainability K factor". It has continued to integrate the so-called "Library" which lists the "sustainability Ks" to be used in tender processes by the different purchasing units in line with the various MCs. There are three main categories in particular:

- environmental Ks: for example, with the ISO 14001 certification, waste management, carbon footprint assessment according to UNI EN ISO 14067:2018; circular economy projects;
- safety Ks: for example, having the OHSAS 18001 certification, monitoring the main safety indexes;
- social Ks: for example, hiring staff in a state of unemployment/redundancy/mobility or young first-time jobseekers, or conducting social projects.

Integrity requirements

Since 2016, new operating practices have been established and adopted at Group level in terms of checks on suppliers' "integrity requirements" with the aim of consolidating the existing control system through more rigorous action to tackle corruption, particularly by: setting out specific documentary check criteria for legal and integrity requirements that are homogeneous and applicable to the procurement process (from the assessment phase through to awarding individual contracts); identifying the operating modes for checks to enhance the preventive tools available and have a rational, organic and determined impact on any cases of corruption or on factors contributing to its spread; promoting a widespread culture of compliance and ethics. An Artificial Intelligence System was later integrated into the system as a tool to analyse and mitigate reputational, environmental and social risks, etc. in order to select and constantly monitor suppliers by checking open sources.

Enel has developed specific contractual clauses in all contracts for works, services and supplies, which it updates periodically to take into account the various legislation and align with international best practices. The General Terms and Conditions consist of a general section containing provisions applicable to all countries, as well as the Country Annex which contains specific provisions applicable in each country of reference. In terms of sustainability of the supply chain, Enel requires its contractors/suppliers and subcontractors – among other things – to respect and protect internationally recognised human rights, as well as ethical and social obligations in terms of: child and female labour, equal treatment, non-discrimination, freedom of association and representation, forced labour, health, safety and environmental protection, sanitary conditions and regulations on wages, social security contributions, insurance and tax. It also specifically requires suppliers to commit to adopt and implement the principles of the Global Compact and ensure that these are fulfilled by both their employees and subcontractors when carrying out all activities. Moreover, suppliers must undertake to respect the principles contained in Enel's Code of Ethics, or at least take inspiration from equivalent principles to Enel's in managing its business. Lastly, the "International Labour Organization" conventions, or the applicable regulations in the country where the activities are carried out if more restrictive, shall apply.
In these areas, Enel reserves the right to carry out any checks or monitoring to verify compliance with the above obligations by both the contractor and its subcontractors or entities under its responsibility which are assigned to execute the contract, and to terminate the contract immediately in the event of non-compliance with the obligations.

6,556

Tier 1 suppliers assessed in 2019 (also includes assessments made during the tender and contract award phase)

20%

assessed Tier 1 suppliers who have been assigned improvement actions

97%

assessed suppliers which present an improvement action plan and whose ESG performance improved following the plan

Supplier Performance Management

Enel assesses and monitors the performance of its suppliers – both during the procurement process and execution of contracts – through the Supplier Performance Management (SPM) process. This aims not only to take restructuring actions, where necessary, but also to encourage suppliers to improve by incentivising best practices through reward schemes.

The Supplier Performance Management process is regulated by a dedicated procedure and based on an objective and systematic disclosure of data and information on the execution of the work defined by the contract. This data is used to develop specific indicators, also called Categories (Quality, Punctuality, Health and Safety, Environment, Human Rights and Fairness and Innovation & Collaboration), which are combined to form a weighted average and produce the Supplier Performance Index (SPI). The categories and SPI can be used as assessment elements for participation in tenders and for the continuation of contractual relationship in accordance with the applicable local requirements. Monitoring activities are conducted by the various Business Lines with the support of the relevant HSE units, where applicable, and the Qualification & Vendor Rating unit. In addition, all individuals who interact with suppliers have the opportunity to express their own assessment through the dedicated "Track & Rate" app.

For suppliers with poor performance, Enel adopts solutions that can have an impact on:

- → the qualification system (for example, suspending the qualification, reviewing the application class, placement on the blacklist, exclusion from the list of qualified suppliers, etc.); and/or
- → the contract (for example, further investigation, improvement plan, contract termination, reduction in volumes, option not required, etc.).

In the event of critical issues in the conduct of a supplier, an action plan may be drawn up jointly, the execution of which is constantly monitored by Enel.

Through the SPM process, 450 MCs and 2,282 contractors were monitored last year (versus 398 MCs and around 2,423 contractors in 2018).

Monitoring systems

In each stage of the procurement process, there are specific committees made up of representatives both of the purchasing department and Business Lines, with the task of assessing and monitoring supplier performance. In particular, the following committees have been set up:

1. Qualification committee;
2. Integrity committee: this includes representatives from Global Procurement, the Legal Function and Security Function. It meets every time a critical issue arises, such as an investigation or proceedings relating to breaches by a supplier, and periodically (usually monthly) to share and analyse situations which require specific actions/sanctions to be applied to supplier companies.

Moreover, individual country-specific units ("**Contract Controls Area**") have been set up to carry out checks on the responsible management of the supply chain and assess and manage risks relating to joint and several liability (applicable to successful tenderers and any subcontractors). The checks include an initial mass document analysis to assess the correct contribution and proper fulfilment of suppliers' contractual obligations. Next, there is a second level check on a sample of tenders to carry out targeted and thorough checks with on-site inspections.

Training and information

103-2 103-3

In recent years, Enel has held several meetings with contractors on sustainability issues to exchange different ideas and approaches. At individual country level, numerous meetings have been held more regularly in the last two years with contractors to discuss sustainability issues (Suppliers Days held in Italy, Peru, Colombia, Spain, Romania and Brazil). Moreover, on the Global Procurement website, articles are periodically published showing Group's commitment to these issues (https://globalprocurement.enel.com).

Again in relation to protection and awareness, particularly in terms of health and safety, Enel has undertaken numerous initiatives to engage contractors. There has been a significant decrease in accidents at work in recent years thanks to these initiatives.

Fuel procurement

102-9 103-2 103-3

Suppliers of solid and liquid fuel are selected through the "Know Your Customer" process, which evaluates each party's reputational and financial aspects and possession of the appropriate technical and commercial requirements. It is also checked that the suppliers are not on any specific "Black Lists" of the United Nations, European Union or OFAC (Office of Foreign Assets Control).

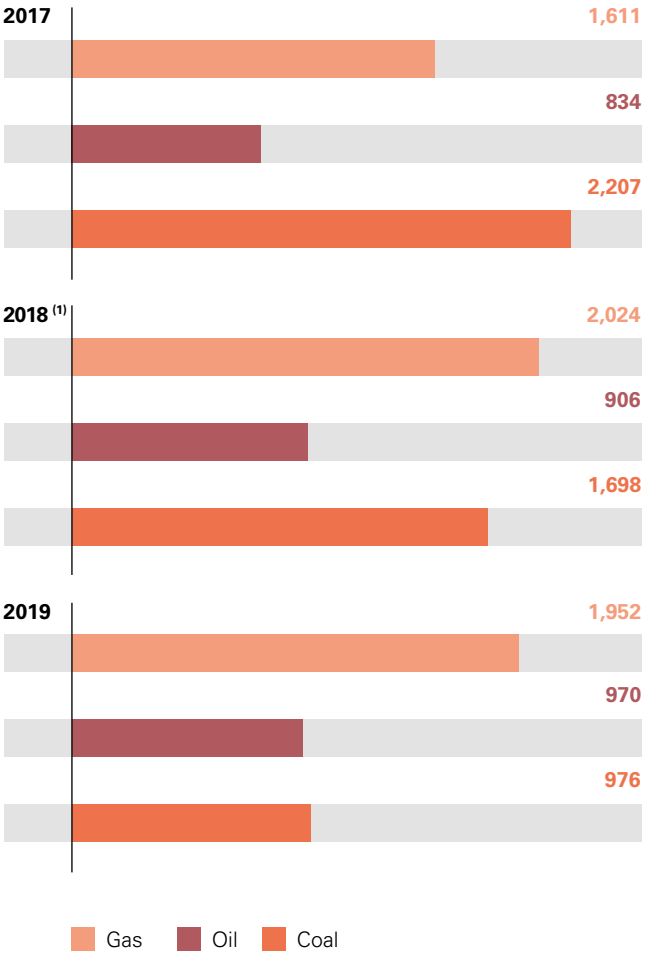
These are lists that identify individuals or organisations associated with terrorist associations, organisations under EU financial sanctions, and the so-called Specially Designated Nationals (SDNs) which are subject to United States sanctions on terrorism or drug trafficking charges amongst others.

To assess the sustainability aspects of coal sources, an internal process has been established to prove that the requirements in line with the Group's standards on occupational health and safety, environment and human rights have been fulfilled.

Purchase contracts agreed with each supplier are subject to the principles adopted by the Group with regard to the Code of Ethics and Zero Tolerance of Corruption Plan, with which suppliers must comply. Enel reserves the right to terminate contracts in severe cases of non-compliance with said principles.

Lastly, to mitigate risks arising from shipping fuels, Enel has adopted a tool to vet the carriers it uses. Vetting is a recognised industry standard for oil transportation; but for a few years now, Enel and an increasing number of operators have already begun to apply this method also for transporting bulk cargoes.

Fuel purchases (mil euros)



1 2018 value was recalculated to reflect a methodology update.

Bettercoal

103-2 103-3

Together with major European electric utilities, Enel is actively engaged in Bettercoal – a global initiative to promote the continuous improvement of corporate responsibility in the international coal industry. Bettercoal has released a code of conduct based on existing and agreed standards of social responsibility in the mining sector. This details guidelines which mining companies can refer to when drawing up their own social, environmental and ethical policies. The Bettercoal code tells suppliers what members expect from their practices in relation to four main categories: management; commitment to ethics and transparency; human and labour rights; and environmental performance, while promoting ongoing improvement. In 2019, it has started to review the code to align it with the latest best practices in sustainability, while gathering ideas and feedback from all relevant stakeholders.

After signing a letter of commitment, the mining companies in the programme embarked on a virtuous path represented by the assurance system, accepting to undergo on-site assessments carried out by independent third parties to verify that the code's principles have been applied, and agreeing on an ongoing improvement plan to overcome any shortcomings.

In addition to Bettercoal's growing presence in various forums in the area of coal sustainability and supply chain, the initiative has become an example of collaboration geared towards improving socially responsible practices in the supply chain. In 2019, Bettercoal evaluations covered over 400 mil t of coal production. Further reinforcement was given to two working groups dedicated specifically to Russia and Colombia with clear and transparent work plans. Inspections in four sites located in the USA, Colombia and Kazakhstan were also carried out, with active monitoring of 11 improvement plans. To promote greater transparency, four reports were published on the completed on-site assessments, which are available to the public on the Bettercoal website. Lastly, the United Nations Global Compact Communication of Engagement and annual report with the help of an external NGO were also published.

For further information, please refer to the website: www.bettercoal.org.

Environmental sustainability

Plan 2019 > 2021 Environmental sustainability

SDG	ACTIVITIES	2020 TARGETS	2019 RESULTS	CATEGORIES
12	Reduction of specific SO_2 emissions	-30% compared to baseline year 2010	0.59 g/kWh$_{eq}$ (-39% compared to 2010)	E Environmental footprint
12	Reduction of specific NO_x emissions	-30% compared to baseline year 2010	0.60 g/kWh$_{eq}$ (-29% compared to 2010)	E Environmental footprint
12	Reduction of specific dust emissions	-70% compared to baseline year 2010	0.12 g/kWh$_{eq}$ (-79% compared to 2010)	E Environmental footprint
6 12	Reduction of specific water requirements[1]	-30% compared to baseline year 2010	0.33 l/kWh$_{eq}$ (-51% compared to 2010)	E Water
12	Reduction of waste products	-20% compared to baseline year 2015	7.2 mil t (-32% compared to 2015)	E Waste

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Environmental sustainability

SDG	ACTIVITIES	TARGETS	CATEGORIES
12	Reduction of specific SO_2 emissions	-85% by 2030 compared to baseline year 2017[2]	E Environmental footprint
12	Reduction of specific NO_x emissions	-50% by 2030 compared to baseline year 2017[2]	E Environmental footprint
12	Reduction of specific dust emissions	-95% by 2030 compared to baseline year 2017[2]	E Environmental footprint
6 12	Reduction of specific water requirements[1]	-50% by 2030 compared to baseline year 2017[2]	E Water
12	Reduction of waste products	-40% by 2030 compared to baseline year 2017[2]	E Waste
12	ZERO Plastics Project - Reduction of single-use plastics at Enel Group sites[3]	Launch of the programme to reduce single-use plastics across all geographical areas and definition of an overall target by 2022 > Enel sites in Italy[4]: -91% by 2021 > Enel sites in Spain: -65% by 2021	E Waste

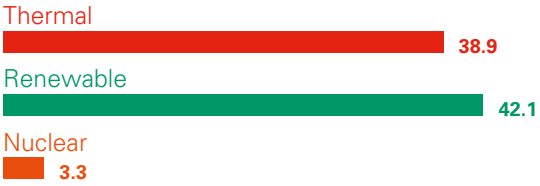
1 Following the adoption of the new GRI 303, from 2018 the values shown to date as a specific consumption are indicated as a specific requirement.
2 Following the definition of the emission reduction target by 2030, certified by the Science Based Targets initiative (SBTi), these targets were recalculated and based on 2017 values to ensure correct consistency and alignment. The 2022 targets compared to baseline year 2017 for SO_2, NO_x and dust are respectively -80%, -45%, and -90%.
3 The target set by each country is calculated in relation to the volume of single-use plastic used and refers to 2018.
4 This does not include offices with less than 20 employees.

Environmental sustainability

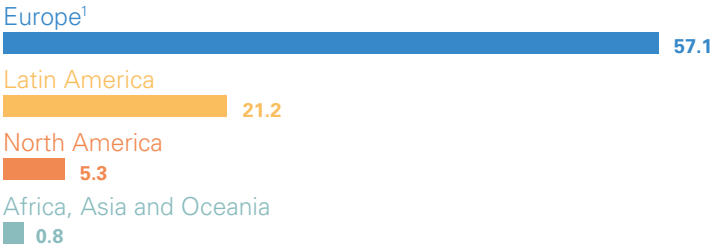
102-7 EU1 EU2 EU4

Net installed capacity (GW)

By source

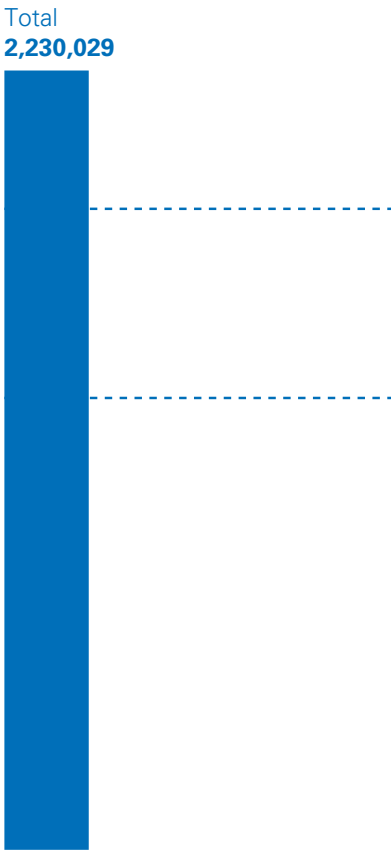


By geographical area



By year

Length of network (km)

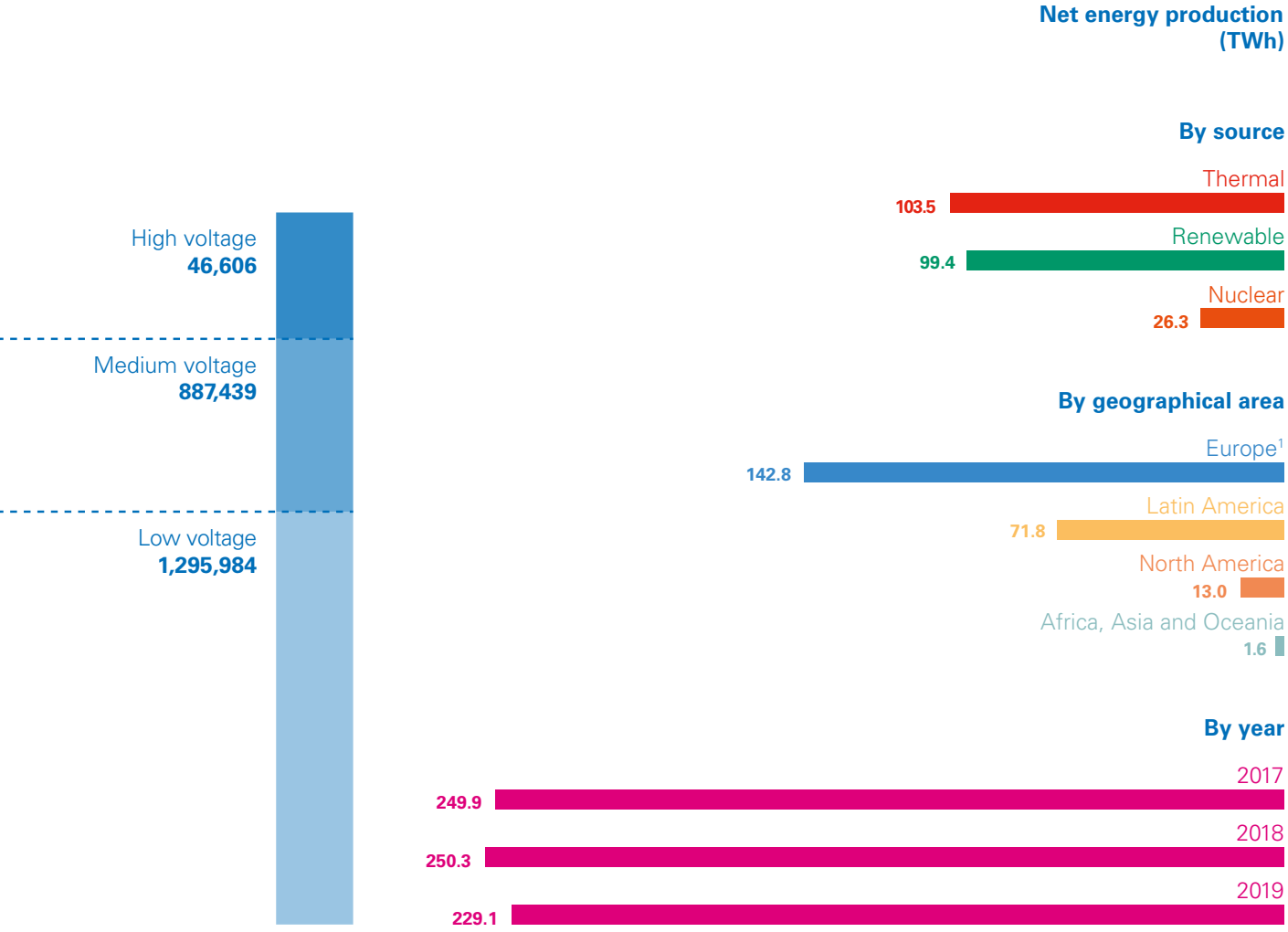


	Argentina	Brazil	Bulgaria	Canada	Chile	Colombia	Costa Rica	Greece	Guatemala	India
Thermal[2]	2	1	-	-	8	2	-	-	-	-
Renewable[3]	2	54	2	1	36	13	3	51	5	3
Nuclear	-	-	-	-	-	-	-	-	-	-
Distribution substations	17,376	449,935	-	-	221,758	446,561	-	-	-	-

1 Includes Europe and Euro-Mediterranean Affairs, Italy and Iberia.

2 During 2019, three plants got out of the Group's scope of consolidation: two in Italy (Mercure and Bastardo) and one in Russia (Reftinskaya).

3 The number of plants by country can vary based on the aggregation criterion that is used (for example, organisational or technology).



Italy	Mexico	Panama	Peru	Portugal	Romania	Russia	Spain	USA	South Africa	Zambia	
27	-	-	3	1	-	3	28	-	-	-	
598	8	8	10	-	12	-	265	59	7	1	
-	-	-	-	-	-	-	3	-	-	-	
-	-	-	21,644	-	225,323	-	7,417	-	-	-	

Environmental policy

Protecting the environment and natural resources, combating climate change, and striving to achieve sustainable economic development are all strategic factors in planning, carrying out, and developing Enel's activities, and are decisive in consolidating its leadership in energy markets.
Since 1996, Enel has observed a Group environmental policy which is based on **four key pillars:**

1. protecting the environment by preventing impacts to it;
2. improving and promoting the environmental sustainability of products and services;
3. creating shared value for the Company and stakeholders;
4. complying with legal obligations and voluntary commitments, promoting ambitious environmental management practices.

It also pursues **ten strategic objectives:**

1. Organization-wide application of internationally recognized Environmental Management Systems based on the principle of continuous improvement and the adoption of environmental indicators to measure the environmental performance of the entire organization.

a. Annual compliance of ISO 14001 certifications present and extension to cover the entire Group perimeter.
b. Rationalization and harmonization of certification in the various organizational areas; search for synergies and sharing of best practices with regard to environmental management.

Chapter: "Environmental sustainability"

2. Reducing environmental impact by applying the best available technologies and best practices in the stages of plant construction, operation, and decommissioning, taking into consideration a life cycle analysis approach and the circular economy concept.

a. Environmental impact assessment for the construction of plants or significant changes.
b. Study and application of Best Available Technologies (BAT).
c. Protection and monitoring of the quality of surface water and groundwater in areas around the plants.
d. Internal development and application of international best practices.

Chapter: "Environmental sustainability" – "Commitment to the fight against climate change"

3. Siting industrial plants, infrastructure and buildings, while safeguarding the territory and biodiversity.

a. Development and updating of an Action Plan for Biodiversity.
b. Development of biodiversity protection projects, taking into account the specific features of local environments (conservation of the habitats of protected species, reintroduction of particular species, replanting of native flora, in collaboration with research centres and nature observatories).
c . Performance of bio-monitoring activities (land, seas, rivers).
d . Use of technologies to protect biodiversity.
e. Mitigation of the visual impact and of the impact on the landscape of generation plants and distribution networks.

Chapter: "Environmental sustainability"

4. Leadership in renewables and in low-carbon electricity generation and efficient use of energy, water resources, and raw materials.

a. Growth in renewable energy production.
b. Improvement of the efficiency of power plants.

c. Reduction in grid losses associated with electricity distribution.

d. Efficient management of water resources for industrial uses, focusing in particular on "water stress" areas.

e. Value the by-products of electricity generation as raw materials for other production processes.

f. Promotion of services and products for energy efficiency in the end-uses.

Chapter: "Environmental sustainability" – "Commitment to the fight against climate change"

5. Optimal management of waste and wastewater and promotion of circular economy initiatives.

a. Reduction in waste production.

b. Reduction of polluting effect of wastewater.

c. Increase in the percentage recovery of waste and wastewater produced.

d. Qualified selection of suppliers of waste disposal services and use of IT systems for the traceability of waste.

Chapter: "Environmental sustainability"

6. Development of innovative technologies for the environment.

a. Implementation of systems for increasing plant efficiency and reducing emissions.

b. Promotion and development of smart grids as well as solutions based on the digital management of assets designed to improve environmental performances.

c. Development of innovative solutions for renewable energy production (photovoltaic, geothermal, wind, marine energy) including the integration of renewable energy and energy storage.

d. Promotion and development of electric mobility.

Chapter: "Environmental sustainability" – "Infrastructure, ecosystems and platforms"

7. Communication on the Company's environmental results to citizens, institutions and other stakeholders.

a. Publication of the Sustainability Report and open-data access to the Group's main environmental parameters.

b. Communication with analysts and participation in various sustainability indexes.

c. Consultation and engagement with local stakeholders.

d. Dissemination of environmental initiatives through the Internet.

Chapter: "Environmental sustainability" – "Commitment to the fight against climate change" – "Communities and value sharing"

8. Employee training and awareness-raising on environmental issues.

a. Training on environmental issues.

b. Employee engagement in campaigns to raise awareness about the environment.

Chapter: "Environmental sustainability"

9. Promotion of sustainable environmental practices among suppliers, contractors and customers.

a. Use of qualification criteria for the selection of suppliers based on environmental performance.

b. Training initiatives and meetings to inform suppliers about the Enel expectations in terms of management of the environmental impacts due to activities to be undertaken, starting from the work start stage.

c. Assessment of suppliers based on the environmental performance achieved during the activities carried out on behalf of Enel.

Chapter: "Environmental sustainability" – "Sustainable supply chain"

10. Complying with legal obligations and voluntary commitments.

a. Guarantee that operations are carried out in compliance with the legal obligations and the commitments undertaken voluntarily, in the various countries.

b. Resolve any cases of non-compliance with regard to the obligations and voluntary commitments undertaken.

c. Consider further action and voluntary conduct to protect the environment, even if not part of our legal obligations.

Chapter: "Environmental sustainability"

LINK **Sustainability Report**
At a Glance
Commitment to the fight against climate change
Performance indicators

LINK **Annual Report**

Environmental governance

0.59 g/kWh_{eq}
SO_2 specific emissions

0.60 g/kWh_{eq}
NO_x specific emissions

0.12 g/kWh_{eq}
dust specific emissions

0.33 l/kWh_{eq}
specific water requirement

7.2 mil
tons of waste produced

114
projects for the protection of biodiversity

Strategic factors in the planning, implementation and development of Enel's operations include the protection of the environment and natural resources, combating climate change as well as contributing towards sustainable economic development. Moreover, these represent determining factors in consolidating the Company's position as leader in the energy market.

Since 1996, Enel has been pursuing a Group environmental policy, updated in 2018, and as stated in the opening of this chapter, this policy has been implemented across the Company structure and across its entire value chain[ss].

Enel oversees all environmental-related activities by means of a structure that extends across the operational units with standardised general environmental policy guidelines, emanating from one central Holding unit. Across the Business Lines and Global Service Functions, structures, dedicated personnel and managers ensure the operational implementation of these common strategic guidelines. In particular, Staff Functions coordinate the management of relevant environmental issues, ensuring the necessary specialist support in line with the Holding guidelines, whilst the operational units manage the specific aspects related to the various industrial sites.

Enel Data on Environment (EDEN)

In 2019, Enel introduced an environmental reporting system called Enel Data on Environment (EDEN). This is an advanced, easy-to-use, and robust tool that collects and manages environmental data whilst also supporting the management of environmental improvement strategies across the various divisions, in addition to collecting all the environmental data for the annual Sustainability Report of all the Group companies.

EDEN is capable of recording over 1,750 environmental variables broken down into thematic units (fuels, emissions, waste, water, soil, consumables, stock materials, operational data, environmental improvement interventions, etc.) calculating specific KPIs in line with the GRI (Global Reporting Initiative).

As well as a multi-lingual tool, it can input data for each individual technology, for different organisational levels (plant, country) and different user profiles. As soon as any data is entered it undergoes formal controls and consistency assessments and subsequent series of validations. In the various countries where Enel operates, over 250 personnel with over 20 training sessions were trained in its use.

ss Enel Group's environmental policy extends across the entire value chain and applies: to all the production phases of every product and service, including distribution and logistic phases, in addition to related waste management; to each site and building; all the relationships with external stakeholders; all mergers and acquisitions; every key business partner (including partners related to non-managed operations, joint ventures, outsourcing or third-party producers); every supplier, including service and contractor suppliers; all due diligence processes as well as and Merger and Acquisition processes.

Environmental Management Systems

One of the strategic objectives of the Group's Environmental policy is the application of the ISO 14001 certified **Environmental Policy Systems**, across the whole organisation structure. By the end of 2019, practically all the operational businesses had activated and certified Environmental Management Systems (production plants, networks, services, buildings, sales, etc.). Preparatory work has been commenced for new plants and installations in view of their certification.

Given the complexity and the variety of its activities, the Group decided to adopt management systems using a modular approach. Thus, an ISO 14001:2015 certified management system was established at Holding level, providing guidelines and coordinating the Business Lines in terms of environmental issues. Each Business Line then launched its own Environmental Management System focussed on its own specific activities. The management systems adopted comply with the new requirements introduced under the most recent regulatory standards (14001:2015). In particular, with respect to context analysis, the systems use the analytical data from the Sustainability Report (for further information, refer to the chapter on the "Definition of priorities") which take into account both internal and external contexts.

Enel is also registered with the EMAS Scheme (Eco-Management and Audit Scheme, https://corporate.enel.it/it/stories/a/2016/11/certifications-emas) for its main thermoelectric and geothermal production sites in Europe. Moreover, in complying with the four fundamental pillars that form the basis of Enel's environmental policy, specifically in terms of our commitment towards "protecting the environment by preventing adverse effects", in 2018 the Group's "**Stop Work Policy**" was defined, whereby all employees are temporarily required to stop working when risks arise affecting not only their own health and safety, but environmental safety too.

Training is one of the strategic objectives of the Group's policy and forms an integral part of the Environmental Management System. In 2019, around 33,000 training hours were given on the Environmental Management Systems, which included, for example, water and waste management, environmental remediation, and preventative works.

2019 saw the completion of an environmental training programme aimed at upskilling technical personnel, whilst increasing the environmental awareness of operations management staff. Launched in 2018, across the Thermal Generation in Italy, this programme was extended to other Business Lines and will be extended to other countries throughout 2020.

Enel Stop Work Policy

At Enel we are constantly working to promote and consolidate a **culture of health and safety** for everyone involved in our activities wherever they are in the world. We are raising awareness of risks and promoting responsible behaviour in order to ensure that work is carried out to a high quality standard without accidents or injuries, because everyone who works with us represents our most precious resource, deserving of our protection.

We are committed to **protecting the environment**, with the conviction that preventing risks and promoting responsible behaviour is key to defending our well-being and that of future generations.

We therefore ask each and every one of you to **intervene quickly and stop any activity that might jeopardize your health and safety** or that of others or, similarly, that might cause **harm to the environment**. Specifically, these are activities that could be detrimental to the quality of environmental elements (air, soil, water, flora and fauna), or to a site's archaeological and artistic heritage.

We also ask you to **promptly report** to your immediate superior or to a higher local Enel representative, any unsafe behaviour and any action, omission, or situation that could potentially lead to a workplace injury or environmental damage.

The order to **Stop Work** must be applied **without fear of consequences**. No blame or responsibility will be attributed to an employee or subcontractor who reports in good faith a situation of particular risk or who stops work, even if this action should subsequently prove to have been unnecessary.

Our daily commitment is to the health and safety of workers and the protection of the environment, which take priority over any other need.

Francesco Starace

Chief Executive Officer and General Manager

Environmental risk analysis

102-15

In order to identify and minimise environmental risks related to its activities, Enel, as well as adopting the ISO 14001 certified Environmental Management Systems across every single production site and operational unit, also uses an important analytical and intervention tool at Group level which works in synergy across all these entities to protect the environment.

- **Group Policy for the classification and analysis of Accidental Environmental Events**. Accidental Environmental Events are classified according to their type and relevance. This classification is based on their possible impact on the environmental matrices and on any potential sensitive areas (eco-systems and protected areas), in addition to their negative impact on the organisation itself. The policy defines the communication procedures for such events, analysing their causes, monitoring subsequent corrective actions and improvements in accordance with their classification and relevance. Rigorously applying them across all the Group organisational activities ensures Enel's ownership of a robust and timely environmental control tool.
- **Environmental Risk and Opportunity Assessment Policy**. Throughout 2019 and at Group level, over 1,200 environmental risk analyses were performed in as many operational sites and Staff Functions across all the geographical areas where Enel operates, consolidating previous divisional approaches into one single model which is a shared, organic and homogeneous analytical model. This analysis, specifically, has ensured a more effective identification, classification and management of risks and opportunities both for the environment and for the organisation. The adoption of this approach, with an increased focus on the entire life cycle, involved the analysis of the processes and operational activities carried out at each site or territorial environment. It assesses potential interactions with the environmental matrices as well as using controls or regulatory compliance, including the most stringent self-imposed targets, to enable continuous improvement. Risk assessments were also extended to environmental issues related to governance and to the strategic guidelines applied from the organisation's central Functions.

> **Extra Checking on Site (ECoS) Policy**. ECoS is a planning and site visit tool used by groups of inter-departmental experts for power stations and operational structures in order to identify improvement plans and to share best practices. In 2019, the Business Lines across all the countries where the Group operates realised over 230 ECoS (between safety and environment). With a structured approach contained in specific assessment clusters, ECoS have analysed workplaces, control and management systems, organisational structures and environmental practices, in addition to health and safety practices.

- **Supplier Environmental Assessment**. Considering the importance of suppliers in defining the Company's complex environmental services, at the end of 2019 Enel decided to adopt a structured and homogeneous supplier environmental assessment procedure across the Group. This supplier assessment can be implemented during the supplier qualification phase, especially for high-risk environmental activities requiring a minimum standard to be qualified as an Enel supplier. However, if significant environmental events should occur, a supplier may undergo an extraordinary assessment for the purposes of identifying the areas for improvement, which the supplier is then required to implement, to prevent this event from re-occurring in the future.

Emissions

305-1 305-7

Constant reduction of environmental impacts associated with the running of our power plants is a strategic objective pursued by Enel **by applying the best available technologies and international practices**. In 2019, the values of CO_2 and pollutant emissions decreased both as regards mass emissions as well as for the specific values due to reduced thermoelectric generation, in particular coal-fired, in comparison to 2018. The reduced thermoelectric generation resulted partially from the removal of the Russian Reftinskaya coal-fired power plant from the scope of consolidation, due to its sale, on October 1, 2019.

Greenhouse gas emissions

Reduction of greenhouse gases is one of the priority targets indicated in the environmental policy, pursued by gradual expansion of renewable energy production and improvement of infrastructure efficiency.

In particular, greenhouse gas emissions deriving from Enel's industrial activities are mainly due to emissions of carbon dioxide (CO_2) from thermal generation and, more marginally, to leakage of sulphur hexafluoride (SF_6) from the distribution network. CO_2 specific emissions in 2019 amounted to[2] 296 g/kWh$_{eq}$ in line with the target certified by the Science Based Targets initiative which the Group had set for 2030. For further details on greenhouse gas emissions, please refer to the chapter "Commitment to the fight against climate change".

SO_2, NO_x and dust

103-2 103-3 305-7

Particular focus is placed on the emissions of the main airborne pollutants associated with thermal generation: **sulphur dioxides (SO_2), nitrogen oxides (NO_x)** and **dust**. For this purpose, in 2019, works on specific thermal generation plants, mainly coal-fuelled plants, worth a total of 145 million euros, were carried out, in addition to the establishment of a 187 million euros three-year investment plan for 2020-2022. The choice of the most suitable work to improve the environmental performance for each plant is based on an analysis that, starting from the best technologies and international practices, takes into account factors such as: the local context and priorities, the plant operating methods, meaning the hours of operation each year, the current plant engineering configuration and the outlook for its productive life.

Emission measurements are carried out in compliance with each country's regulatory framework and, in the majority of the large plants, a measurement system is used that can assess compliance with the limits in real time. Its reliability is guaranteed by accredited certifying entities and through assessments carried out by inspection authorities.

2019, compared to 2018, saw a fall in emissions, for all the main pollutants both in absolute and specific terms. These reductions are ascribable both to lower production from fossil fuels, particularly coal, and to the implementation of efficiency measures.

In particular, SO_2 specific emissions were equal to 0.59 g/kWh$_{eq}$ (-21% vs 2018), those of NO_x were 0.60 g/kWh$_{eq}$ (-17% vs 2018) and those of dust were 0.12 g/kWh$_{eq}$ (-29% vs 2018)[ss]. The drop in dust is mainly linked to the reduced production from coal sources recorded during the year[ss]. Enel, in relation to the values in 2010, sets its targets of atmospheric emissions reduction, to be achieved by 2020, which are based on the Industrial Plan and the plans for the installation or for the upgrading of abatement systems. These targets were achieved a year in advance for specific SO_2 and dust values, whereas, for NO_x emissions, these will be achieved by 2020.

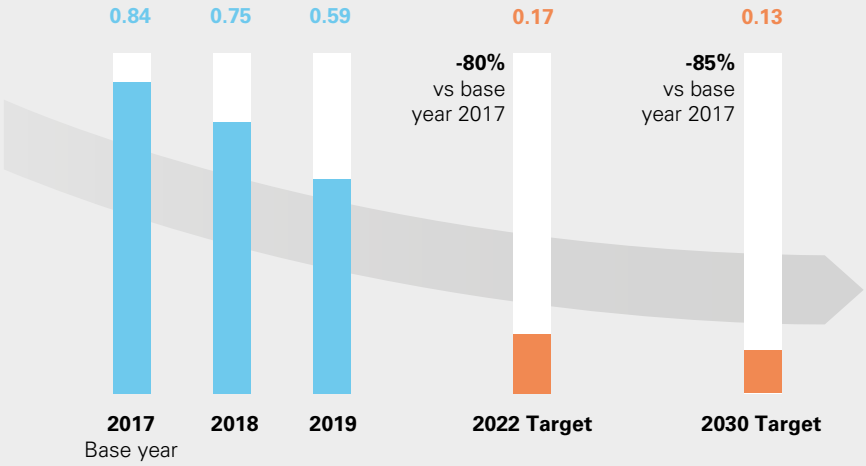
The Group, furthermore, in relation to the values in 2017, set further emissions reduction targets specifically related to atmospheric pollutants by 2030. Targets and reductions trend are in line with the recognised "science-based" target, set by the SBTi, to achieve specific CO_2 emission values below 125 g/kWh$_{eq}$.

ss Value related only to consolidated production. In relation to the overall value of the capacity managed, CO_2 emissions amount to 284 g/kWh$_{eq}$.

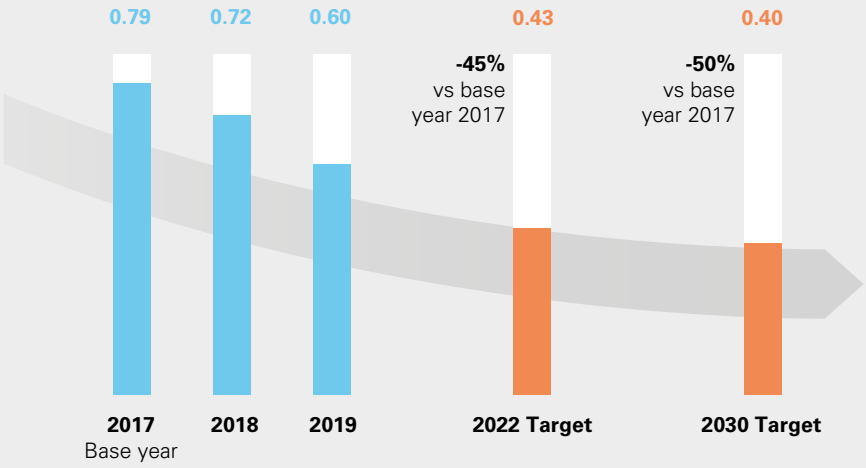
ss Compared to the base year 2010, SO_2 emissions have dropped by 39%, NO_x by 29% and dust by 79%.

ss The emissions from the Retfinskaya coal plant in Russia contributed significantly to this, as these emissions were accounted only for a nine-month period following the exit of the plant, for sale, from the scope of consolidation.

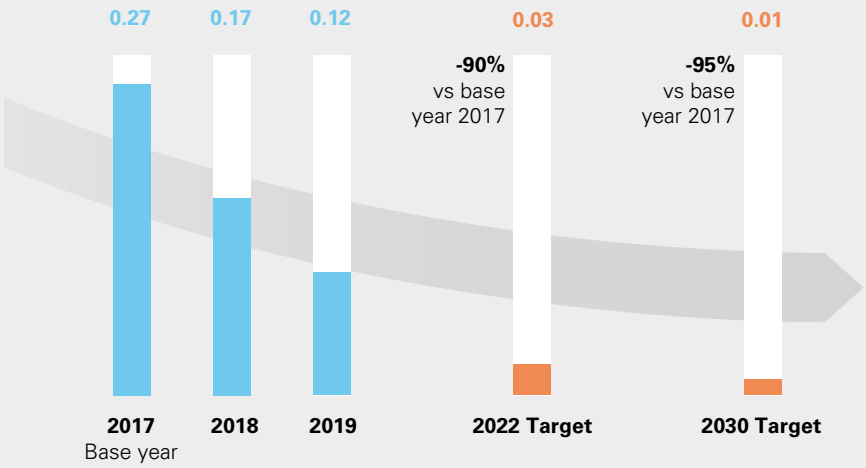
Reduction of SO_2 specific emissions (g/kWh$_{eq}$)



Reduction of NO_x specific emissions (g/kWh$_{eq}$)



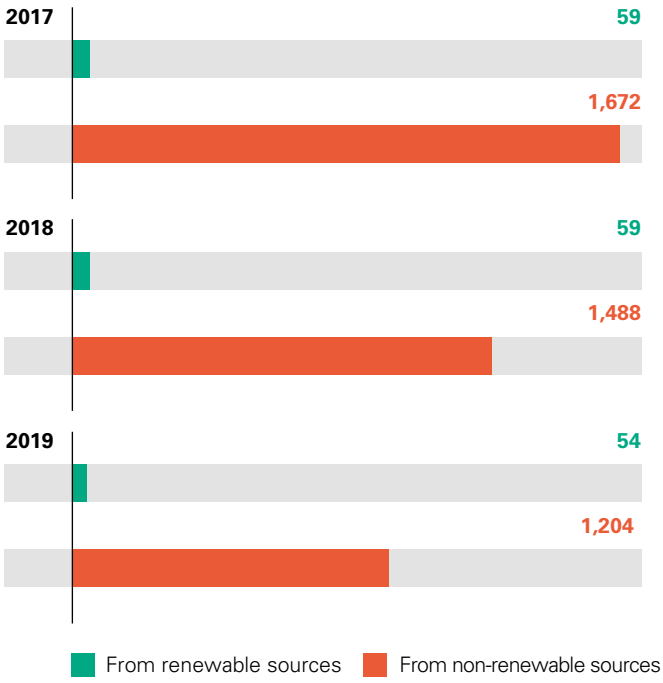
Dust reduction (g/kWh$_{eq}$)



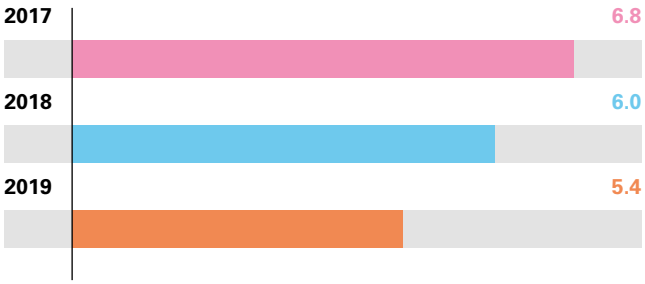
Energy

103-2 103-3 302-1 302-3 302-4

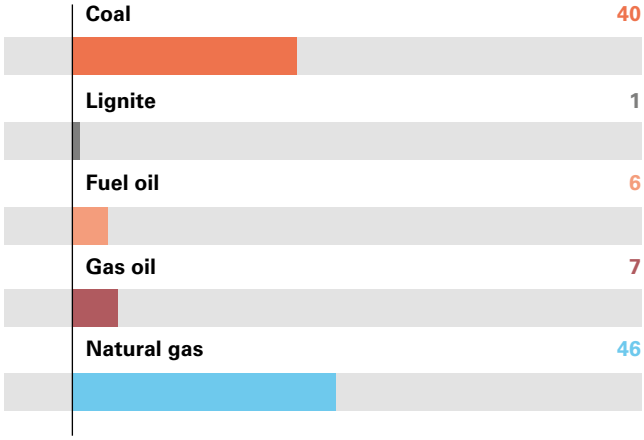
Fuel consumption by primary source (,000 TJ)



Energy intensity (MJ/kWh_{eq})



Total consumption of fossil fuels for simple and combined thermal generation - Mtoe (%)



Efficient energy use for Enel means, on the one hand, maximising the yields from mixed sources (thermal, nuclear and renewables), and, on the other hand, constantly improving network efficiencies. Enel's strategy for energy consumption reductions thus involves investments to increase the efficiency in all the Group's activities, from production to distribution, whilst focussing on increasing greater behavioural awareness (for further information, refer to chapter "Commitment to the fight against climate change"). In 2019, improvement of process efficiency and implementation of operational excellence programmes continued in the various Business Lines. Energy consumption mainly includes fossil fuels for the operation of thermal power plants and uranium for nuclear power plants. A limited share of energy consumption is related to operation of the plants generating electricity from renewable sources.

Total direct consumption of fuel was 1,257,972 TJ (30.1 Mtoe). Fuel energy consumption over the year recorded a fall of 19% on 2018, due to lower thermal generation, specifically coal-fuelled production. Geothermal energy production in Italy and Chile has remained substantially stable. The Group's energy intensity, which provides a measure of its operational efficiency, in 2019 was 5.4 MJ/kWh_{eq}, down 10% on the previous year. This decrease reflects the change in the production mix in the year which is showing, with a decrease in thermal generation, an increase in production activity from renewable energies.

As per the previous year, during 2019 various interventions

in terms of energy efficiency were implemented. In Italy, for example, in 2019, for e-distribuzione, a total of 1,651,295 ESC (Energy Saving Certificates[5]) were purchased, in addition to 769,033 ESCs to finalise the quotas due for 2018 (end May 2019); during the period June-December 2019, necessary ESCs were purchased to acquit the annual 2019 obligation due on May 31, 2020. Romania on the other hand saw savings for approximately 160,000 GJ, thanks to maintenance and upgrading works carried out in the stations and substations as well as the replacement of equipment and power transformers, restructuring works and upgrades of the transformation stations and the installation and use of smart meters. In Spain, in the Puentes nuclear power plant, 83,450 GJ where saved due to upgraded cooling towers, turbines as well as interventions to minimise the losses from the air pre-heaters and the replacement of conventional equipment with LED devices.

Water

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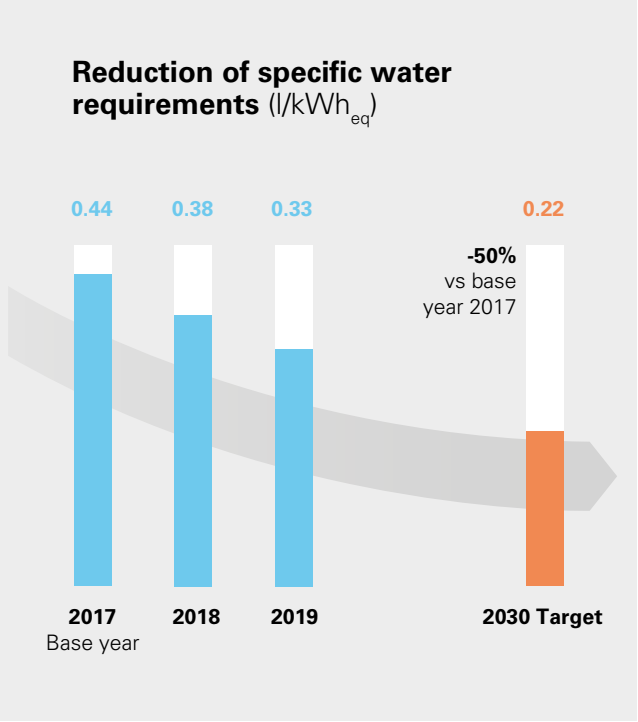

Responsible use of water resources is one of the strategic targets of the environmental policy and requires the adoption of an integrated approach based on three lines of action as shown below.

→ **Efficient use of water resources also through control of leaks**. The Enel Group collects water from water sources mainly for industrial uses, such as cooling and airborne abatement systems (for example desulphurisation, the abatement of nitrogen oxides), and uses it for the most part for thermal and nuclear generation. In 2019, **total water requirement** amounted to approximately **77.3 mil m³**, down by around 20% compared to 2018 (96.3 mil m³), due to a lower thermal generation, especially from coal[ss]. The Group's **specific water requirement**, including thermal, nuclear, geothermal, and other activities for industrial uses, amounted to **0.33 l/kWh$_{eq}$** in 2019, about 13% lower than the previous year in line with the target to reduce the Group's specific water requirement[ss].

Enel pursues the target of reducing its specific water requirement. The target of a 30% reduction by 2020, with respect to the 2010 values, was achieved by the 2017 results, three years in advance. The Group set a further reduction target of 50% for water specific consumption by 2030 in relation to 2017. From the results achieved, and based on the three-year Industrial Plan which envisages an efficient use of water resources

5 Energy Saving Certificates (also known as white certificates) issued by Gestore del Servizio Elettrico (Electrical Services Authority) are the equivalent of saving 1 ton of oil equivalent (toe) which is the standard measurement unit commonly used in energy reports to express all sources of energy, taking into account their calorific value. Electricity distributors can thus achieve their targets of energy efficiency increase by realising energy-saving projects and by obtaining the associated issuance of ESCs, or by buying ESCs from other parties.

6 This value does not include water used in open-cycle cooling because the same quantity of water used is returned to the original water body without any altered chemical characteristics and with minimum temperature variations (always within the limits fixed by the statutory regulations of the countries where Enel operates).

7 Compared to the base year 2010, there was a 51% reduction in specific water requirement.

in the existing thermal plants, it is also evolving towards mixed sources, renewable energies, in addition to reducing power generation from fossil fuels sources by changing the scope of its power stations. The total water requirements for the Group's production activities are covered by withdrawing from sources that are non-scarce (seawater), scarce (surface freshwater, groundwater and water from industrial aqueducts) or through the use of wastewater from production processes. The Group is committed to reducing water consumption in its production processes, specifically promoting water recirculation within the plants. In some coal-fired power stations, for example, drainage water from the closed-circuit cooling towers is reused in desulphurisation, whereas the use of crystallisers downstream to the desulphurisers allows the total recovery of the wastewater.

Enel is constantly monitoring all its production sites located in areas at risk of water scarcity in order to manage the water resource as efficiently as possible. In particular, site monitoring takes place through the following levels of analysis:

- mapping of the production sites located in potential "water scarcity" areas, where the average value of the renewable water resources per person is below the benchmark set by the FAO (mapping is done using the Global Water Tool of the World Business Council for Sustainable Development);
- identification of "critical" production sites, i.e. production sites in "Water Scarcity Areas" with a freshwater supply;
- more efficient water management to maximise wastewater and seawater supplies.

In 2019, approximately 8% of total energy produced by the Enel Group used freshwater in so-called "water stressed" areas[ss]. In these areas, water is withdrawn mainly from scarce source and comprises 14% of the Group's overall supply.

The high increase in the number of solar plants, naturally suited to installation in "water stressed" areas, had brought to the fore a new water use connected with the cleaning of dust deposits on the surfaces of the photo-voltaic panels. Although these represent insignificant volumes, Enel has adopted cleaning techniques for these plants based on algorithms to optimise water consumption.

- **Optimisation of wastewater treatment and protection of the water quality in the destination environmen**t. Wastewaters is the water used in plants which, after recovery and reuse for internal purposes, is returned to the original surface water bodies. Water is always discharged downstream to the treatment process, removing any potential pollutants present to avoid any negative impacts, always within the national benchmarked and regulatory standards. Where locally permitted, Enel uses, as incoming water resources for its own processes, wastewaters, typically supplied by waste management consortia downstream to the treatment processes.
- **Responsible and integrated management of the hydro-geological basins to preserve their multiple land uses and water quality**. The activities of hydroelectric power stations are an important element of water management. These power stations, which do not contribute to the Group's water consumption in that the water withdrawn is completely returned to its source, provide a series of additional services for the Company in solely generating renewable energies.

In fact, a variety of power stations, jointly managed by public stakeholders and private entities, manage the water resource for multi-purpose services ranging from flood control, drinking water and irrigation, fire prevention services, to river waste dam retention works, without forgetting numerous cultural initiatives, leisure and nature-based activities organised with respect to the installations themselves. The contribution of the hydroelectric power plant reservoirs is particularly relevant in counteracting the effects of climate change as the plant increases the level of community protection in areas where communities are consistently subject to increasingly frequent extreme flooding events or long periods of drought.

It can be furthermore underlined the management of the outflows from the hydroelectric power stations through specific programmes to ensure the required volumes to preserve river ecology (minimum vital water flows).

8 The World Resources Institute (WRI) defined a "Water Stressed Area" as an area where the availability of water *pro capite per annum* is less than 1,700 m^3.

Enel Green Power: GIS - the hydroelectrical portal

Hydro-electrical technology is amongst the renewable energy sources which can significantly benefit from using a platform and geo-location analytical tools given that energy production is closely linked to geographical parameters, to meteorological data, to the overall management of water resources, including for emergency scenarios, and to the context of civil and territorial works.

Enel Green Power has developed the first **GIS Portal (Geographic Information System)** to implement and maintain its hydroelectric power stations. This creates a unified geographic framework to store, process, analyse and submit various types of data with geography as the key information variable. This portal will be able to assist decision-making processes. All the data is organised into thematic "layers" in relation to the position and the geometry of the digitalized asset and correlated with the GIS information collected through well-established technologies such as satellites, drones, lasers, scanners. **Notably, the GIS portal for O&M Hydro** is grouped into four categories:

- **assets**: here the applications are for the digital mapping of the power stations, providing a revision functionality of the power plant components, cadastral data and geographical analyses;
- **Hydro Plants Monitoring**: the applications developed here are specialised and operational and carry out monitoring based on the parameters for hydroelectric power plants. Specialist applications serve to facilitate the correlation of the geo-service data into "theme" layers with the hydroelectric assets and they are mainly focused on: **management of emergencies, risk evaluation, geology, hydrology, environmental information and meteorological data**. The operational applications are: geo-data processing to calculate and map water courses and their hydrographic basins, to collect and analyse the data of the basins and a personalised application to record changes – "Change Detection" – for the purposes of comparing the satellite images with various timestamps provided by the European satellite service Sentinel, correlated with the position of the water resource asset;
- **drones**: used to collect and process the data collected from drone inspections. This data is then published on the GIS portal for further analysis and for the "Change Detection" techniques to be applied in consecutive flights in order to identify any changes in the assets themselves or on the ground, and to pre-empt any potential risk scenarios;
- **specialist inspections**: to collect GIS data from specifically innovative projects such as GPR inspections (Ground Penetrating Radar), geological data monitoring of landslides in real-time using IoT sensors in the field as well as laser scanner data.

An online GIS software is in the process of being developed and will be **dedicated to production process planning, in addition to managing emergency events 72 hours in advance** using predictions to calculate incoming volumes into the hydrographic basins where the Group's hydroelectric power stations are located. This specific module will be able to both model the terrain in terms of type, levels of humidity and other relevant variables, using the Enel Green Power **inflow/outflow model**, as well as providing projections on the availability of the water resources using hourly meteorological forecast data.

Waste

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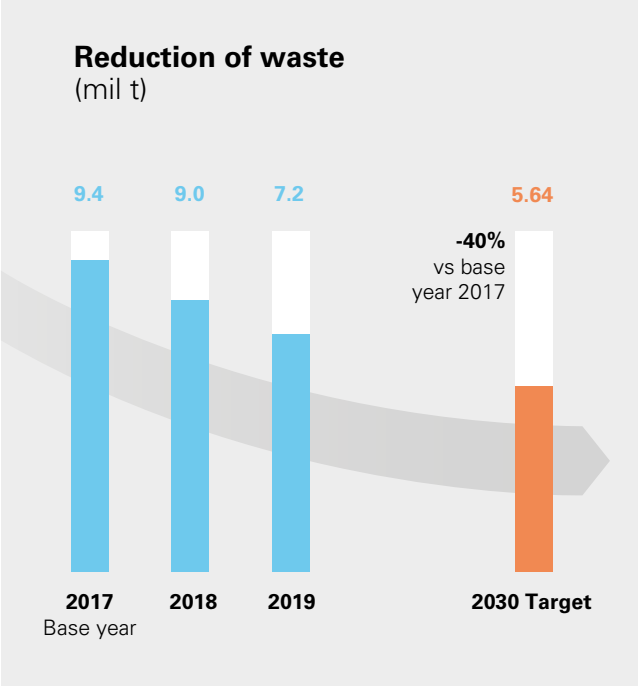

Another strategic objective of Enel's environmental policy is **optimum waste management** (for further information, refer to point 5 of the environmental policy) which details the specific lines of action inspired by the Waste Hierarchy Prevention community principles and by the circular economy.

In order to further reinforce this commitment and within the perspective of **continuous improvement**, throughout 2019 Enel introduced **Group Guidelines on Waste Management**, where best practices deemed fundamental for optimum waste management were collected and collated under a common denominator for all the Business Lines, for waste directly produced or produced by subcontractors' activities.

Waste management strategies adopted across all Enel production sites mainly focus on **preventing waste production**, particularly hazardous waste, thereby **maximising the quantities for reuse, recycling or recovery**, such as by-products, secondary raw materials or used as energy sources only using waste disposal to landfills in accordance with legal requirements, as a last resort.

Enel specifically set important **waste product reduction targets**, as shown in the "2020-2030 Target" on waste.

There was also a greater effort in acquiring transparent and comparable information on the **environmental impact of substances and supplied products**, in an eventual life-cycle; for example taking into account the environmental product declarations, where available.

Similarly, increasing focus was also placed on **the adoption of the Extended Producer Responsibility models (EPR)** also in relation to the post-consumption phases of **the products and services provided**. Of particular interest in relation to this in 2019 was the **Enel X** commitment in using a model integrated with the e-mobility services which ensured a rigorous and efficient end-of-life management of the electric car recharging infrastructures (box stations, pole stations, fast-recharges) and their recovery (up to 95% in weight) as WEEE products through its membership, in Italy, in the Remedia consortium.

In the same way, the **environmental qualification of all providers**, including specifically providers of waste processing and recovery services, has become an integral part of Enel's environmental management model. This seeks to promote increasingly higher levels of requirements in relation to environmental sustainability management across its entire supplier base.

The commitment to a continuous **increase in the percentile recovery of waste produced** is fundamental to ensure an efficient transition from a linear economy to a circular economy in order to minimise the exploitation of natural resources in accordance with sustainable objectives and in combating climate change.

The **significant recovery of process waste arising from thermal power generation** plays a fundamental role in this due to the significant quantities linked to the progress of the production activities and to their chemical-physical properties. These mainly include coal ash and desulphurisation gypsum, reused in building works to produce cement, concrete and bricks according to specific technical and environmental control requirements. **Many other maintenance products are sent for complete recovery from the thermal power stations**, such as waste oils, a large number of metal waste products, iron, copper, aluminium as well as waste from primary filtration processes in the hydroelectric plants.

An important commitment was furthermore undertaken last year to focus on ensuring the recovery of waste **products arising from demolition and dismantling of end-of-life**

power plants and from re-purposed power plants under the Futur-e project, by using selective demolition techniques of the structures, as well as solutions to enhance the materials produced.

In order to identify and to continue more targeted and efficacious improvement initiatives, particular attention was paid in 2019 to assessing the quantities of hazardous waste across the Group's main geographic areas focussing on the **waste products generated from the management of the electricity distribution networks** and their recovery programmes. The main waste products in this sector mainly comprise dielectric mineral oils used in the insulation of electrical equipment and end-of-life accumulators used as energy reserves in transformation stations. Once classified as waste products, these oils are sent to companies registered/authorised for regeneration and waste-to-energy treatment, where regeneration is not possible, whereas the end-of-life accumulators are sent to registered/authorised companies that can recover secondary raw materials.

Particularly relevant within the scope of the Business Line infrastructure & Networks are the results obtained by the projects launched across various countries for **the sustainable replacement of intelligent first-generation meters and the recovery of their constituent materials**. Specifically, in Italy, in 2017, a campaign was launched to replace around 31 million smart meters, and by the end of 2019, over 6 million smart meters of first generation were replaced. A meter comprises 65% plastic, with the remaining materials being iron (12%), copper (7%) and electronic circuit boards (7%). These materials can be properly recovered in authorised processing plants and so become reusable resources in other production cycles. From the perspective of the circular economy, even non-plastic materials are completely recyclable: electric circuit boards for example can be sent for gold recovery, copper can be used in the production of brass, iron in the building industry.

In relation to the overall data reported, in 2019, Enel produced approximately 7.2 mil t of waste of which 99% were classified as non-hazardous. All the waste produced by the Group's activity was sent to authorised sites based on their waste classification, prioritising and maximising their recovery, in line with the Group's policies. The quantities produced were 20% less than in 2018[ss]. This variation is due to a lower production of waste from the thermal power plants, specifically from coal-fuelled plants. Waste products sent for recovery across the whole Enel structure counted for approximately 19% of the total waste produced; a slight improvement on the previous year. The waste reduction target in terms of quantity amounted to 20% compared to the base year 2015 and was achieved a year in advance.

Enel has therefore set itself a further target: a 40% reduction in waste production by 2030 compared to the reported totals in 2017. This target is based on results already achieved and takes into account, in addition to the three-year Industrial Plan which envisages an evolution of the energy mix towards renewable energies, the best projections currently available for the period subsequent to the plan's time frame.

ZERO Plastics Project

The "ZERO, towards a plastic-free world" project aims to gradually eliminate the use of single-use plastics within the Enel Group. The World Environment Day, June 5, 2019, saw Enel at the forefront of the global fight for a better planet, empowering the whole Group, with tens of thousands of people engaged actively in protecting the environment.

The project was launched in Italy and Spain, and will be extended to other countries where Enel operates, from 2020 onwards. This involves the elimination of single-use plastics from the Group's main offices and will be subsequently extended to all the administration headquarters and finally to the industrial sites.

In 2019, in Italy alone, this initiative involved 29 sites of approximately 10,000 employees. The project had a significant impact on catering services, which was mainly comprised of vending machines, bars and canteens. Water fonts connected directly to the water network have been installed to refill water bottles, whilst bars and canteens have

ss There has been a 32% reduction in waste products compared to the base year 2015.

reviewed their own structures in terms of this "plastic free" initiative. Where it was not possible to eliminate single-use cutlery and crockery, these items were replaced by compostable materials. This initiative was launched in conjunction with a communication and awareness campaign seeking to encourage all employees to engage in responsible behaviours in the workplace as well as at home.
It is estimated that in 2019, this reduced the consumption of 27 t of single-use plastic, saving 59 t of CO_2 emissions, 1,300 m^3 of water and 532 MWh of electrical energy. Thus it is envisaged that plastics will be completely eliminated from main offices by 2021, well in advance of the deadline set by the new European directive. In Italy and Spain, in particular, the project foresees a reduction in the consumption of single-use plastic in the administration offices respectively by 91% and 65% compared to 2018. Similar targets will be defined throughout the course of 2020 for all the countries where the Group operates.
Furthermore, during the subsequent stages of the project, ZERO will be also extended to the supply chain.

Soil, subsoils and subterranean waters

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Enel continues with its commitment to using the most advanced technologies available as well as applying best practices during the construction, operation and the decommissioning of its power stations to minimise any potential environmental impacts caused by its activities. Among the various areas of prevention, the highest level of attention is focused on **the safeguarding, monitoring and reclaiming of soil, subsoil and subterranean water** in the areas occupied by its plants wherever it operates globally. The safeguarding of these environmental factors is the driver, starting from the very first life-cycle phase of every plant, to every project choice and management decision. Both active and passive protection and safety measures will be used to prevent any possible form of uncontrolled or accidental contact of potentially polluting substances (fuels, reagents, liquid and waste flows) with soils and subterranean waters. At the same time, during plant operations, every process will undergo compliance controls as well as ongoing upgrades as required by the Environmental Management Systems to prevent and minimise the risks of any potential environmental contamination. In the event of an accident, the application of the Stop Work and Emergency Management Policies aims to eliminate any possible environmental impact, rigorously complying with the provisions and the legal obligations of the various countries.

Thus, before power plants come to the end of their life cycle and are dismantled, and before the reassignment of the area to new development projects, Enel can, according to the authorised provisions and legal requirements of the various countries, verify the environmental quality of the soil, subsoil and groundwater in the areas where the plant is located.
In the case of potential contamination due to an accident or in light of inspections carried out on the end of life plants, Enel, based on the intervention plans agreed with the competent authorities and inspection entities, can characterise the environmental matrices in the areas of potential interest, and implement, if necessary, safety and remediation procedures, to restore, in a timely manner, a suitable quality status for the planned use of the area (industrial/commercial, residential). Particular focus is on power plants falling within the large industrial hubs.
In case of spills, mostly related to thermal generation and energy distribution, the Group reacts with prompt containment interventions as well as the subsequent environmental remediation are carried out by specialist companies, according to procedures imposed by local regulations and best internal practices. To mitigate further risks related to holding substances which could have an environmental impact, there are various pilot programmes in course which involve the use of vegetable oil, a biodegradable oil, to replace the traditional insulation mineral oil.

Biodiversity

103-2 103-3 304-4

Mammals Bats Birds Fish Amphibians and reptiles Flora Terrestrial ecosystems Aquatic ecosystems Wet zones

Country	Projects		Projects by category			Species involved
	Number	Of which voluntary	Monitoring	Restoration (habitat)	Conservation (species)	Class
Italy	21	52%	7	1	13	
Spain	20	95%	5	5	6	
Romania	5	100%	1	-	4	
Greece	2	-	2	-	-	
Brazil	27	7%	17	8	2	
Chile	15	13%	10	3	1	
Colombia	7	43%	3	2	2	
Argentina	1	-	1	-	-	
Peru	3	-	3	-	-	
South Africa	2	-	2	-	-	
North America	8	13%	3	1	-	
Panama	1	-	-	1	-	-
Guatemala	1	-	1	-	-	-
Mexico	1	-	1	-	-	

The Red List, which is drawn up by the International Union for Conservation of Nature (IUCN), provides information on the conservation status of various species.

Extinct (EX)	Extinct in the Wild (EW)	Extinct in the Region (RE)	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Least Concern (LC)

Habitats affected	Number of threatened species					Country
Type	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Least Concern (LC)	
	1	2	-	2	4	Italy
	1	1	12	25	296	Spain
	-	1	-	2	19	Romania
	1	2	7	7	2	Greece
	-	5	13	7	948	Brazil
	-	4	7	2	17	Chile
	3	8	37	16	248	Colombia
	-	-	-	-	-	Argentina
	-	-	-	1	2	Peru
	-	-	-	-	-	South Africa
	-	4	-	4	19	North America
	-	-	-	-	-	Panama
	-	-	-	-	-	Guatemala
	-	-	1	1	11	Mexico

POLICY ON BIODIVERSITY

Enel's policy on biodiversity has been developed to contribute to the objectives of the United Nations Convention on Biological Diversity (CBD), the Strategic Plan for Biodiversity 2011-2020 and the associated Aichi targets.

In particular, our company is committed to:

- planning activities which can impact species and natural habitats respecting the principle of the "mitigation hierarchy", whereby priority is given, first, to avoid or prevent negative impacts; second, where impacts cannot be avoided, to minimize damage and rehabilitating their effects; and, lastly, to compensate (or offsetting) for residual adverse impacts;
- in case of unavoidable impacts, taking measures to compensate the residual impact to achieve "no net loss" of biodiversity and, where applicable, a positive net balance;
- performing, for every new installation, impact studies that include a systematic assessment of the effects on biotypes, animal and vegetal species with the aim of avoiding operating in areas with the highest biodiversity values and adopting the best solutions to decrease the pressures on biodiversity elsewhere;
- cooperating with local communities, academia or NGOs to identify the values of biodiversity and to develop projects for the ecosystem safeguard and restoration;
- monitoring the effectiveness of implemented measures;
- reporting regularly on its performance related to biodiversity.

Biodiversity (SDG 14 and SDG 15) is one of the strategic targets of the environmental policy and is regulated by a specific policy which Enel adopted in 2015 defining the guidelines for all the Group's biodiversity protection initiatives for generating, transmitting and distributing electrical energy.
Enel has a consolidated experience in the management of biodiversity in the areas around its sites. Activities for biodiversity conservation follow the development of the power station facilities and in recent years have focussed on the renewable segment and on the networks across an increasing number of countries. Vast scale monitoring continues in the power plants and across the Group's long established installations in the territory, to prevent the impacts on coastal and river environments. In relation to location management, and in particular in relation to renewable-energy power plants, the potential exposure to a biodiversity risk is highlighted during the feasibility phase analysis of new power plants, taking into account the geographic closeness of the sites to protected areas, to important biodiversity zones, and the potential presence of endangered species. This evaluation is part of a more extensive analysis for the application of the "Creating Shared Value" module through which the Company engages with the socio-economic and environmental requirements of the territory, defining the project to create long-term values for itself and for the local communities.
Knowledge of the location and its specific qualities entails the involvement of local professionals in the activities in the field, carrying out certain work relating to the protection of the biodiversity of the site pre-operation (baseline), such as flora and forest inventories, a census of the animal species in the area impacted by the power plant, especially for species which need to be partly retrieved and relocated. Then follow the authorisation phases, realised in accordance with local regulations, where various alternatives are assessed and the most suitable actions decided to minimise the impact of the power plant on the relevant habitats and species. The implementation of authorised provisions and the proposed mitigations similarly require the involvement of external professionals during the plant building phase. Once operational, the protection of the biodiversity becomes an integral part of the environmental management plans. During this phase, there are regular inspections to control the impacts highlighted during the authorisation phase. This is also the moment where the plant consolidates its relationship with the territory and where initiatives are developed, such as voluntary projects, to safeguard local species based on the

knowledge of the environment surrounding the site.
Enel is furthermore committed to maintaining the management of the biodiversity aligned with industry best practices. With this in mind, in 2019, Enel adopted Group Guidelines on the management of biodiversity in the development of new projects up to operation and decommissioning.
Moreover, with the objective to involve and create increased awareness of biodiversity conservation, an internal communication campaign was launched featuring some of the most significant projects carried out over the year. In conjunction with the communication campaign, an internal photography competition to represent examples of the integration of the biodiversity with the Group infrastructures was also launched.
In 2019, **114 projects for the protection of species and natural habitats were launched**, with an overall investment of 8.9 million euros to recover 1,300 hectares of habitat[10].

These projects operate mainly in Brazil, Chile, Spain and Italy, and mostly involve technologies such as hydroelectric, wind and electricity networks. Examples of the biodiversity mitigation measures through the related policy are available on the site's Sustainability section https://www.enel.com/investors/biodiversity. Some measures are implemented during the plant work site phase (for example, during the construction of the power plant), others take longer to implement and include long-term off-setting (for example, the fish re-stocking project at the El Quimbo plant).

ss The reduction of zones with biodiversity projects compared to 2018 (3.9 million hectares) and of the number of projects (157 in 2018) is due to the application of the increasingly restrictive measures in determining the areas that require to be monitored and analysed within the scope of biodiversity projects.

Coracias project: protection of the European roller

Also known as the *Coracias garrulus*, the European roller is the only bird belonging to the coraciiform order of birds that reproduces in Europe but it can also be found in the Middle East, Central Asia and Morocco. This is a resilient bird, similar to the jackdaw in terms of size (29-32 cm long with a wing span of 52-58 cm). It has mainly blue plumage and a dark brown back.

The European roller is a critically endangered species. It spends the winter in Africa, and migrates further north in the summer, seeking cooler areas to mate. Due to the increase of intensive farming here, it has been impacted by the reduction of the number of suitable sites to build its nests. Enel, that operates through Endesa Distribución in the territories where the European roller migrates, decided to assist with the survival of this species by installing artificial nests on the pylons of its electricity network.

The Coracias project, in particular, involves installing new, highly resistant nests, specifically designed for this species, on the electrical pylons inside the protected area of the Aiguamolls de l'Empordà natural park, as well as monitoring the occupation of these box-nests, the production rate of fertile birds and the calls of the chicks, using GPS to track tagged adults and data analysis to promote the adoption of targeted measures in the future.

Romania: birdlife conservation on electric lines

The falcon is a critically endangered species worldwide, and in Romania is only found in the Banat and Dobrogea regions. It thrives on open fields, with low trees density using electric power lines where it lands to prepare to swoop on its prey.

In the Timis and Arad zones, in collaboration with the environmental association Milvus, E-Distribuție Banat employees installed and replaced insulating sleeves on the medium/high voltage electrical lines as well as installing artificial nests for single Saker falcons (*Falco cherrug*) passing through. This work is part of the European LIFE + Project "Conservation of the Falco cherrug in North-east Bulgaria, Hungary, Romania and Slovakia".

More recently a new webcam has been set up, in order to monitor the use of the nest on the pole of a high-voltage line. This camera is fitted with solar panels and transmits high-quality images.

Storks also have a predilection for electric poles when building their beautiful nests, which can be up to 2 m in diameter, and arrive in Europe in the spring. Since 2010, Enel workers in Banat, Dobrogea and Muntenia have built over 700 nesting platforms on electric poles and pylons as well as installing safety insulation sleeves on over 4,000 poles. Much like storks, European rollers migrate to Europe in the spring when the cultivated lands are in full crop and there is an abundance of insects, which is their main diet.

Enel protects the European roller in Romania and in Spain. By 2020, in collaboration with the Milvus environmental association under the European Project LIFE+ "Conservation of the European Roller (Coracias garrulus) in the Carpathian Basin", 600 medium-voltage pylons will be made safe in the nesting areas (https://rollerproject.eu/en/content/project-actions).

El Quimbo – restocking of juvenile fish

The hydroelectric power plant of El Quimbo continues to invest in its commitments undertaken to benefit local communities. Traditional artisanal fishing is one of the production activities on the Rio Magdalena. During the construction of the power plant, people involved in this activity have been identified, and a programme to manage both the water and fishing resources was developed.

The outcome of this programme in 2019 saw the introduction of 200,000 juvenile capavin, with Enel initiating the re-stocking of the Magdalena river to relaunch fishing activities for the inhabitants of the El Quimbo basin.

This project involved over 10 years of research to come to fruition, selecting and sourcing the juvenile fish now distributed across El Quimbo today. This was the first project authorised in June 2019 by the National Aquaculture and Fishery Authorities (Autoridad Nacional de Acuicultura y Pesca - AUNAP) to introduce native species into the upper basin of the Magdalena river at the El Quimbo dam. Hence a project with enormous social impact for approximately 200 fishermen from Puerto Seco to La Jagua was launched.

To date, a total of 320,000 juvenile bocachico have repopulated the areas in the Municipalities of Garzón, Gigante and Yaguara of the Huila department, which will total 800,000 fish of the golden species including bocachico, peje and patalo, by 2020.

Other activities

Enel X: e-mobility

Testament to the extensive commitment to sustainable mobility through the electrification of the circulating vehicles and the resulting savings of CO_2 emissions, Enel X has designed the e-mobility Emission Saving tool, using a specific algorithm to calculate the amounts of CO_2 saved when an electric or electrified vehicle is used compared to a traditional endothermic engine. The e-mobility Emission Saving tool is the first algorithm validated by an internationally-recognised certification authority (RINA) for this very purpose. January 2018 to December 2019 saw over 800,000 recharges at Enel X stations across Italy; approximately 10 mil of kWh energy was delivered by the charging stations and electrical vehicle drivers travelled approximately 59 mil km. The kWh distributed from the recharging stations are regularly calculated by the EMM system (Electro Mobility Management Platform), the Enel X digital platform that continuously manages information related to the recharging of electric vehicles across Italy, accessible to both public and pri-

vate parties. The data is transmitted from the fast (JuicePump) and quick (JuicePole and Pole Station) infrastructures equipped with an internal measuring device and from the connected JuiceBoxes installed at home.

The calculation of CO_2 saved is a combination of the data on the distance travelled by 100% electric-powered vehicles (BEV) or plug-in hybrids (PHEV) only using electricity and the calculation of the mean consumptions of vehicles from a recent official study by the Milan Polytechnic. The findings compare the kilometres that can be travelled with the average emissions from endothermic vehicles circulating in Italy published annually by ISPRA (the Italian Institute for Environmental Protection and Research) net of the CO_2 emitted to produce energy based on the national energy mix. To reinforce the algorithm, Enel X converted the amount of CO_2 saved from the environment into the number of trees that would have absorbed this same quantity of emissions over a year. The result is measured by the relationship between the quantity of CO_2 a tree absorbs (2019 refinement to the 2006 IPCC guidelines for National Greenhouse Gas inventories) and those of the saved emissions, thereby obtaining the number of equivalent trees which contribute to the "four-wheel forest" which every Enel X client creates by responsible behaviour towards their surrounding environment. This algorithm was developed in Italy, but was designed to be used in other countries taking into account the average CO_2 emissions of the vehicle fleet circulating in the territory (CO_2/km) and the emissions of the national energy mix (CO_2/kWh). The dashboard is available for users on the homepage of the Enel X website; the calculation of the CO_2 saved by each individual recharging session will soon be available on the JuicePass app and on the Recharge Manager portal, dedicated to businesses and public services. Enel X will furthermore introduce a system for viewing the aggregated data related to the emissions saved also on the recharging displays of the JuicePole and JuicePump infrastructure. Thanks to recharges, 6,800 t of CO_2 have been saved – the equivalent of 379,000 trees

Distribution

In order to protect the countryside and the whole country, Global Infrastructure and Networks have adopted specific strategies to mitigate the environmental impacts of building activities related to new networks in addition to upgrades to existing networks.

The cabling ratio is the relationship (in percentages) between the lengths of the cable lines and the total length of the lines, showing immediately the mitigation of the environmental impacts of the electric lines. The increase in this index over time is due to an increase in the length of overhead and underground cable lines, reducing the quota of bare conductors; with benefits in terms of the resilience of the network, curtailing plant-cutting activities and a drastic reduction in the risk of electrocution for birdlife.

In 2019, the confirmed cable ratio was 60.1%, also due to the significant contribution of the Brazilian companies in Rio de Janeiro and São Paulo. This percentage is in line with the targets set for the next five years.

The reduction of network losses is guaranteed through interventions which also contribute to reducing CO_2 emissions. These actions focus on power plants, and aim, for example, to progressively reduce single-phase electric lines as well as the construction of new electric lines to lighten the load on the pre-existing ones in addition to the use of low-loss transformers. Other actions include boosting the grid by using conductors with a greater cross-section and rephasing primary transformer. Finally, the realisation of new transformer cabins will help reduce the length of the low-voltage lines which are characterised by higher levels of loss. More broadly, optimising the network asset will allow a significant reduction of its losses.

Fuel deposit and movement

Storage tanks for liquid fuels (oil and gas with adjacent pipelines) and solid fuels (coal and lignite located at dedicated ports) are monitored in terms of resource usage, consumption of electrical energy, emissions (air quality), wastewaters and wastes.

Sustainable construction sites

From 2013 onwards, the Enel Group launched a report on the main environment performance indicators relating to construction sites activities. This category includes activities of various types and scales: from the distribution area's yards to sites pertaining to thermal plants or the construction of new renewable hydroelectric, wind, solar, geothermal or biomass plants. These activities are subject to significant variations over the years in terms of environmental issues directly managed by the Group. From 2016 onwards, reporting was developed and based on a new model of the **sustainable construction site** and on the principles of the circular economy which are

applicable to all active sites.
An example of a sustainable construction site is Magdalena II in the State of Tlaxcala, in Mexico. During the construction phase of the 220 MW solar-powered plant, circular economy initiatives were implemented, such as the reuse of the excavated soil, the maximization of the recovery of waste products, in addition to the reuse of rainwater. Furthermore, double-sided hetero-junction solar panels were installed to increase energy production, which at the same time reduced soil occupation, thereby mitigating the impact on the landscape.

Environmental disputes

103-2 103-3 307-1

At December 31, 2019, there were 177 legal challenges across the whole Group. The main environmental disputes refer to Italy, Latin America and Iberia.
Approximately 70 million euros of fines were imposed on Group companies in 2019, up on the previous year (approximately 12 million euros in 2018). This increase is due to sanctions on Spain, principally on Edistribución Redes Digitales, liable for the Gargallá (1994) and Aguilar de Segarra (1998) fires, and Endesa Generación for events in 2007 at the Ascó I nuclear power station.

Sound governance (1/2)

Plan 2019 > 2021 Sound governance

SDG	ACTIVITIES/TARGETS	2019 RESULTS	CATEGORIES
16	**Diversity Policy** - Monitoring of implementation of the Diversity Policy in the Board of Directors	Full compliance with the policy guaranteed[1]	G Board effectiveness
16	**Recommendations and best practices** - Constant alignment with international prescriptions and best practices in relation to governance	Alignment carried out further to the activity of engagement with the main proxy advisors and institutional investors and of the board review in compliance with peer-to-peer review methods	G Board effectiveness
16	**Induction plan** - Structured plan of induction of Directors and Statutory Auditors during the mandate	Induction programme for Directors and Statutory Auditors aimed at researching the sectors in which the Group operates, the corporate dynamics and the trend of markets and the reference normative framework[2]	G Board effectiveness
16	**Engagement** - Continuous engagement in relation to corporate governance issues with proxy advisors and the main institutional investors	Meetings held with the main proxy advisors and institutional investors	G Business ethics
16	**Board review** - Execution of the board review with the support of an independent consultant	Board review carried out with the support of an independent consultant in accordance with peer-to-peer review methods	G Board effectiveness

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Sound governance

SDG	ACTIVITIES/TARGETS	CATEGORIES
16	**Diversity Policy** - Monitoring of implementation of the Diversity Policy in the Board of Directors	G Board effectiveness
16	**Recommendations and best practices** - Constant alignment with international prescriptions and best practices in relation to Governance	G Board effectiveness
16	**Induction plan** - Structured plan of induction of Directors and Statutory Auditors during the mandate	G Board effectiveness
16	**Engagement** - Adoption of a policy of engagement with the general information of shareholders (and with a special focus on institutional investors) in line with the amendments of the new corporate governance code	G Business ethics
16	**Board review** - Execution of the board review with the support of an independent consultant	G Board effectiveness

1 More details are available in the 2019 Report on Corporate Governance.
2 In particular, the initiatives concerned: Sustainable Value Creation, the operations of Enel X, the operations of the Latin America Country and the principles for correct risk management.

Sound governance (2/2)

Plan 2019 > 2021 Sound governance

SDG	ACTIVITIES/TARGETS	2019 RESULTS	CATEGORIES
16	**Anti-bribery certification** - ISO 37001 anti-bribery management system certification secured for the main Italian companies and extension to cover the Group's foreign companies	Certification secured by the main companies of the Group[1]	S Anti-bribery G Business ethics
16	**Compliance Program** - Continual improvement of the Compliance Program/ Criminal risks prevention models	> Continuation of Models updating in foreign companies operating in Chile, Argentina, Colombia, Peru, and Brazil > Compliance program approved in conformity with local legislation on the responsibility of legal entities in Mexico[2]	G Business ethics
16	**Training** - Additional extension of training on Model 231 and Enel Global Compliance Program	> Training on Model 231 carried out by means of online course for all employees of the Group's Italian companies and classroom induction activities > Online course dedicated to the Anti-Bribery Management System > Online course on Enel Global Compliance Program duly assigned in all Group companies	G Business ethics S Training
16	**Due diligence on human rights** - Finalisation of the adoption of action plans and constant monitoring of results	94% of total actions adopted	S Human rights G Business ethics

I Industrial E Environmental S Social G Governance T Technological

Plan 2020 > 2022 Sound governance

SDG	ACTIVITIES/TARGETS	CATEGORIES
16	**Anti-bribery certification** - ISO 37001 anti-bribery management system certification secured for the main Italian companies and extension to cover the Group's foreign companies	S Anti-bribery G Business ethics
16	**Compliance Program** - Continual improvement of the Compliance Program/Criminal risks prevention models	G Business ethics
16	**Training** - Additional extension of training on Model 231 and Enel Global Compliance Program	G Business ethics S Training
16 17	**Due diligence on human rights** - > Carry out the new phase of due diligence on the human rights management system > Perform due diligence of strategic assets in the countries of presence	S Human rights G Business ethics

1 While proceeding with the upkeep of certifications already acquired by the companies that started their certification programme in 2017, the certification activity of the main Group companies commenced in 2019, especially in relation to the companies operating in Romania, Peru, Brazil, and Italy.
2 The model preparation activity will subsequently be initiated also in the Group companies operating in Costa Rica.

LINK Sustainability Report
At a Glance
Performance indicators

LINK Annual Report
Report on Corporate Governance
Remuneration Report

Sound governance

43%
of total shares are held by PRI[1] signatories

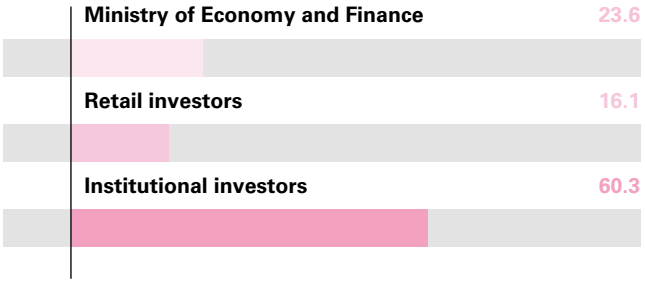
33%
women in Enel SpA's Board of Directors

166
reports concerning the Code of Ethics

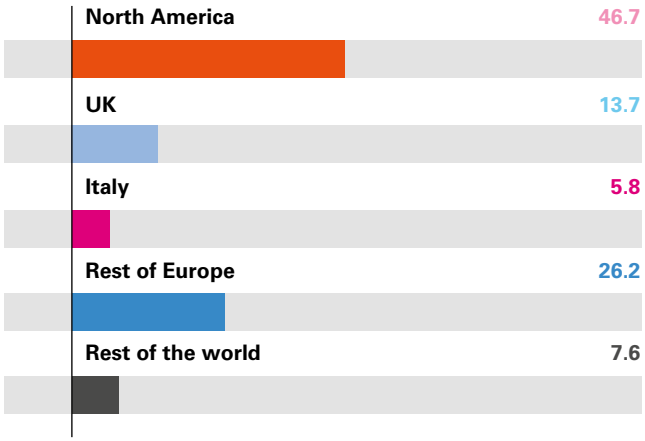
>90%
completion of the improvement plans on human rights

Enel is a company listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana SpA since 1999 with the highest number of shareholders out of Italian companies (around 700,000 including retail and institutional investors). Enel's corporate structure includes the main international investment funds, insurance companies, pension funds and ethical funds, thanks also to the Company and Group's adoption of best international practices on transparency and corporate governance. Moreover, at the date of this report, the Enel Group comprises a further 13 companies issuing shares listed on the Argentine, Brazilian, Chilean, Peruvian, Russian, Spanish and US stock exchanges.
Socially responsible investors[ss] 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).

Ownership structure as of December 31, 2019 (%)



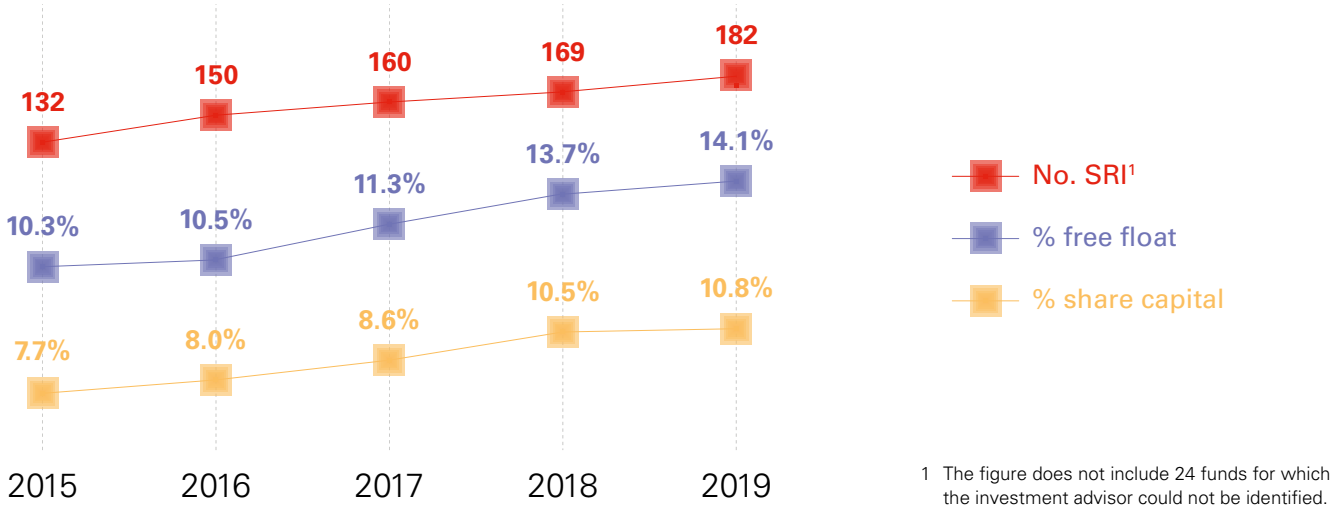
Geographical allocation of institutional investors



1 United Nations Principles for Responsible Investment (UN PRIs).

ss The number does not consider 24 funds for which the investment advisor could not be identified.

Socially Responsible Investors (SRI) evolution



1 The figure does not include 24 funds for which the investment advisor could not be identified.

Relations with shareholders and the financial community

Since the listing of its shares on the Stock Exchange, Enel has deemed it appropriate to set up corporate structures dedicated to dialogue with institutional investors and with the majority of shareholders. As such, the Company set up: (i) the Investor Relations unit, currently within the Administration, Finance and Control Function; (ii) an area in the Corporate Affairs Unit, which is in turn part of the Legal and Corporate Affairs Function. In this context, Enel maintains dialogue with investors based on the principles of fairness and transparency, in compliance with EU and national regulations on market abuse, as well as in line with international best practices. Among other things, the Investor Relations unit draws up Enel's "equity story" and organises meetings between the Company's top management and institutional investors and financial analysts. It also oversees the documentation to be submitted to the latter when disclosing periodic financial data to the market and updating of the Group's Strategic Plan as part of Capital Markets Day. This is accompanied by ordinary activities, which include group or individual meetings, conference calls and interaction with financial analysts, with the aim of supporting them in their analysis and, lastly, facilitating the correct assessment of the Company by the financial community. The Investor Relations unit – with the support of the Innovability Function – also discusses environmental, social and governance ("ESG") issues with investors, topics which can have major financial repercussions in the medium and long term. Moreover, Enel's website (www.enel.com, "Investors" section) contains economic, financial, environmental, social and governance information and updated data and documents of particular interest, providing a multidisciplinary and integrated vision.

Capital Markets Day 2019

Capital Markets Day 2019 has proven to be a sustainable event, in line with the Group's business model, centred on the United Nations Sustainable Development Goals (SDGs). Through the Resex Rio Preto-Jacundá REDD+ project, created by the Brazilian company Biofílica, Enel contributed to the conservation of the Amazon rainforest, the largest tropical forest in the world and one of the main sources of oxygen on the planet. This way it has been possible to offset the CO_2 emissions caused by the main financial marketing events of the last year. Further details can be found in the "Investors" section of the website www.enel.com

The corporate governance model

102-18 102-19 102-20 102-22 102-23 102-24 102-26 102-32

Enel's corporate governance structure complies with the principles set out in the Corporate Governance Code for listed companies[ss], as last amended (edition July 2018), and adopted by the Company, and is inspired by international best practices. The corporate governance system Enel and its Group have adopted is essentially aimed at creating value for shareholders over the long term, taking into account the social importance of the Group's business operations and the consequent need to adequately consider all the interests involved when conducting them. In accordance with Italian legislation on listed companies, the Company's organisation includes:

- a **Board of Directors**, which is in charge of the corporate management;
- a **Board of Auditors**, which is responsible for monitoring: (i) the Company's compliance with the law and bylaws, as well as compliance with proper management principles when carrying out the Company's activities; (ii) the financial disclosure process and adequacy of the Company's organisational structure, internal audit system, and administration and accounting system; (iii) the auditing of the annual and financial statements and independence of the auditing firm; and (iv) lastly, how the rules under the Corporate Governance Code are actually implemented;
- **the Shareholders' Meeting**, which is responsible for passing resolution – in ordinary or extraordinary sessions – on: (i) the appointment or removal of members of the Board of Directors and Board of Statutory Auditors, as well as their compensation and responsibilities; (ii) the approval of financial statements and allocation of net earnings; (iii) the purchase and sale of treasury shares; (iv) the remuneration policy and its implementation; (v) share-based compensation plans; (vi) amendments to the Company's bylaws; (vii) merger and demerger operations; (viii) the issue of convertible bonds.

The audit of the accounts is entrusted to a specialised firm enrolled in the relevant registry appointed by the Shareholders' Meeting, based on a reasoned proposal by the Board of Statutory Auditors.

3 Current edition available on the Borsa Italiana website (at https://www.borsaitaliana.it/comitato-corporate-governance/codice/codiceeng2018.en.pdf).

Board of Directors

102-15 102-18 102-19 102-20 102-22 102-23 102-24 102-26 102-27 102-28 102-32 102-33 103-2 103-3 405-1

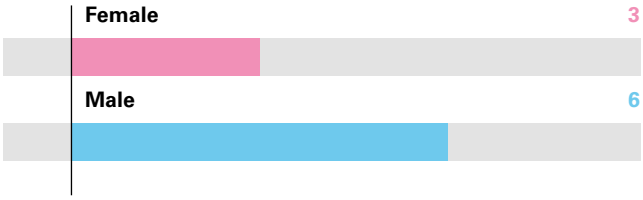
The Board of Directors was appointed by the Ordinary Shareholders' Meeting on May 4, 2017 and consists of nine members. Patrizia Grieco, Francesco Starace, Alfredo Antoniozzi, Alberto Bianchi, Paola Girdinio and Alberto Pera were drawn from the slate submitted by the shareholder Ministry of the Economy and Finance (at that time holding 23.59% of the Company's share capital) and voted by the majority of the share capital represented at the Meeting (around 49.98% of the voting capital), while Cesare Calari, Anna Chiara Svelto and Angelo Taraborrelli were drawn from the slate submitted by a group of 21 institutional investors (at the time holding in the aggregate 1.88% of the Company's share capital) and voted by the minority of the share capital represented at the Meeting (around 49.43% of the voting capital).

In 2019, the Board of Directors met 14 times, with each meeting lasting on average 2 hours and 45 minutes, with the regular attendance of all directors. It dealt with issues relating to governance, sustainability, the Code of Ethics and Model 231. The Board of Directors set up the following four committees within the Board itself:

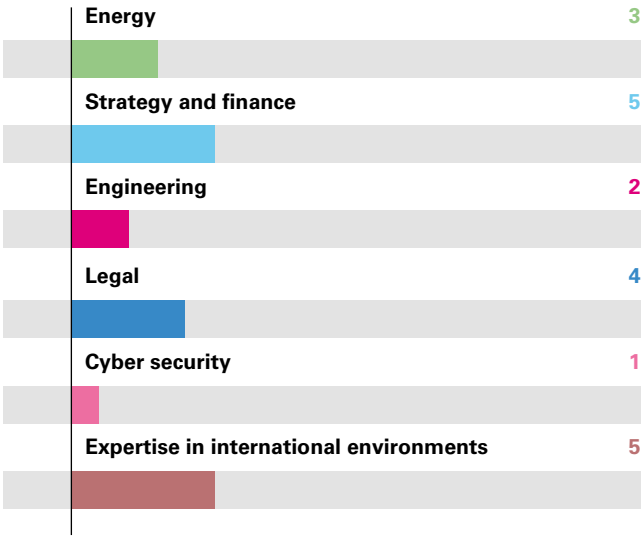
- the Corporate Governance and Sustainability Committee is tasked with assisting the Board of Directors with preliminary functions, both proposing and consultative in nature, in assessments and decision making on the Company and Group's corporate governance, as well as on sustainability;
- the Control and Risk Committee is responsible for supporting – with adequate preliminary investigations – the Board of Directors' assessments and decisions relating to the Internal Control and Risk Management System, as well as the approval of periodic financial reports;
- the Nomination and Compensation Committee is tasked with supporting – with adequate preliminary investigations – the Board of Directors' assessments and decisions on the size and composition of the Board itself, as well as on the remuneration of executive
- the Related Parties Committee, which performs the duties set out under the relevant Consob regulation and specific Enel procedure for transactions with related parties, particularly in relation to the release of a reasoned opinion on relevant individual transactions for the purposes of the procedure itself.

Seniority diversity (% of the total directors)

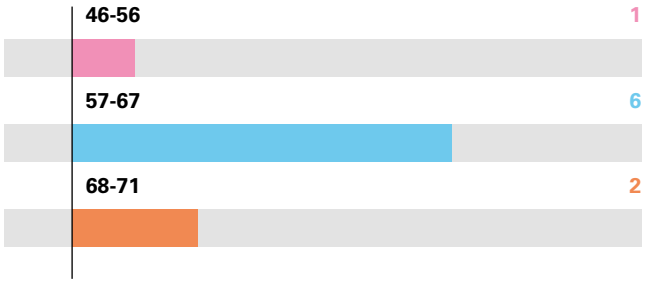
Gender diversity (no.)



Background (no.)



Age diversity[1] (no.)



1 In line with the Global Reporting Initiative, the 9 members of the Board of Directors all belong to the over 50 age group.

With regard to succession plans for executive directors, in September 2016, the Board of Directors – upon the proposal of the Nomination and Compensation Committee, together with the Corporate Governance and Sustainability Committee – shared the contents of a specific "**contingency plan**" aimed at regulating the steps to be taken to ensure the Company's proper management in the event that the Chief Executive Officer ceases to hold office before the end of his/her ordinary term (so-called "crisis management" case).

In January 2018, the Board of Directors, upon the proposal of the Corporate Governance and Sustainability Committee and of the Nomination and Compensation Committee, in implementation of the provisions of the Italian Consolidated Financial Act, approved a **Diversity Policy**, which describes the optimal features of the composition of the Board itself, in order for it to exercise its functions in the most effective way, taking decisions with the contribution of multiple qualified viewpoints to examine the issues being discussed from different perspectives.

Towards the end of financial year 2019 and during the first two months of 2020, the Board of Directors carried out – with the assistance of a specialised consultancy firm – an evaluation of the size, composition and functioning of the Board itself and its committees ("**board review**"), in line with the most advanced corporate governance practices followed abroad and adopted under the Corporate Governance Code. The assessment was carried out according to the "peer-to-peer review" method, i.e. by evaluating not only the functioning of the body as a whole, but also the style and content of the contribution made by each director. As part of this board review, the questionnaires and interviews regarded – among other things – the adoption of sustainability principles into the Company and Group's strategies and business model, together with the focus of the Board of Directors on issues of sustainability.

In 2019, the Company also organised a dedicated **induction programme** to give directors adequate knowledge of the Group's business activities, as well as its corporate dynamics and their evolution, market trends and legal framework; Statutory Auditors also took part in this programme. Initiatives in 2019 included the creation of sustainable value (referring, among others, to the Enel Group's 2019-2021 Sustainability Plan and the positioning of the Group companies in the main sustainability indices), the activities and strategies of the Enel X Global Business Line, as well as in-depth meetings dedicated to Latin America Region and the principles of correct risk management.

The Board's further activities during 2019 and the first months of 2020 include the following:

- in March 2019 and lastly in February 2020, after hearing the Nomination and Compensation Committee and the Corporate Governance and Sustainability Committee, the Board of Directors updated the specific corporate policy on the maximum number of offices that Enel's directors may hold as directors and/or statutory auditors (or equivalent) of other companies of a significant size, so as to adapt their contents to the relevant best practices developed by the main proxy advisors and institutional investors;
- at the end of the board review for the financial year 2019, and in line with the Corporate Governance Code's recommendations, in February 2020, after hearing the Nomination and Compensation Committee and the Corporate Governance and Sustainability Committee, the Board of Directors supplied Enel's shareholders with its guidelines on the optimal qualitative and quantitative composition of the Board of Directors, summarised in a specific document promptly published on the Company's website in view of the Meeting called to elect the Board itself;
- in February 2020, the Board analysed the contents of the new Italian Corporate Governance Code published on January 31, 2020 which shall be applicable starting from the beginning of financial year 2021.

Further details on the corporate governance system can be found in the Report on Corporate Governance and Ownership Structure for the 2019 financial year, available on the Company website (www.enel.com).

Remuneration policy

102-28 102-35 102-36 102-37

Enel's 2019 remuneration policy, adopted by the Board of Directors on the proposal of the Nomination and Compensation Committee was widely welcomed by the shareholders at the Shareholders' Meeting of May 16, 2019. It has been drawn up taking account of the best national and international practices and the indications arising from the favourable vote of the Shareholders' Meeting of May 24, 2018 on the 2018 remuneration policy. The policy also takes into account the results of the Company's engagement on corporate governance issues between December 2018 and February 2019 with the main proxy advisors and institutional investors present in Enel's share capital. In line with the recommendations contained in the Corporate Governance Code for listed companies, Enel's remuneration policy for 2019 is aimed at attracting, motivating and retaining the resources with the most suitable professional qualities to successfully manage the Company. Moreover, the policy aims to encourage the achievement of the Company's strategic targets and sustainable growth, as well as align the interests of management with the priority target of creating sustainable value for shareholders in the medium to long term. It also serves to promote the Company's mission and values.

The remuneration policy adopted for the financial year 2019 sets out for the Chief Executive Officer and General Manager and for executives with strategic responsibilities (referred to as DRS - Dirigenti con Responsabilità Strategiche):

- a fixed component;
- a short-term variable component (MBO) to be recognised based on the achievement of specific performance targets. Specifically, the following short-term targets are set out for the Chief Executive Officer: Ordinary consolidated net income; Funds from operations/ Consolidated net financial debt; Group Opex; Safety in the workplace. For DRSs, specific and objective annual targets are set out, linked to the reference business, and differentiated according to the assigned roles and responsibilities;
- a long-term variable remuneration linked to the participation in specific multi-annual incentive plans. In particular, for 2019, the long-term variable remuneration is linked to participation in the 2019 Long-Term Incentive Plan ("2019 LTI Plan"), which provides for the following three-year performance targets: Enel's Average Total Shareholder Return (TSR) compared to the average TSR

of the EUROSTOXX Utilities - EMU index in the three-year period 2019-2021; ROACE (Return on Average Capital Employed) cumulative for the three-year period 2019-2021; CO_2 emissions from the Enel Group's power plants in 2021.

The 2019 LTI Plan also provides that any premium accrued is represented by a share component, to which a monetary component can be added based on the level of achievement of the various targets. In particular, it is envisaged that 100% of the basic premium of the Chief Executive Officer and General Manager and 50% of the basic premium of the DRSs will be paid in Enel shares, previously acquired by the Company. The disbursement of a significant portion of the long-term variable remuneration (equal to 70% of the total) is deferred to the second financial year after the relevant three-year period referred to in the 2019 LTI Plan (i.e. deferred payment).

The 2019 LTI Plan sets a target for CO_2 emissions (grams per kWh equivalent produced by the Group in 2021) and, as part of the Chief Executive Officer and General Manager's short-term variable remuneration plan, a target linked to safety in the workplace with the aim of promoting the application of a sustainable business model.

A detailed description of the remuneration policy for 2019 and compensations paid in 2018 is provided in the 2019 Remuneration Report available on the Company website (www.enel.com).

Internal Control and Risk Management System

102-11 102-15 102-25 102-28 102-29 102-30 103-2 103-3 201-2

The Internal Control and Risk Management System ("SCIGR") consists of the set of rules, procedures, and organisational entities aimed at allowing the main corporate risks within the Group to be identified, measured, managed and monitored.

The SCIGR is integrated into the more general organisational and corporate governance structures adopted by the Company and by the Group and is based on national and international best practices. In particular, the system takes into account the recommendations of the Corporate Governance Code and is consistent with the "Internal Controls – Integrated Framework" model issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO Report") – the internationally recognised benchmark for the analysis and integrated assessment of the SCIGR's effectiveness.

Specifically, the SCIGR:

- sets out control actions at every operating level and clearly identifies duties and responsibilities, so as to avoid duplications of tasks and ensure coordination among the main persons involved in the SCIGR itself;
- ensures the necessary separation of operating and control activities, so as to prevent or – where that is not possible – mitigate conflicts of interest;
- guarantees the traceability of the tasks of identifying, assessing, managing, and monitoring risks, ensuring the reconstruction of the sources over time and the information that supports these tasks.

The SCIGR is divided into three distinct types of activities:

- "line" or "first level" controls, consisting of all control tasks that the individual operating units or Group companies perform on their processes in order to ensure that operations are carried out properly;
- "second level" controls, which are entrusted to specific corporate Functions and aimed at managing and monitoring typical risk categories;
- internal audit activity ("third level" controls) aimed at checking the structure and overall functionality of the SCIGR, including by monitoring the "line" and "second level" controls.

The SCIGR is subject to periodical tests and checks, taking into account the evolution of corporate operations and the

situation in question, as well as current best practices at national and international level.

The various risk types are included in the paragraph "Setting priorities" and in the 2019 Annual Report, available on the Company website (www.enel.com).

For a detailed description of the tasks and responsibilities of the main individuals involved in the SCIGR, as well as their respective coordination procedures, refer to the Guidelines of the Internal Control and Risk Management System available on the Company website (www.enel.com, "Investors" section).

Main ESG risk types

Due to the nature of its business and geographic presence, the Group is exposed to various types of environmental, social and governance-related (ESG) risks, of which the main types are indicated in the table below, together with the activities for mitigating their effects and ensuring their proper management.

The following was considered in identifying potential risks:

- the results of the materiality analysis (see the section "At a Glance" - "Definition of priorities" and the Methodological note in this document);
- the 2020 Global Risk Report of the World Economic Forum (WEF), involving more than 1,000 experts and leaders from around the world;
- the risk assessment carried out as part of Enel's due diligence process on human rights, which involved a wide range of experts from different sectors, including civil society, academic institutions, local communities, customers and suppliers, in the various countries where the Group operates;
- the analyses of some of the world's most highly acclaimed ESG rating agencies, which use specific risk assessment systems to rate companies' sustainability performance.

The risks identification from the analysis of these results, which gather the level of risk perceived by the relevant external stakeholders, is aligned with the overall identification of the risks carried out by Enel to select the main risks (financial, strategic, governance, operational, digital and compliance) to which it may be exposed and which require continuous monitoring through the internal auditing process.

Moreover, in the risk identification and assessment stage, the "Precautionary Principle"[4] was applied, particularly to risks relating to the environment, health and safety. For each type of risk, specific actions have been identified to mitigate their effects and ensure their proper management. Enel also applies this principle to risk management, especially with regard to the development and introduction of new products/technologies, planning of operating activities and the construction of new plants/assets.

ss Rio Declaration on the Environment and Development (Rio de Janeiro, June 3-14, 1992), Principle 15.

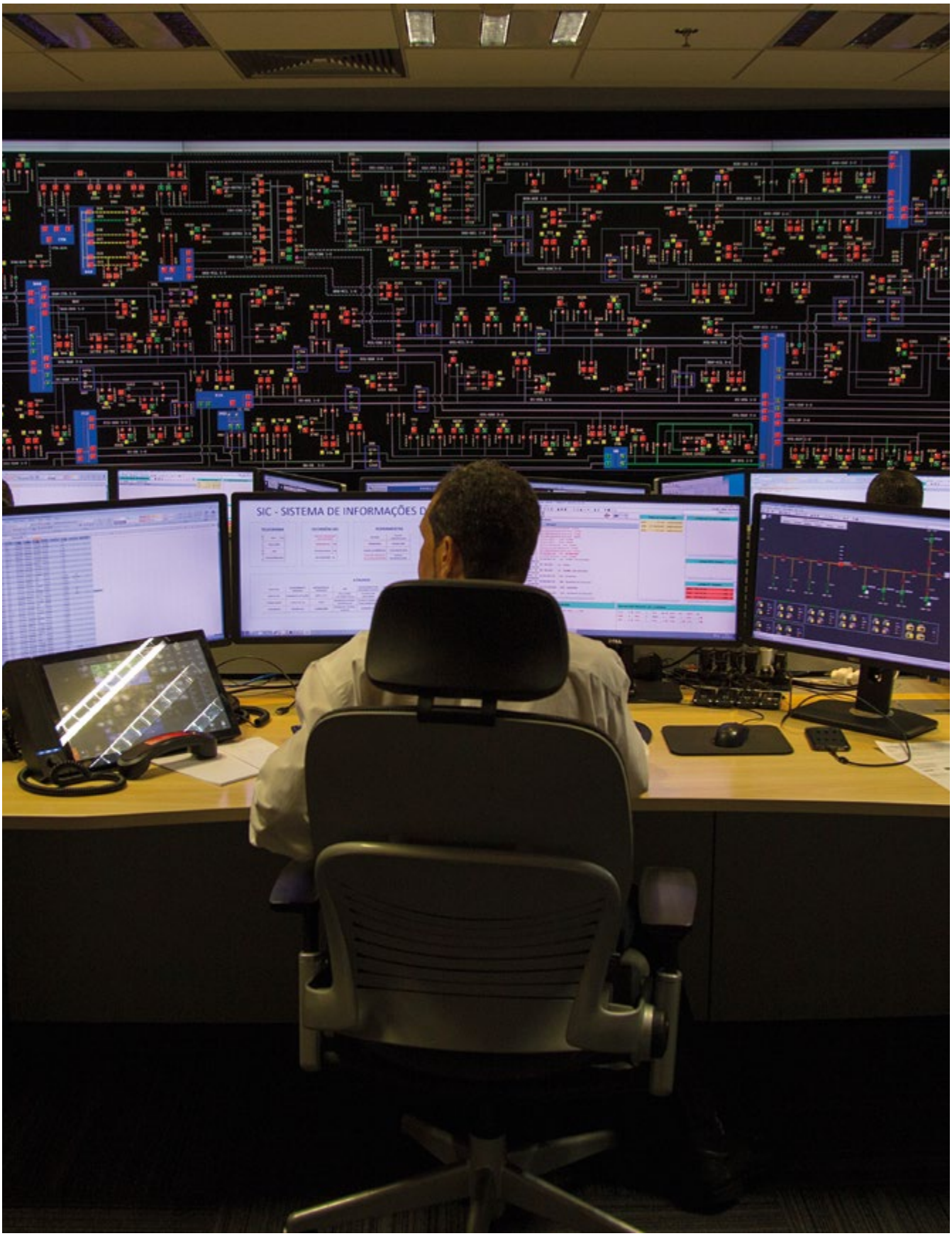
ESG RISK	RISK DESCRIPTION	MANAGEMENT PROCEDURES AND MITIGATION ACTIONS
Environmental aspects		
Climate risks	Physical risks arising from climate change can be classified as acute (i.e. extreme events) and chronic: the former are linked to extremely intense weather-climatic conditions, while the latter refers to gradual but structural changes in climatic conditions. Extreme events may expose the Group to a potential unavailability of assets and infrastructures, restoration costs, and inconvenience for customers, etc. Chronic changes in climatic conditions, on the other hand, may expose the Group to other physical risks or opportunities (depending on the geographical location): for example, structural rainfall or wind changes could impact the Group's business in terms of generation, while structural temperature changes could have an impact on electricity demand. With regard to the energy transition process moving towards a more sustainable model with a progressive electrification and reduction in CO_2, emissions, in line with the Group's strategy for carbon neutrality by 2050, there are risks, but above all opportunities, tied to the changing regulatory context, technological and electrification trends, and resulting market developments, with potential effects also on commodities and energy prices.	The Group is committed to making continuous improvements to the environmental impact of its activities. It has constantly improved its emissions reduction targets, certifying a target with the SBTi in 2019 for 125 g/kWh of CO_2 by 2030, heading for "zero emission generation" by 2050. For the Group's strategy, the decarbonization and electrification of consumption are two key pillars: considering also the enablers of digital platforms and ecosystems and infrastructures for the energy transition, the Group is dedicating around 95% of the total investments planned for the 2020-2022 period to climate actions. The Group's strategic actions make it possible to mitigate the potential risks and grasp the opportunities provided by transition variables. Enel participates in the entire electricity value chain and has a diversified portfolio of activities, both in terms of generation technologies and the geographical areas and markets where it operates, mitigating climate change risks and their economic and financial impacts. Weather and climate phenomena management adopts the best strategies for prevention, protection and boosting resilience, while also carrying out weather forecasting activities. Moreover, best practices are implemented on physical events to ensure a prompt recovery of operating conditions in the event of adverse events. In terms of insurance risk assessment activities, the Group manages a loss prevention programme for property risks, which also serves to assess the main exposures linked to natural events. All areas of the Group are subject to the ISO 14001 certification and, by applying internationally recognised Environmental Management Systems (EMSs), potential sources of risk are monitored so that any critical issue may be promptly identified. The Group develops short-, medium- and long-term scenarios in the energy and the financial macroeconomic sectors in order to support its strategic and industrial planning, investment valuation, scenario planning and extraordinary transactions. By gradually integrating climate and transition scenarios, combined with the development of energy system models at country level, it is possible to intercept the effects on variables such as electricity demand, the system energy mix and the electrification of consumption. These activities make it possible to identify and assess related risks and opportunities. Further information on how this risk is managed can be found in the chapter "Commitment to the fight against climate change".

ESG RISK	RISK DESCRIPTION	MANAGEMENT PROCEDURES AND MITIGATION ACTIONS
Environmental aspects		
Environmental risks	Last year saw the continuation of the growth in the sensitivity of the entire community to risks connected with development models that generate environmental impacts and exploit scarce natural resources (including many raw materials and water). In some cases, the synergistic effects between these impacts – such as global warming and the growing exploitation and degradation of water resources – increase the risk of environmental emergencies arising in the most sensitive areas of the planet, with the risk of various water resource uses having to compete, such as industrial, agricultural and civil uses. In response to these needs, governments have imposed increasingly restrictive environmental regulations, placing ever more stringent constraints on the development of new industrial initiatives and, in the most impactful industries, incentivizing or requiring the elimination of technologies no longer considered sustainable. In this context, companies in every sector, and above all industry leaders, are ever more aware that environmental risks are increasingly economic risks. As a result, they are called upon to increase their commitment and accountability for developing and adopting innovative and sustainable technical solutions and development models.	Enel has made the effective prevention and minimization of environmental impacts and risks a foundational element of each project across its entire life cycle. The adoption of ISO 14001-certified environmental management systems certified in all Group divisions ensure the implementation of structured policies and procedures to identify and manage the environmental risks and opportunities associated with all corporate activities. Also contributing are the multitude of actions to achieve the challenging environmental improvement objectives set by Enel, such as, for example, those regarding atmospheric emissions, waste production and water consumption, especially in areas with high water stress. The risk of water scarcity is directly mitigated by Enel's development strategy, which is based on the growth of generation from renewable sources that are essentially not dependent on the availability of water for their operation. Special attention is also devoted to assets in areas with a high level of water stress, in order to develop technological solutions to reduce consumption. Finally, ongoing collaboration with local river basin management authorities enables us to adopt the most effective shared strategies for the sustainable management of hydroelectric generation assets. Further information on how this risk is managed can be found in the chapter "Environmental sustainability".
Social dimension		
Risks linked to human capital	The profound transformations of the energy sector, which has experienced sweeping technological developments, require the presence of new professional profiles and skills, as well as an important cultural and organizational change. Organizations must move to adopt new agile and flexible business models. Policies to enhance diversity and to manage and promote talent have become key factors for companies that are managing the transition and have a widespread geographical presence.	Enel places the people who work for it at the centre of its business model: the management of human capital is a priority for which specific objectives have been established. The main goals include: the development of the digital capabilities and skills made necessary by the Fourth Industrial Revolution, as well as the promotion of reskilling and upskilling programs for employees in order to support the energy transition; the effective involvement of employees in the pursuit of the corporate purpose, which ensures the achievement of better results while offering greater satisfaction to our people; the development of systems for evaluating the working environment and performance; the dissemination of diversity and inclusion policies to all countries in which the Group operates, as well as instilling an inclusive organizational culture based on the principles of non-discrimination and equal opportunity, a key driver in ensuring that everyone can make an effective contribution. In addition, Enel is developing specific initiatives to foster the diffusion of agile working methods in business processes. Further information on how this risk is managed can be found in the chapter "Our people and their value".

ESG RISK	RISK DESCRIPTION	MANAGEMENT PROCEDURES AND MITIGATION ACTIONS
Social dimension		
Risks linked to occupational health and safety	The main health and safety risks for Enel staff and contracting companies are associated with the operating activities carried out at the Group's sites and assets. These risks were identified through an analysis of the main events occurring in the past three years. In terms of probability of occurrence, mechanical risks (falls, knocks, crushing and cuts) are the most significant, whilst in terms of associated impact, electrical risks are those with the most serious consequences (fatalities). Moreover, as a result of the Group's global presence and globalisation of the company, employees and contractors may be exposed to risks relating to emerging infectious diseases, following an epidemic and potentially a pandemic, which may affect their health and well-being.	Enel has adopted a Declaration of Commitment to Health and Safety, signed by the Group's top management. To implement the Policy, each of the Group's Business Lines has its own Occupational Health & Safety Management System in compliance with international standard BS OHSAS 18001, based on identifying hazards, qualitative and quantitative risk assessment, planning and implementing preventive and protective measures, verifying the effectiveness of preventive and protective measures, and any corrective actions to be undertaken. This system also considers the rigorous selection and management of contractors and vendors, promoting their involvement in continuous safety performance improvement programmes. The Enel Group has defined a structured health management system based on preventive measures, to develop a corporate culture oriented towards the promotion of mental-physical health, organisational well-being and balance between the professional and personal spheres. Furthermore, Enel has implemented a specific policy on the management of critical events, which includes creating specific task forces and guidelines in the event of global health emergencies. This serves to direct, integrate and monitor, both at Group and local level, all prevention and intervention actions to protect the health of its employees and contractors. Further information on how this risk is managed can be found in the chapter "Occupational health and safety".
Risks linked to local communities' engagement	Enel currently operates in a vast geographical area, with a presence in over 30 countries and five continents. It conducts business activities that require the development of infrastructure in local areas, which in some cases can cause either criticism or partial acceptance. In turn, Enel may be exposed to reputational and operational risks due to delays in the execution of projects for new sites or risk that may affect the operational continuity of existing sites. On the other hand, Enel's commitment to decarbonize its energy mix – with a particular focus on the coal mining phase – could have a potential negative impact in local areas which are heavily dependent on coal operations (extraction and energy generation) in terms of job losses and socio-economic development. This could ultimately expose Enel to reputational risks or even delay the Group's achievement of the decarbonization goals set out in its Strategic Plan.	A Creating Shared Value (CSV) model has been in force since 2015, which integrates social and environmental factors into company processes and across the entire value chain, particularly in relation to business development, engineering and construction operations, asset management and maintenance, and disposals. Through this model, the Group engages proactively with local communities to identify their main needs, which are then integrated into structured action plans, with constant monitoring of their implementation. Moreover, Enel promotes an inclusive energy transition by way of improvement actions both globally (including public commitments and awareness raising) and at local level, such as the Futur-e programme unrolled in Italy and Spain to find sustainable solutions (mainly focusing on employment and the development of economic activities) for the areas affected by the shift away from coal. Further information on how this risk is managed can be found in the chapter "Communities and value sharing".

ESG RISK	RISK DESCRIPTION	MANAGEMENT PROCEDURES AND MITIGATION ACTIONS
Business and governance dimension		
Risks linked to business continuity	Enel may be exposed to the risk of judicial or administrative sanctions, economic or financial losses, or reputational damage as a result of a partial or total interruption of commercial operations, technical failures, malfunctions of goods and plants, human errors, sabotage, unavailability of raw materials or adverse weather events, or any emerging infectious diseases resulting in a potential epidemic or pandemic that may impede the normal functioning of the Group's activities or supply chain.	Enel has systems and mechanisms to guarantee a continuous and safe energy supply to the national electrical systems of the countries in which it operates. Therefore, Enel is constantly working to develop and improve the efficiency of the distribution network, in coordination with the other entities operating on the network infrastructure for various reasons. Enel is carrying out maintenance on and modernising the network of existing infrastructures in all countries, with the main aim of reducing the number and duration of interruptions to service. Enel is also constantly adopting operational efficiency and safety measures to ensure the correct functioning of all its power plants. Lastly, the Group's assets are covered by adequate insurance mechanisms to protect the Company from potential negative economic consequences resulting from future, uncertain events. Moreover, particularly in relation to the management of critical events, Enel has drawn up a policy to ensure the effectiveness of the decision-making process when managing any event that could compromise the continuity of the public service and the Company's activity, including global health emergencies. Enel is implementing appropriate protocols, plans and actions to ensure the smooth running of its economic activity all over the world or – where necessary – its rapid recovery in the event of an interruption to service.
Risks connected with cyber attacks	The speed of technological developments that constantly generate new challenges, the ever increasing frequency and intensity of cyber attacks and the attraction of critical infrastructures and strategic industrial sectors as targets underscore the potential risk that, in extreme cases, the normal operations of companies could grind to a halt. Cyber attacks have evolved dramatically in recent years: their number has grown exponentially, as has their complexity and impact, making it increasingly difficult to promptly identify the source of threats. In the case of the Enel Group, this exposure reflects the many environments in which it operates (data, industry and people), a circumstance that accompanies the intrinsic complexity and interconnection of the resources that over the years have been increasingly integrated into the Group's daily operating processes.	The Group has adopted a holistic governance approach to cyber security that is applied to all the sectors of IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things). The framework is based on the commitment of top management, on global strategic management, on the involvement of all business areas as well as on the units involved in the design and management of our systems. It seeks to use cutting edge technologies, to design ad hoc business processes, to strengthen people's IT awareness and to implement regulatory requirements for IT security. In addition, the Group has developed an IT risk management methodology founded on "risk-based" and "cyber security by design" approaches, making business risk analysis the fundamental step in all strategic decisions. Enel has also created its own Cyber Emergency Readiness Team (CERT) in order to proactively respond to any IT security incidents. Finally, in 2019, the Group also took out an insurance policy for cyber security risks in order to mitigate IT threats Further information on how this risk is managed can be found in the chapter "Innovation and digitalization".

ESG RISK	RISK DESCRIPTION	MANAGEMENT PROCEDURES AND MITIGATION ACTIONS
Business and governance dimension		
Risks connected with digitalization, IT effectiveness and service continuity	The Group is carrying out a complete digital transformation of how it manages the entire energy value chain, developing new business models and digitalizing its business processes. A consequence of this digital transformation is that the Group is increasingly exposed to risks related to the functioning of the IT systems implemented throughout the Company, which could lead to service interruptions or data losses.	These risks are managed using a series of internal measures developed by the Global Digital Solutions (GDS) unit, which is responsible for guiding the Group's digital transformation. It has set up an internal control system that introduces control points along the entire IT value chain, enabling it to prevent the emergence of risks relating to such issues as the creation of services that do not meet business needs, the failure to implement adequate security measures and service interruptions. The internal control system of the Global Digital Solutions unit oversees both the activities performed in-house and those outsourced to external associates and service providers. Furthermore, Enel is promoting the dissemination of a digital culture and digital skills within the Group in order to successfully guide the digital transformation and minimize the associated risks. Further information on how this risk is managed can be found in the chapter "Innovation and digitalization".
Risks connected with the protection of personal data	The collection and processing of personal data represents one of the biggest challenges in the era of digitalization and globalization of markets. The Group has taken up this challenge by accelerating the digital transformation process while it is experiencing an important stage of global growth in terms of number of customers and geographical areas. This implies an exposure to the risks connected with the protection of personal data, an issue that must also take account of the substantial growth in privacy legislation, whose inappropriate implementation can cause economic or financial losses and reputational harm.	In order to manage and mitigate this risk, Enel has adopted a structure aimed at guaranteeing that protection of personal data, relating to all persons with whom it interacts, is fully ensured. This due to the appointment of Data Protection Officers ("DPOs"), who are responsible for supporting the business areas in the adoption of a "privacy by design" approach, in which the protection of personal data a key element of the design of any initiative or business process. Further information on how this risk is managed can be found in the chapter "Sound governance".
Compliance risks	Enel may be exposed to the risk of judicial measures or administrative sanctions, economic or financial losses and reputational damage as a result of: > unlawful conduct, including acts of corruption, by internal staff to obtain an unfair or unlawful benefit. External staff of suppliers of Enel Group companies, commit to comply with the ethical clauses set out in their respective contracts, which refer to Enel's commitment to business integrity in conducting its activities; > the violation of international or national laws relating to antitrust, market disclosures, financial, tax or other applicable legislation (such as permitting, purchasing rules, electricity market regulation).	Enel has adopted an Internal Control and Risk Management System set out in the company rules and procedures which all those who work at Enel or for Enel are required to follow through their respective contractual commitments. The Internal Control System also includes specific compliance programs, such as: the Code of Ethics, the Zero Tolerance of Corruption Plan ("ZTC Plan"), the Human Rights Policy, the Enel Global Compliance Program ("EGCP"), the Model pursuant to Legislative Decree 231/01 and other national compliance programmes adopted by the Group companies in compliance with national regulations (for example, in Spain, Chile, Brazil, Colombia, Peru, Argentina and Mexico). Furthermore, to further pursue its commitment to fighting corruption, Enel voluntarily decided to certify its Anti-Bribery Management System (SGPC) in compliance with the requirements of international standard ISO 37001:2016 on anti-bribery management systems. This certification process involved the Group's main foreign subsidiaries. The ongoing monitoring of regulatory developments at national and international level is ensured thanks to the operations of the relevant company Functions. Further information on how this risk is managed can be found in the chapter "Sound governance".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Counterparty analysis

By analysing counterparties, an assessment is made of potential reputational risks to the Company after entering into and/or continuing business relations or collaborations with third parties (suppliers, business partners, etc.). In December 2016, the first edition of the operating instructions of counterparty analysis was completed, thereby promoting common criteria to carry out activities and standardise the models used to acquire the requests and the deliver the assessment to the other units. In 2017, all the major countries adopted the operating instructions, in some cases by issuing a local-level document and entering into specific country-level contracts..

The Group's corporate governance system

The corporate governance system Enel SpA ("Enel") and its Group have adopted is essentially aimed at creating value for shareholders over the long term, taking into account the social importance of the Group's business operations and the consequent need, in conducting such operations, to adequately consider all the interests involved.

Following the significant growth in size at international level, the Enel Group currently has 14 companies with shares listed on the Argentine, Brazilian, Chilean, Italian, Peruvian, Russian, Spanish and US stocks exchanges. In this regard, it stands as a unique business on the global scene, which is characterised by complex management due to the presence of various types of minority shareholders, the need to carry out intra-group transactions and a lack of a clear and uniform legal framework for groups multinationals.

Since the Group's restructuring in 2014, it has had the opportunity to strengthen the corporate governance and ensure the dissemination of best practices in this area across all Enel Group companies with shares listed on regulated markets, in compliance with the management autonomy of the various companies involved and their applicable local regulations.

As such, Enel's Board of Directors approved in 2015 (and integrated in 2019) several Recommendations aimed at strengthening these companies' corporate governance and ensuring that all such companies comply with the relevant local best practices on this subject.

The Enel Group's Corporate governance Recommendation for listed companies relate to:

- the composition of the management body, which must ensure the correct size, the representation of any minority shareholders and adequate diversity in terms of the experience and professional-managerial skills of its members, including in terms of gender, age and tenure;
- the requirements of the members of the management body. In particular, when selecting candidates for the position of Chief Executive Officer, it is necessary to identify profiles with the appropriate leadership for the role, assessed on the basis of his/her reputation, of the results achieved in previously held executive roles and on his/her recognition in key markets. On the other hand, when selecting candidates for the role of independent member, it is recommended that the competent function call upon a head-hunting firm, which will apply the criteria specified in the Recommendations, in order to strengthen the effectiveness and impartiality of the selection process;
- Directors' remuneration. For remuneration paid to Enel Group's employees, it is required that employees waive or credit back to the company with which they have entered into an employment contract any compensation due for their participation to the management body, except where they are called upon to take up executive roles. The remuneration of the members of the management body who are not employees of the Enel Group shall be established taking into account, the assigned role and responsibilities , as well as additional factors including the results of the benchmark analysis of the relevant market conducted by a specialised company, as well as Enel Group policies;

- the board review, coordinated by the Chair, which is recommended to be performed annually with the support – at least every three years – of an independent and specialized advisor;
- the directors' induction, coordinated by the Chair, serves to provide them with adequate knowledge of – among other things – the sector where the company operates, the company's business, the organisational structures, as well as changes to the legal and regulatory framework;
- the management of inside information, with a recommendation to adopt both corporate procedures to prevent misuse of said information, as well as a register of individuals who have access to the data itself;
- compliance with the reference markets' corporate governance codes and best practices, except in cases where – in the opinion of the management body, there are objective reasons justifying non-compliance or partial compliance.

The Recommendations in question are available on the Enel website and have been implemented by the relevant bodies of the target companies in the course of 2016.

Subsequently, in 2017, a project was launched involving Corporate Affairs managers from the Group's major listed companies, supported by renowned academic experts in the area of corporate governance. This project helped identify, at the end of an in-depth comparative analysis, shared solutions for the approval of intercompany transactions, applicable across the Enel Group, within the limitations of the regulations of the various countries where the Group operates.

This has given rise to the dedicated Corporate Governance Guidelines, which preliminarily identify the principles underpinning the Group's corporate governance and impose precise common principles to be applied in relation to conflicts of interests of directors and transactions with related parties.

It should be noted that these Guidelines go over and above the controversial notion of "group interest", the existence of which is brought into question in various systems, while at the same time providing a clear definition of corporate interest as a useful benchmark for the management of both directors' conflicts of interest and transactions with related parties.

Having been approved by Enel's Board of Directors in 2017, the Guidelines were adopted in 2018 by the competent governing bodies of the listed subsidiaries. Moreover, they have been presented during an international seminar on multinational groups held in Madrid in October 2018, attended by the representatives of the supervisory authorities of the financial markets where the most relevant subsidiaries are listed and by leading academics. The Guidelines are also available on the Enel website.

Completing the Group's corporate governance system:

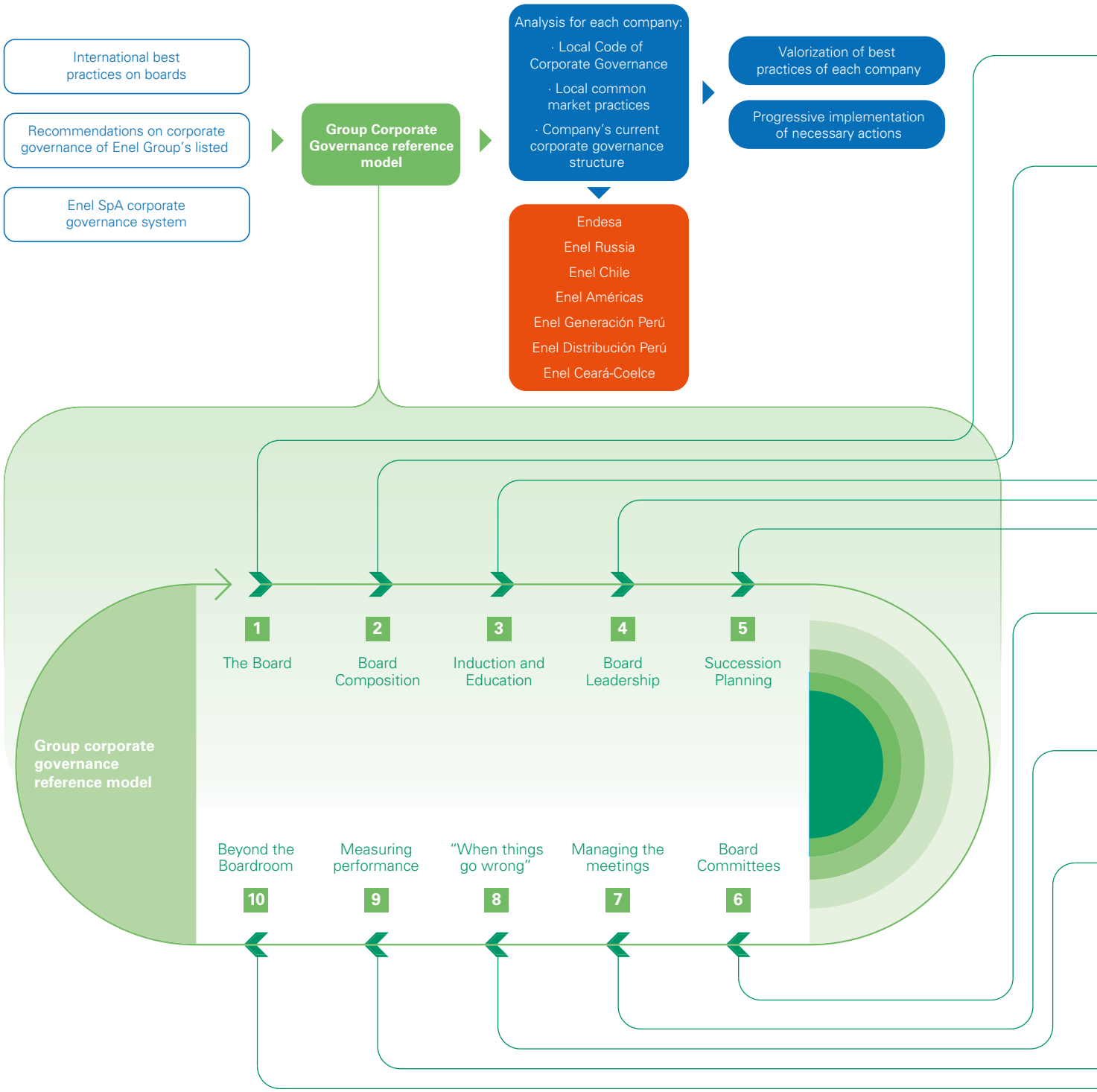
- the Group's Code of Ethics, approved by Enel's Board of Directors in 2002 and subsequently updated, which sets out the reference values which guide the Group in carrying out various activities, regulating and harmonizing corporate behaviour in accordance with standards based on maximum transparency and integrity towards all stakeholders;
- the "Enel Global Compliance Program" approved in 2016 and that aims to step up the Enel Group's commitment to preventing offences from being committed abroad that might generate corporate criminal liability and the related reputational risks;
- the Zero Tolerance of Corruption Plan - ZTC, adopted in 2006 to give substance to Enel's adherence to the UN Global Compact and to the Partnership Against Corruption Initiative (PACI);
- *the H*uman Rights Policy adopted in 2013 and activities for achieving and/or maintaining the ISO 37001:2016 certification ("Anti-Bribery Management System") by the main Group companies.

Lastly, between the end of 2019 and beginning of 2020, Enel made a further in-depth analysis of the corporate governance of the Group's listed companies with higher capitalisation and/or free float, with the support of a qualified advisor that operates internationally.

This analysis was carried out in light of the Enel Group's corporate governance reference model[ss], as well as the recommendations of local corporate governance codes and market practices of the countries where the various companies in question operate. The analysis made it possible to identify and add value to several best practices specific to each of the companies concerned. At the same time, it also drew a path towards achieving an ever-greater convergence of these companies towards the Enel Group's corporate governance reference model. The overall structure of the project in question is described in the graphs shown in the following page, indicating the companies involved.

ss This model is based on the parent company's corporate governance system, on the corporate governance recommendations of the Enel Group's listed companies, as well as on several international best practices relating to the composition and functioning of the Board of Directors.

Convergence process



The Enel Group's corporate governance reference model – based on the parent company's corporate governance system, on the corporate governance Recommendations of the Enel Group's listed companies, as well as on several international best practices relating to the composition and functioning of the Board of Directors ("Board") – is structured into the following 10 principles:

1. **The Board**: consideration of the interests of all stakeholders and not only those of shareholders; long-term vision and shared understanding of the corporate culture and its purpose; a clear distinction of roles between the administrative board and top management; deep understanding of the company's business and reference market; positive atmosphere, trust and a working environment based on listening.
2. **Board Composition**: an appropriate board composition that brings out synergy of individual skills and experience; the ideal size of the Board varies from 7 to 11 members, based on the committees to be set up; sufficient diversity of gender, geographic origin, age and tenure; appropriate presence of truly independent directors, over and above compliance with formal criteria, which is especially key in the case of companies subject to management and coordination; adequate time availability of directors in line with an *ad hoc* policy on the maximum number of other offices they may hold.
3. **Induction and Education**: implementation of an onboarding programme for newly appointed directors, together with systematic training plans over the course of their term, addressing strategic, business, risk management, legal and sustainability issues.
4. **Board Leadership**: the key role of the Chair in managing the functioning of the Board, ensuring the conscious and active participation of each member in the proceedings; separation of the roles of Chair and CEO, ensuring that their respective responsibilities are complementary and do not overlap; presence of a Senior Independent Director where necessary.
5. **Succession Planning**: to safeguard the company's continuity, the Board oversees contingency plans to ensure the roles of Chair and CEO are suitably and continually held; verification of the presence and effectiveness of top management's succession plans.
6. **Board Committees**: through their preliminary, proactive and consultative activities on various delicate issues, the Committees provide key support to the Board's activity, without prejudice to the Board's decision-making prerogatives on these subjects; opportunities for a broad presence of independent directors in committees; clear division of roles between the committees and effective communication between them and the Board; progressive focus of a committee on sustainability issues.
7. **Managing the meetings**: at least 9 formal Board meetings per year, supplemented – where possible – with informal meetings between directors; proper balancing between comprehensive Board documentation and summaries of the main topics, with appropriate advance notice given to directors; participation of first-line management in relation to the issues addressed.
8. "**When things go wrong**": mapping of potential, exogenous or endogenous, crisis situations, assessing the risks involved and preparing mitigation measures. In the event of actual crisis situations, fast proportionate and reactive interventions accompanied by communicative transparency in relation to their content.
9. **Measuring performance**: systematic measurement of the Board's performance as a whole and each individual director's contribution; aligning the compensation of non-executive directors with the actual commitment required.
10. **Beyond the Boardroom**: clear communication of specific commitments on sustainability issues; transparent and timely reporting on the results achieved. Alignment of the Board culture with the company's strategy. Enel's strategy based on the creation of sustainable value in the long term, taking into account the interests of various stakeholder, integrating environmental, social and governance (ESG) factors across the whole value chain.

Enel's presence in the main energy and sustainability associations

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The Enel Group plays an active role in associations and sustainability organisations, at both national and international level, which set long-term goals and commitments to promote a sustainable way of doing business and to manage the challenges of climate change and socio-economic pressures affecting the macroeconomic environment, particularly in the energy sector. Below are some examples.

United Nations Global Compact (UNGC) - Enel has been a "Participant" member of the United Nations Global Compact (UNGC) since 2004 and is one of its 2019 LEAD companies. This group of companies represents the participants most involved in the initiative, thanks to their commitment and adherence to the 10 founding principles on human rights, labour standards, environmental protection and the fight against corruption. In 2019, Enel also demonstrated its commitment by taking part in the Action Platforms "Financial Innovation for SDGs", "Pathways to Low-Carbon and Resilient Development", "Reporting on the SDGs" and "Peace, Justice & Strong Institution", as well as submitting an advanced Communication on Progress (CoP).

The Group's leadership – resulting in a strategy and actions based on the above principles to achieve the SDGs – also gave Enel the opportunity to be part of the UN Global Compact Expert Network, an advisory group which provides an essential strategic contribution to defining the organisation's planning priorities and agenda. Moreover, Enel's CEO is a member of the Global Compact Board and is currently in his second term (2018-2021). He has therefore renewed his commitment to supporting the sustainability initiative which has been ongoing since 2015, when he was appointed for his first term.

In 2019, in light of the key importance of climate change at international level, the Group was among the first 28 signatories of the Business Ambition for 1.5 °C Pledge, whereby it committed to limiting global temperature rise to 1.5 °C from pre-industrial levels and achieving zero emissions by 2050. It also pursued its commitment by participating in the platform.

Furthermore, during 2019, Enel confirmed its commitment as a sponsor within the "Financial Innovation for SDGs" Action Platform, which comprises the "CFO Taskforce for the SDGs" of which Enel holds the joint presidency. This initiative represents an innovative dialogue platform between various Chief Financial Officers around the world, with the aim of promoting sustainable finance and scalable investments to achieve the SDGs.

As part of the United Nations programme, Enel is also an endorsing company of the "Caring for Climate" initiative to promote the role of businesses in tackling climate change, and the "CEO Water Mandate", which was set up to support businesses in sustainable water management. Since 2015, Enel has been a signatory company of the Women's Empowerment Principles (WEPs) to promote gender equality within the private sector, in the workplace, on markets as well as in communities.

CSR Europe - CSR Europe is the European business network dedicated to sustainability, of which Enel has been a member since 2005. The Group has held the position of Deputy Chair of the Board since 2016, and in 2019 had its term renewed for a further three years. Enel takes part in the organisation's activities, themed meetings and projects and, in 2019, it was one of the first signatories of the "CEOs Call to Action", an appeal backed by many Chief Executive Officers and addressed to the new European political leaders, for Europe to become a driver for change by adopting a new development model in line with the 2030 Agenda objectives. The initiative will lead to the development of the Pact 4 Sustainable Industry in 2020 to foster a European industry that is increasingly climate-neutral, circular and resource-efficient.

Global Reporting Initiative (GRI) - Enel has been a member since 2006, and since 2016 it has been part of the GRI Community and the Stakeholder Council – the multi-stakeholder consulting body that supports the GRI Board of Directors on strategic issues. On top of its participation in activities shared among GRI Community members, Enel has continued its commitment within the Corporate Leadership Group on Digital Reporting – a two-year programme focusing on the main challenges of digitalizing information and possible solutions for making external reporting more and more efficient. Importantly, the Group's work will result in

the publication of recommendations in 2020 that will serve to support participants in the area of digital reporting. The collaboration with GRI has also led Enel to provide its own support with the translation work into Italian of the GRI Sustainability Reporting Standard (GRI Standard), which was launched on 30 September 2019. The dissemination of this Standard has become ever more important in the context of the 2030 Agenda – a large and complex system where everyone is expected to contribute towards achieving the objectives.

With this in mind, Enel and GRI have decided to further strengthen their partnership through an innovative form of collaboration, to be developed over a two-year period (2019-2020). By pooling their respective skills, they have set themselves the double objective of analysing whether and how the United Nations 2030 Agenda and SDGs impact the corporate reporting process and how businesses and governments collaborate to make progress on the SDGs in the various geographical, economic and socio-political contexts. This analysis will improve and innovate the concept of "partnership" itself, in line with SDG 17 – a key element for accelerating and boosting the private sector's impact in achieving the 2030 Agenda.

The first phase of the project – which ended in 2019 – took the form of two reports following two online debates where Enel and GRI engaged a multi-stakeholder audience to spark a discussion, with the aim of:

- delving into the role played up until now by reporting and partnerships in driving change in the private sector to achieve the SDGs;
- gaining an overview of the actions to be taken to ensure that the SDG reporting can stimulate the development of new partnerships and new business models.

The second and final phase of the collaboration – which is to be completed at the end of 2020 – is based on the results of the two debates and aims to open up dialogue at regional-level focusing on strengthening the role of the SDGs.

World Business Council for Sustainable Development (WBCSD) - Since 2016, Enel has been a member of the WBCSD, an international network of around 200 companies committed to environmental protection and to the principles of sustainable development and economic growth. Enel's CEO is a member of the Committee and the Company is also represented by a Liaison Delegate. Enel plays an actively part in the various programmes and working groups covering different areas of interest. In 2019, the Group maintained its support for the Factor10 project on the circular economy, the Transforming Urban Mobility project, and the Climate Action & Policy, REscale and SBT4Utilities projects, which are a key part of the Climate & Energy programme. Enel has also been involved in the Redefining Value programme, becoming a member of the Task force on Climate-related Financial Disclosures (TCFD) Electric Utilities Preparer Forum.

Transparency International - In 2019, Enel renewed its commitment to the Business Integrity Forum (BIF), promoted by Transparency International Italia. This brings together several large Italian companies interested in developing common projects to enhance business integrity and disseminate best practices to prevent and tackle corruption, as well as for the benefit of other stakeholders, such as small and medium-sized enterprises. Enel helped set up the BIF Lab, an event organised in collaboration with the Scuola Superiore Sant'Anna in Pisa. Enel brought its experience with "Anti-Bribery and Sustainability" and highlighted how the commitment to anti-corruption – a key pillar of compliance – is being increasingly integrated within sustainable development policies.

In 2019, Enel's Chief Executive Officer, Francesco Starace, accepted the invitation of United Nations Secretary-General António Guterres to join the **Global Investors for Sustainable Development (GISD) Alliance** – a biennial United Nations initiative that aims to identify new ways of promoting long-term investments for sustainable development. The Alliance is an integral part of the United Nations Strategy for Financing the 2030 Agenda for Sustainable Development and is made up of 30 global business leaders working together to unlock the funding needed to achieve the SDGs and kick-start social, economic and environmental improvement across the world.

The Company has also continued to pursue its commitment to **Sustainable Energy for All (SEforALL)**, an international non-profit organisation which collaborates with the private sector, civil society, institutions and governments to support the Sustainable Development Goal on energy (SDG 7). This commitments comes under the **Multi-stakeholder platform on SDGs** – the European Commission initiative with a two-year term (2017-2019) which aims to support and guide the Commission in achieving the United Nations Sustainable Development Goals at European level. Lastly, since 2016, Enel has been a member of the **International Integrated Reporting Council (IIRC)** and the **Sustainable Business Roundtable (SBRT)**.

Further information can be found in the chapters "At a Glance" and "Commitment to the fight against climate change".

Transparency in institutional processes

Enel constantly manages relations with institutions (local, national, European and international), in line with the Enel Compliance Program, providing complete and transparent information with the aim of giving institutional counterparts the best conditions to make the decisions they are responsible for. Enel also contributes to the consultation processes regarding political and legislative dossiers on energy and environmental issues. In the context of relations with European institutions, Enel actively contributes to every phase of the consultation process on political and legislative dossiers of corporate interest through careful monitoring and analysis (see also the chapter "Commitment to the fight against climate change").

The Enel Group has been registered in the EU voluntary transparency register since its creation in 2008. The register aims to provide citizens with a single and direct access point to information on who carries out activities aimed at influencing the EU decision-making process, the interests pursued and the resources invested in these activities (http://ec.europa.eu/transparencyregister/public/homePage.do).

In line with the provisions of the Code of Ethics, paragraph 3.26, Enel does not provide finance to political parties, their representatives or candidates in Italy or abroad, nor does it sponsor conventions or parties whose sole purpose is political propaganda. It refrains from any direct or indirect pressure on politicians (for example, by granting the use of its facilities, accepting recruiting recommendations, or consultancy contracts). Enel and its subsidiaries are present in various trade and employer associations whose role includes representing the positioning of its members in the regulatory processes pertaining to the business activity. The annual contributions paid to the above-mentioned organisations in the form of membership fees in 2019 totalled approximately 7.9 million euros[ss], which is 6% less than in 2018[ss]. In particular, in 2019 the three largest contributions in terms of overall amount came from AELEC (Asociación de empresas de energía eléctrica) in Spain, then Confindustria and Elettricità Futura in Italy[ss].

The institutional dialogue with the trade and employer associations in which Enel and its subsidiaries took part in 2019 concerned the support of regulatory and consultation processes, among others, on the following main issues:

- development of energy policies: including, among other topics, the strategic outlook of the sector, energy efficiency, the growth of renewables, smart grid development and energy costs[ss];
- increasing business competitiveness: including, among other topics, tax regulation, labour law issues and environmental policies[ss].

ss The annual contributions over the past four years are as follows: 7.8 million in 2019; 8.3 million euros in 2018; 9 million euros in 2017; 9 million euros in 2016. These figures include the contributions paid by Enel SpA (including the main companies in Italy) and by its foreign subsidiaries Endesa, Enel Américas and Enel Chile.

ss These figures include the contributions paid by Enel SpA (including the main companies in Italy) and by its foreign subsidiaries Endesa, Enel Américas and Enel Chile.

ss Specifically: AELEC (formerly "UNESA") 1.9 million euros; Confindustria 1.8 million euros; Elettricità Futura (formerly "Associazione Nazionale delle Imprese Elettriche") 0.7 million euros.

ss The contribution in 2019 was 5 million euros.

ss The contribution in 2019 was 2.8 million euros.

Tax transparency

Enel is an industrial group whose main activity involves electricity generation, distribution and sales. The choice of countries where the Group operates is guided by business choices and not by tax reasons.

Tax strategy

Since 2017, the Enel Group has adopted a tax strategy, as a set of principles and guidelines inspired by values of transparency and legality, which is published on the website: www.enel.com. The Group's subsidiaries are required to adopt the tax strategy approved by the parent company, thereby assuming the responsibility of ensuring it is acknowledged and applied.

Tax strategy objectives

Enel SpA's Board of Directors sets out the tax strategy of the entire Group, with the aim of ensuring uniform tax management for all entities involved. The strategy is underpinned by the following approach:

- correct and timely determination and settlement of taxes due under the law and implementation of the respective obligations;
- correct management of the tax risk, which is the risk incurred for the violation of tax rules or abuse of the principles and purposes of the tax system.

Tax strategy principles

The tax strategy principles are the guidelines for Group companies, underpinning their business operations when managing the fiscal variable. The principles also require suitable processes to be adopted to ensure their effectiveness and application.

Values: in line with its sustainability strategy, the Group acts in accordance with the values of honesty and integrity in its tax management, being aware that tax revenue is one of the main sources of contribution to economic and social development of the countries in where it operates.

Legality: the Group pursues behaviour geared towards compliance with the applicable tax rules and is committed to interpreting them in a way that respects both the substance and form.

Tone at the top: the Board of Directors has the role and responsibility of leading the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.

Transparency: the Group maintains collaborative and transparent relations with tax authorities, enabling them – among other things – to gain a full understanding of the facts underlying the application of tax rules.

Shareholder value: The Group considers taxes as a business cost and, as such, believes that it must be managed in compliance with the principle of legality, with the aim of safeguarding the Group's assets and pursuing the primary interest of creating value for shareholders in the medium to long term.

Governance

Enel SpA ensures that the tax strategy is acknowledged and applied within the company through the governance bodies. Its interpretation is left to the parent company, through the Tax unit, which also manages its periodic updates.

Compliance

The Group entities must respect the principle of legality, applying the tax laws of the countries where the Group operates, to ensure that the wording, spirit and purpose of the applicable tax rule or system is respected. Moreover, the Enel Group does not undertake behaviours or domestic or cross-border operations that result in purely artificial constructions, that do not reflect the economic reality and from which it is reasonable to expect undue tax advantages, where they conflict with the purpose or spirit of tax provisions or system in question and give rise to double deduction, deduction/non-inclusion or double non-taxation, including as a result of any divergence between the tax systems of different jurisdictions.

Intercompany transactions

For tax purposes, intercompany transactions are regulated in accordance with the arm's length principle – described in the OECD's Model Tax Convention and Transfer Pricing Guidelines – with the aim of aligning, as correctly as possible, transfer pricing and conditions with the places of value creation within the Group. In order to minimise tax risks, and in line with the applicable regulations, the Enel Group encourages the signing of rulings (Advance Pricing Agreements – APAs) with the local tax authorities on establishing transfer pricing determination methods, on attributing profits and losses to permanent establishments and on applying rules on cross-border flows between Group entities.

Low-tax jurisdictions

The Group does not invest in – or through – countries considered to be tax havens for the sole purpose of reducing its tax burden. Such investments may only be proposed if they are supported by sound economic/strategic reasons and have the aim of developing the activities included in the Group's corporate purpose.

If, in circumstantial situations (for example, in the event of third-party purchases of a group of companies), structures were found to be have been created for the sole purpose of reducing the tax burden or in areas deemed to be tax havens, the Group – failing any sound economic/strategic reasons other than mere tax savings – will commit to removing such structures as quickly as possible.

Tax incentives

Tax incentives are a key, development-oriented mechanism for economic policy, which countries use to stimulate growth and attract investment to support the national policy. The use of tax incentives generally results in a reduction of long-term tax liabilities. Some countries where the Enel Group operates offer various incentives. The Enel Group uses widely applicable tax incentives for all operators, respecting all specific regulations, where the incentives are in line with its industrial and operational objectives and are consistent with the economic substance of its investments.

Tax governance, control and risk management

Governance body

In Enel's organisational model, the Holding Company's Tax Affairs unit is tasked – among other things – with developing the Group's tax strategy, identifying, analysing and managing the various optimisation initiatives, monitoring the key tax issues and providing its support to the various Business Lines. Alongside the Holding Function, the Tax Affairs units of the various countries – acting in accordance with the values and principles of the tax strategy set out by the holding company – are responsible for managing compliance, tax planning and tax monitoring at local level.

Organisation

The Enel Group has adopted a set of rules, procedures and standards which are part of the Group's wider organisation and control system and which are considered key points of reference that all parties, depending on their type of relationship with the Group, are required to observe[ss]. The various policies and procedures applicable both at Group level and country level regulate the activities, as well as their management procedures and Tax Affairs responsibilities including in relation to other corporate Functions. These documents are published on the company Intranet and are accessible to all Enel people; they form the general rules of conduct applicable within the Group when carrying out activities. Specifically in relation to taxation, in addition to the tax strategy there are specific organisational documents – both at global and local level – regarding the processes of Tax Compliance, Tax Planning, Tax Monitoring, Transfer Pricing and Tax Risk Management.

The general principle is that the Tax units must be the appropriate size and equipped with the necessary skills to perform the role of a decision-making analysis centre within the governance and business processes, in addition to the role of overseeing compliance performance. For this purpose, specific and ongoing training initiatives on tax issues at both

ss For example: Code of Ethics; Zero Tolerance of Corruption Plan; Enel Global Compliance Program (EGCP), corporate policies, models and procedures; the Tax Strategy; the Internal Control and Risk Management System; the proxy power of attorney system; the sanctions system referred to in the applicable CCNL; any other documentation relating to the current control systems; the relevant accounting standards; IT procedures and IT applications.

country and global level are set up, with recurring meetings between all of the Group's Tax Managers in order to ensure the appropriate alignment.

Tax risks

The Group has a Tax Control Framework (TCF) whose main aim is to provide the Tax units with a single and consistent set of guidance for adopting a correct and effective approach to tax risk management within the Group. The framework sets out guidelines and methodological rules so as to consistently assess, monitor and manage the relevant tax risk for the Group companies, in accordance with the principles and guidelines set out by the tax strategy, and in the awareness that the Group companies operating in different jurisdictions must adopt the TCF with respect for the specific societal context and domestic regulations of the individual countries in question. In accordance with the principles and guidelines set out in the tax strategy, the Enel Group aims to proactively manage the tax risk and believes that adopting a TCF can ensure the timely detection, correct measurement and control of the risk tax. The task of the TCF is to identify the sources of tax risk for the purpose of compliance and interpreting tax regulations, while mapping out the respective processes and activities in order to form a network of risk detectors, to be associated with the resulting control measures. In particular, as the set of detectors and control measures identify sources of risk, the TCF can provide a broad spectrum of control. As such, any materialisation of the tax risk can be intercepted and managed by each relevant Tax unit. The effectiveness and ongoing updates of the TCF are ensured through periodic monitoring of the risk mapping, regular internal audit processes, as well as through the tax authority systems set out under cooperative compliance regimes (where implemented).

Mechanism for reports by stakeholders

For the Enel Group, tax compliance is considered a key aspect of the Company's ethical and responsible management. As such, the violations that can be reported through the Company's internal channels also include those relating to tax. The Group's Code of Ethics is the framework of "ethical management" which Enel operates, also tying in fully with the tax strategy. There are appropriate provisions on Code of Ethics violations to ensure its effective implementation, and these requirements must also be considered to cover the provisions of the tax strategy.

Transparent relationship with stakeholders

The Enel Group ensures transparency and fairness in its relations with tax authorities, in the event of audits on both the Group companies and third parties. To consolidate this transparency with tax authorities, the Enel Group promotes engagement in co-operative compliance schemes for companies that integrate the requirements of their respective domestic regulations in order to reinforce their relations. It also complies with the transfer pricing documentation provisions in accordance with OECD Transfer Pricing Guidelines (the "three-tiered approach" consisting into Master File, Local File and Country-by-Country Report). Moreover, to avoid double taxation, the Group promotes mutual agreement procedures for the settlement of international disputes (Mutual Agreement Procedure – MAP), which have the direct involvement of tax authorities from the contracting countries.

Lastly, Enel consistently acts with a transparent and collaborative approach with all institutions and associations to support the development of effective tax systems in the various countries where it operates.

In 2019, Enel joined the European Business Tax Forum (EBTF – https://ebtforum.org), an association that aims to open up a public debate on taxation by providing a balanced and comprehensive perspective of the tax paid by companies. In view of this objective, tax information is provided to the various stakeholders. The EBTF has been operating since 2017 as an informal non-profit initiative by a group of multinationals based in the EU and European Free Trade Association (EFTA) in order to develop a long-term and high-value strategy for companies playing an active role in the public debate on taxation. In 2018 and 2019, the Forum underwent a major expansion and gave rise to the EU/EFTA Total Tax Contribution Study. The study is available on the association's website and reports aggregate data for the various types of tax paid by the major European multinational companies by revenue and/or market capitalisation.

Reporting

As of 2018 (2018-2017), Enel has adopted a Total Tax Contribution model for Italy and the main countries where it operates, providing evidence of the taxes paid and withheld. The 2019 document (2019 and 2018) is available at Enel (https://www.enel.com/investors/sustainability-performance) and underlines the importance the Group places on tax issues, their social role and transparency in general, as a driver of sustainable development.

The comparative analysis of the 2019 and 2018 data revealed an increase in 2019 of the **Total Tax Borne** for a total of 144.5 million euros (+3.1%), and essentially: 1) the increase in income taxes in Spain and Russia, amounting to 90 and 22 million euros respectively due to the higher advances amounts paid in 2019 and lower tax credits offset by the two countries in the same year, and Mexico, amounting to 73 million euros due to the one-off payment of taxes on extraordinary transactions; 2) the increase in taxes on products and services in Brazil amounting to 85 million euros for the payment of PIS and Cofins on revenue that increased by around 2,000 million euros in the country from 2018 to 2019. These increases – totalling 270 million euros – are partly offset by the environmental tax reduction in Spain totalling 106 million euros, essentially due to the following factors: reduction of the tax on hydrocarbons in electricity generation and general tax reduction on coal and on the electricity generation value as a result of the suspension/closure of coal power plants.

With regard to the **Total Tax Collected**, the increase in 2019 totalling 236 million euros (+1.7%) was essentially the result of: 1) the increase in taxes on products and services in Brazil, Chile, Peru and Russia, totalling 286 million euros, due to the general increase in revenues in the various countries, partially offset by the reduction of these taxes in Italy totalling 85 million euros, mainly due to the reduction of taxes on sales to end customers gas and electricity; 2) the increase in taxes on labour, mainly in Italy and Spain amounting to 15 and 24 million euros respectively.

Lastly, **the TTC index** rose from 38.4% in 2018 to 64.7% in 2019; this 26.2% variation is almost exclusively the result of the reduction of Earnings Before Tax (EBT) in 2019 – totalling 4,710 million euros – mainly associated with the impairment of several coal plants in Italy, Spain, Chile and Russia as part of the Group's decarbonization process. As this impairment is not immediately tax deductible, it did not have a correlated impact on the reduction of income taxes paid in 2019.

The table below shows information relating to the overall tax contribution for 2019 in the main countries where the Enel Group operates (TTC 2019).

TOTAL TAX CONTRIBUTION 2019

	UM	ITALY	SPAIN	BRAZIL	CHILE	COLOMBIA	ARGENTINA	PERU	RUSSIA
Total Tax Borne (cash accounting) [1]	mil euros	**1,454.6**	**1,432.1**	**923.7**	**129.1**	**342.4**	**148.3**	**134.4**	**51.0**
Income taxes [2]	mil euros	769.3	234.5	162.8	100.9	234.3	108.6	103.8	29.3
Property taxes [3]	mil euros	127.4	64.7	27.2	2.4	1.8	1.0	13.5	9.3
Taxes on labor [4]	mil euros	520.5	137.6	78.3	-	10.4	18.0	1.8	12.3
Taxes on products and services [5]	mil euros	25.6	254.5	655.1	5.8	70.3	15.3	13.6	-
Environmental taxes [6]	mil euros	11.8	740.9	0.3	20.0	25.5	5.5	1.7	-
Total Tax Collected (on a cash basis) [7]	mil euros	**8,149.1**	**2,446.6**	**2,374.7**	**206.0**	**57.9**	**111.8**	**96.0**	**67.3**
Income taxes [2]	mil euros	2.1	73.0	33.3	46.1	19.6	4.2	8.4	2.0
Property taxes [3]	mil euros	-	-	-	-	-	-	-	-
Taxes on labor [4]	mil euros	597.9	237.0	56.9	17.1	9.4	18.2	8.4	6.8
Taxes on products and services [5]	mil euros	7,549.1	1,514.4	2,284.5	142.8	19.0	89.4	79.2	58.4
Environmental taxes [6]	mil euros	-	622.2	-	-	10.0	-	-	-
Total Tax Contibution (cash accounting) - TTC	mil euros	**9,603.7**	**3,878.8**	**3,298.4**	**335.2**	**400.3**	**260.1**	**230.4**	**118.3**
Economic data [8]	**UM**	**Italy**	**Spain**	**Brazil**	**Chile**	**Colombia**	**Argentina**	**Peru**	**Russia**
EBT (excl. Dividends) [9]	mil euros	1,590.5	36.7	528.5	421.2	821.5	479.8	386.1	-201.2
Income Before Tax Borne [10]	mil euros	2,275.8	1,267.4	1,289.4	449.5	947.6	533.4	416.7	-179.5
Revenues	mil euros	63,524.4	20,317.1	12,515.5	3,523.8	2,607.8	1,399.8	1,410.4	1,034.1
TTC Indicators	**UM**	**Italy**	**Spain**	**Brazil**	**Chile**	**Colombia**	**Argentina**	**Peru**	**Russia**
TTC Index [11]	%	63.9	113.0	71.6	28.7	36.1	27.8	32.3	n.a.
TTC/Earnings [12]	%	15.1	19.1	26.4	9.5	15.4	18.6	16.3	11.4
Tax borne in relation to revenues [13]	%	2.3	7.0	7.4	3.7	13.1	10.6	9.5	4.9
Tax collected in relation to revenues [14]	%	12.8	12.0	19.0	5.8	2.2	8.0	6.8	6.5
Tax value distributed to the company [15]	%	71.3	75.7	70.8	32.8	34.9	34.1	38.2	65.1

1 Taxes that represent a cost for Group companies and have an impact on the income statement.
2 Taxes on company profits that are borne (with impact on profit and loss) and collected (without impact on profit and loss).
3 Taxes (borne and collected) on the ownership, use or transfer of tangible or intangible property.
4 Generally taxes, borne and collected, on employment (including income tax and social security payments). Taxes levied on the employer are considered taxes borne and taxes levied on the employee are considered taxes collected.
5 Indirect taxes and duties (borne and collected) levied on the production, sale or use of goods and services, including taxes and duties levied on international trade and transactions.
6 Taxes and duties (borne and collected) levied on the supply, use or consumption of goods and services that are considered harmful to the environment.
7 Taxes that do not represent a cost because Group companies act as a substitute for tax.
8 The information is represented in line with local GAAP, consolidated data at country level (where present) or alternatively the sum of the values of the companies in the perimeter have been considered.

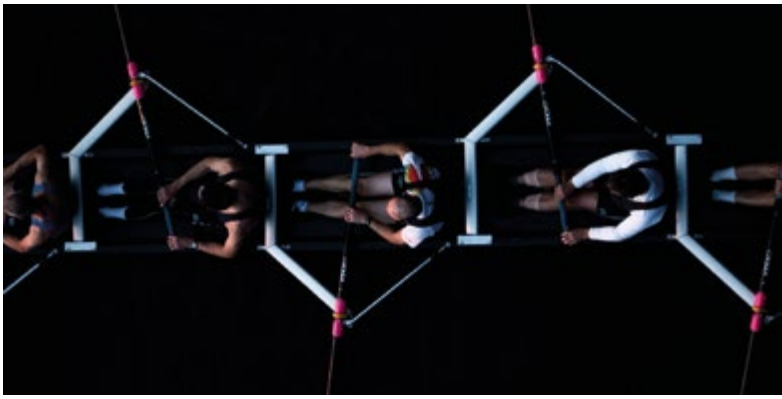
	ROMANIA	USA & CANADA	PANAMA	NETHER-LANDS	MEXICO	GUATEMALA	COSTA RICA	2019	2018 [16]	2019-2018	%
	22.6	**40.1**	**34.7**	**9.2**	**85.2**	**2.5**	**3.9**	**4,813.8**	**4,669.3**	**144.5**	**3.1**
	13.7	1.6	32.9	8.2	82.6	2.0	3.2	1,887.7	1,678.5	209.2	12.5
	3.7	26.5	0.2	-	-	0.2	0.2	278.1	278.0	0.1	-
	2.6	11.9	0.6	0.2	2.1	0.2	0.6	797.0	834.1	-37.1	-4.5
	2.5	0.1	-	0.8	0.5	-	-	1,044.1	969.4	74.8	7.7
	-	-	1.1	-	-	-	-	806.9	909.3	-102.5	-11.3
	182.3	**46.8**	**8.1**	**0.5**	**35.6**	**5.3**	**4.3**	**13,792.5**	**13,556.5**	**236.0**	**1.7**
	-	1.3	7.0	-	10.9	1.7	1.5	211.1	194.1	17.0	8.8
	-	-	-	-	2.5	-	-	2.5	2.2	0.2	10.2
	32.1	43.9	0.9	0.5	4.1	0.1	0.1	1,033.5	987.3	46.2	4.7
	150.2	1.6	0.3	-	18.1	3.5	2.7	11,913.2	11,714.8	198.5	1.7
	-	-	-	-	-	-	-	632.2	658.1	-25.9	-3.9
	204.9	**86.8**	**42.9**	**9.7**	**120.8**	**7.8**	**8.3**	**18,606.4**	**18,225.8**	**380.5**	**2.1**
	Romania	**USA & Canada**	**Panama**	**Nether-lands**	**Mexico**	**Guatemala**	**Costa Rica**	**2019**	**2018 [16]**	**2019-2018**	**%**
	173.1	70.5	89.2	158.6	-121.9	7.0	-4.7	4,434.9	9,104.2	-4,669.3	-51.3
	181.9	109.0	91.1	159.5	-101.3	7.9	-3.9	7,444.4	12,154.5	-4,710.1	-38.8
	1,966.2	1,220.6	197.7	110.1	765.5	56.7	21.0	110,670.8	106,116.8	4,554.0	4.3
	Romania	**USA & Canada**	**Panama**	**Nether-lands**	**Mexico**	**Guatemala**	**Costa Rica**	**2019**	**2018 [16]**	**2019-2018**	**%**
	12.4	36.8	38.1	5.8	n.a.	31.4	n.a.	64.7	38.4	26.2	-
	10.4	7.1	21.7	8.8	15.8	13.8	39.3	16.8	17.2	-0.4	-
	1.1	3.3	17.6	8.4	11.1	4.4	18.7	4.3	4.4	-0.1	-
	9.3	3.8	4.1	0.5	4.6	9.4	20.6	12.5	12.8	-0.3	-
	42.7	18.7	38.9	6.2	35.2	46.1	78.9	65.8	59.3	6.5	-

9 It is considered net of dividends in order to avoid distortions on the effective tax rate.
10 Profit Before Taxes Borne is computed as Profit Before Tax plus Total Tax Borne less Corporate Income Tax paid. Where Profit Before Taxes Borne was negative the TTC ratio was not calculated.
11 Total Tax Borne (cash accounting)/EBT.
12 TTC/Revenues.
13 Total Tax Borne (cash accounting)/Revenues.
14 Total Tax Collected (cash accounting)/Revenues.
15 TTC/Value distributed (sum of: net interest, taxes, salaries and wages, income after taxes).
16 The 2018 total also includes the 2018 data of the following countries: USA & Canada, Panama, Holland, Mexico, Guatemala and Costa Rica. The 2018 data have been restated with respect to the 2018 Sustainability Report in order to take into account the year-end rate for balance sheet data (e.g. taxes paid) and the average rate for economic data (e.g. revenues, profits). The average exchange rate had previously been applied to all data.

Values and pillars of company ethics

102-12 102-15 102-16 102-17 102-25 102-33 103-2 103-3 205-2
205-3 405-1 406-1 408-1 409-1 412-1 412-2 413-1

The Enel Group's activities are supported by a sound ethical foundation: its constantly evolving nature is aimed at incorporating best practices at national and international level. Everyone who works at Enel and for Enel must respect and apply these practices in their daily activities. This system is based on specific compliance programmes, such as: the Code of Ethics, Human Rights Policy, Zero Tolerance of Corruption Plan (ZTC Plan), Enel Global Compliance Program (EGCP), Model pursuant to Italian Legislative Decree 231/01 and other national compliance models that may be adopted by Group companies in accordance with local regulations.



Code of Ethics

In 2002, Enel adopted its Code of Ethics, which expresses the commitments and ethical responsibilities it follows in conducting business, by regulating and harmonising corporate conduct according to standards based on the utmost transparency and integrity towards all stakeholders. The Code of Ethics is valid both in Italy and abroad, while taking into account the cultural, social and economic diversity of the various countries where Enel operates. Specifically, the document is divided into:

- general principles for stakeholder relations, which define the values that the Group uses as inspiration in carrying out its various activities;
- criteria of conduct towards each class of stakeholders, which provide the guidelines and standards that Enel people are required to follow to ensure compliance with the general principles and to prevent the risk of unethical conduct;
- implementation mechanisms that describe the control system designed to ensure compliance with the Code and its continuous improvement. Enel also requires that all affiliates and subsidiary companies, main suppliers and partners adopt ethical behaviour in line with the Code's general principles.

In 2019, the Code was updated in order to incorporate several international references on human rights and to align the tasks of the units responsible for the update with the current organisational structure.

Reports by stakeholders

Any violation or suspected violation of Enel Compliance Programs can be reported, including anonymously, through a single platform at Group level ("Ethics Point"), which is accessible at the following address: www.enel.ethicspoint.com.

Reports can also be sent by e-mail or regular mail. The Audit Function receives and analyses these reports, performing the related checks and ensuring uniform treatment at Group level, in compliance with company policies and local regulations.

The report management process is governed by the whistleblowing policy, "Management of anonymous and non-anonymous reports", which reiterates the guarantee of anonymity and protection against any form of retaliation and also ensures adequate protection against groundless reports made in bad faith for the purpose of harming people and/or companies.

KPI	UM	2019	2018	2017	2019-2018	%
Reports received [1]	no.	166	144	123	22	15.3
Violations related to incidents of [1]	no.	36	31	31	5	16.1
Conflict of interest/corruption [2]	no.	8	10	7	-2	-20.0
Misappropriation	no.	11	7	15	4	57.1
Labour practices	no.	11	8	6	3	37.5
Community and society	no.	-	-	1	-	-
Other reasons	no.	6	6	2	-	-

1 In 2019, the analysis of reports received in 2018 was completed, and for this reason, the number of confirmed violations for 2018 was restated from 30 to 31. The additional violation is attributable to reasons of a supplier's compliance with the law on overtime.

2 Corruption consists of the abuse of power with the goal of private gain and can be instigated by individuals in the public or private sector. It is interpreted here as including corrupt practices such as bribery, extortion, collusion, conflicts of interest and money laundering.

In 2019, 166 reports concerning the Code of Ethics were received, up on 2018, mainly due to the change in the scope of consolidation in Latin America. From the reports received, 8 episodes of violation were identified as cases of "conflict of interest" for which Enel adopted specific measures against the parties involved, in line with the relevant regulations, which involved 7 actions against employees and 4 actions against contractors. As far as cases relating to labour practices are concerned, 74 reports were recorded, of which 11 were identified as violation: 3 cases concerning harassment, 7 cases concerning the company climate, and 1 case concerning health and safety breaches.

Organisational and Management Model pursuant to Legislative Decree 231/01

Legislative Decree 231 of 8 June 2001 introduced into the Italian legal system an administrative (but essentially criminal) liability for companies, for certain types of offences committed by their directors, managers or employees in the interest or for the benefit of the companies themselves. Already in 2002, Enel – the first in Italy – adopted an Organisational and Management Model that meets the requirements of Legislative Decree 231/01 (Model 231). Since then, it has been constantly updated in line with the reference regulatory framework and current organisational context.

Active and passive anti-corruption

103-2 103-3 205-2

In compliance with the 10th Global Compact principle, according to which "companies are committed to combating corruption in all its forms, including extortion and bribery", Enel intends to pursue its commitment to fighting corruption in all its forms – whether direct or indirect – by applying the principles expressed in the pillars of its Anti-bribery Management System.

Enel's Anti-Bribery Management System (ABMS) is based on the Group's commitment to fighting corruption by applying the criteria of transparency and conduct as set out in the Zero Tolerance of Corruption Plan (ZTC Plan) and confirmed in the Anti-Bribery Policy adopted pursuant to international standard ISO 37001:2016 (on anti-bribery management systems).

Together with the ZTC Plan, the pillars underpinning the ABMS are:

- the Code of Ethics;
- the Models designed to prevent the main crime risks (for example, corrupt relations with public administrations and private individuals, environmental crimes, corporate offences and, for Italian companies, manslaughter, serious personal injury or grievous bodily harm committed in violation of the rules on the protection of occupational health and safety), as described by the applicable regula-

tions on corporate responsibility (the "Compliance Program") in the various countries where the Group operates (for example, Organisational Model 231 for Italian companies, the "Risk Prevention Model/Integrity Program" for Group companies in Spain and South America);

- the Enel Global Compliance Program ("EGCP"), a governance tool aimed at strengthening the Group's ethical and professional commitment to preventing offences committed outside of Italy that might result in corporate criminal responsibility and risks to reputation. The EGCP applies to the Group's non-Italian companies and supplements any compliance programmes adopted by the same companies, in compliance with local regulations.

Without prejudice to the provisions of these compliance programmes and the specific regulatory provisions applicable to the crime of corruption in all its forms, the Enel Global Compliance Program complies with the main relevant legislation and best corporate governance practices, constituting the general conduct framework for Enel people in the fight against corruption.

The areas with the most potential exposure to corruption (active and/or passive), both in relations with public administrations and in the private sector, include: (i) the negotiation and execution of contracts with third parties (public authorities, associations, companies, etc.); (ii) participation in tenders (public and private); (iii) selection of partners/consultants; (iv) management of financial resources; (v) management of gifts and hospitality; (vi) personnel recruitment processes; (vii) incentive mechanisms in top managers' compensation.

In relation to these risk areas, the above governance tools (ZTC Plan, Code of Ethics and the EGCP/Compliance Program) – together with the current body of procedures – set out an effective prevention system, which is an integral part of the Group's Internal Control System. From an organisational perspective, the Chief Executive Officer, in exercising his/her powers, represents Enel SpA's Governing Body pursuant to the standard ISO 37001; Top Management, on the other hand, is represented by the Head of the Company's Audit Function and Head of the Legal & Corporate Affairs Function – both of whom report directly to the Chief Executive Officer.

Top Management, in performing its duties, makes use of all necessary resources and the collaboration of the other responsible Departments heads, who also report directly to the Chief Executive Officer (for example, People & Organisation, Communications).

On May 8, 2017, Enel SpA's ABMS was certified as conforming to the international standard ISO 37001:2016 on anti-bribery management systems. The certification was confirmed in successive maintenance checks in the course of 2018 and 2019 respectively. The certification is scheduled to be renewed in 2020.

After Enel SpA obtained certification ISO 37001 for its anti-bribery management system, it gradually extended the ISO 37001 certification plan to the Group's main Italian and foreign subsidiaries. At present, the certification progress has been successfully completed, specifically for Enel Green Power SpA (also covering some of its foreign subsidiaries), Enel Global Trading SpA, Enel Produzione SpA, e-distribuzione SpA, Enel Italia Srl, Enel Sole Srl, Enel.si Srl, Enel Energia SpA, Servizio Elettrico Nazionale SpA, Enel X Srl, Enel X Italia SpA, Enel Global Infrastructure & Networks Srl, and for the Group's foreign companies, for Endesa SA, Enel Américas SA, Enel Generación Chile SA, Enel Chile SA, Edesur SA, Codensa SA, Emgesa SA, Enel Distribución Perú SA, Enel Generación Peru SA, the companies operating in Romania.

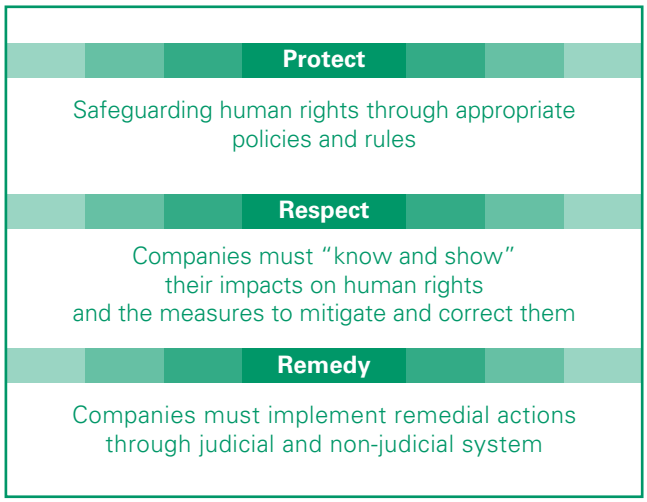
During the 2020-2021 two-year period, the anti-bribery certification process in accordance with ISO 37001 is due to be further extended to other Italian and foreign companies of the Group, in light of the current corporate scope during the period in question.

The role of Enel SpA's "Anti-bribery compliance function" – set up pursuant to the ISO 37001:2016 standard – has been entrusted to an internal corporate body, made up of a representative from the following Functions: Legal & Corporate Affairs, Audit, People & Organization (Quality unit). The body is tasked – among other things – with overseeing the Company's planning and implementation of its anti-bribery management system.

Human rights

103-2 | 103-3 | 407-1 | 408-1 | 409-1 | 411-1 | 412-1 | 413-1

Since 2011, the "United Nations Guiding Principles on Business and Human Rights" (UNGPs) have been a key point of reference for companies to evaluate their management systems and respective impacts on human rights, assuming direct responsibility for them.
In particular, the guiding principles on companies set out the following framework:



Protect

On 5 February 2013, Enel passed resolution to accept the United Nations' "Protect, Respect, Remedy" framework by approval of the Board of Directors – both of the Parent Company and each subsidiary – of a human rights policy that strengthens and deepens the commitments already established by company Compliance Programmes. The policy was drawn up through a consultation process that involved the Enel people and major international experts. It identifies eight principles that the people working in Enel SpA and its subsidiaries must observe in carrying out all their activities. Furthermore, it promotes respect of all principles within its business relationships and compliance with the same standards by its contractors, suppliers and business partners, with a particular focus on conflict-affected and high-risk contexts. The policy concerns two overarching issues: labour practices and relations with communities and society. This policy is available online at www.enel.com.

Labour practices:

1. Rejection of forced or compulsory labour and child labour;
2. Respect for diversity and non-discrimination;
3. Freedom of association and collective bargaining;
4. Health and safety;
5. Fair and favourable working conditions;

Relations with communities and society:

1. Respect for community rights;
2. Integrity: zero tolerance of corruption;
3. Privacy and communication.

The principles set out in the policy have been inspired by the content of the Universal Declaration of Human Rights, the European Convention on Human Rights and several International Labour Organization (ILO) conventions on human and social rights, freedom of association and the right to organise, prohibition of forced and child labour, and occupational health and safety.
The policy assigns the Innovability Function the following tasks: planning and coordinating the adoption of due diligence process[12] jointly with the other relevant Functions, for their respective areas of competence; reporting to the Control and Risks Committee on the development of the due diligence process; annually reporting on Enel's performance regarding its commitments to human rights as part of the Group's Sustainability Report. In particular, within the Innovability Function, the Sustainability Planning and Performance Management unit has been tasked with managing the positioning on human rights and respective internal and external disclosure on activities, as well as integrating the human rights policy into corporate processes and ensuring the performance of due diligence activities. Moreover, a specific focal point at global level was also appointed within this unit to coordinate human rights activities, to be coordinated by the various Sustainability Managers at country level.

ss In the context of the Guiding Principles on Business and Human Rights (Principles 17-21), this term refers to a continuous management system implemented by a company considering the sector in which it operates, its operating contexts and the size of the company, among other things, to ensure respect for human rights or to avoid being party to their abuse. This implies "identifying, preventing, mitigating and reporting" potentially negative effects caused by the company.

Respect

Enel performs a specific human rights due diligence process on the entire value chain in the various countries where it operates. Specifically, the process was developed in line with best international practices and includes four phases:

PHASE	MAIN RESULTS 2017-2019
Analysis of risk perceived by key stakeholders, at individual country level, with regard to labour rights, local community rights and environment rights	The analysis showed that issues relating to bribery and environmental impacts are a "high priority risk" assessment, that requires companies to adopt advanced monitoring and management mechanisms.
Gap assessment to identify and analyse organisational and risk control systems	The policies, procedures, systems and practices in place in the Group in each area of the value chain have been assessed by analysing over 100 indicators. The results showed that Enel has a set of robust mechanisms and management systems, which ensure respect for human rights and adequately manage existing risks.
Development of improvement plans	Around 160 actions have been planned, covering 100% of operations and sites.
Monitoring improvement plans	At the end of 2019, over 90% of actions were completed. For the remaining 10% approximately, some actions will be completed in 2020 as part of larger processes or due to external factors (such as the social crisis in Chile), while others have been removed as they are no longer necessary following organisational changes.

Below is a summary table of the issues set out by the policy, indicating the relative assessment of the perceived risk and their level of coverage.
The flow described above was formalised in an internal procedure, and includes process assessment cycles every three years to verify the progress of the improvement plans as and when they are established. During 2020, the new assessment cycle will start, which will follow that conducted between 2017 and 2019.

TOPICS	AVERAGE PERCEIVED RISK	SYSTEM TO PROTECT HUMAN RIGHTS	MAIN POLICIES AND PROCEDURES TO PROTECT HUMAN RIGHTS
Labor practices			
Freedom of association and collective bargaining	Acceptable risk	Robust	Enel commits to respecting freedom of association and collective bargaining for all its workers. In particular, Enel recognizes their right to form or take part in organizations aimed at defending and promoting their interests; that they are represented by trade unions or other forms of representation; and the value of collective bargaining as a privileged tool for determining contractual conditions and governing relations between company management and trade unions.
Rejection of forced labor	Acceptable risk	Robust	The contracts govern working conditions in their entirety and clearly show all the terms included in the contracts that provide details on the rights of workers (working hours, salary, overtime, compensations, benefits). The terms are translated into workers' native languages and are supported with information contained in documents shared with the people. Human resources management systems and procedures ensure there are no minors in the workforce. Internships and school-to-work programs are also available.
Fair and favorable working conditions	Acceptable risk	Robust	
Rejection of child labor	Risk to be monitored	Robust	
Diversity and inclusion	Risk to be monitored	Robust	For details, see the chapter "Our people and their value".
Health and safety	Risk to be monitored	Robust	For details, see the chapter "Occupational health and safety"
Community and society			
Community relations	Risk to be monitored	Robust	For details, see the chapter "Communities and value sharing".
Environmental impacts	High priority risk	Robust	For details see the chapter "Environmental sustainability".
Corruption	High priority risk	Robust	For details, see the paragraph "Active and passive anti- corruption management system".

Average perceived risk: average of perceived risk levels identified in the countries being analyzed.
Risk reference scale: 1. High risk; 2. High priority risk; 3. Risk to be monitored; 4. Acceptable risk.
Performance value reference scale of the system (processes, policies and procedures) to protect human rights: Robust (R) (75%-100%); Good (B) (50%-75%); Sufficient (S) (25%-50%); Needs improvement (M) (0%-25%).

Remedy

Around 160 actions have been planned, covering 100% of operations and sites. New actions were launched in each country of operation: for example, in Spain due diligence assessments on human rights were applied to merger & acquisition processes; in Italy, the e-distribuzione procedures were carried out with a key focus on human rights aspects; in Romania, reporting mechanisms were developed for all areas with potential impacts; in Russia, human rights aspects were included in the sustainability surveys carried out with internal and external stakeholders. Also in South American countries, numerous measures were taken following the approval of the due diligence improvement plan: in Argentina, communication on the use of the ethical channel and on anti-bribery policy has been stepped up; in Brazil, new business development processes were reviewed with the inclusion of due diligence on human rights; in Peru, specific projects were implemented to promote gender equality; in Chile, stakeholder groups were mapped out that may be interested in the activities launched or with the potential to be developed; in Colombia, five different due diligences were carried out at the coal supplier sites.

With respect to labour rights lastly, on average, these are perceived as being less risky, and also their monitoring operations and processes comply with both the principles of the most common international guidelines and with the Group's internal policies. However, minor areas of improvement have been identified in some countries, as shown in the table below.

Security and Human Rights

103-2 103-3 410-1

"Taking the Voluntary Principles on Security and Human Rights as its reference, Enel is committed to ensuring that private security forces operating to protect Group people and property in their areas of activity act consistently with applicable national laws and international rules and standards, while encouraging law enforcement agencies to act in the same manner" (paragraph 2.2.1 of Enel's Human Rights Policy). In general, according to national regulations, the security service can only be assigned to public or private forces in the absence of legislative provisions.

Security management at Enel is assigned to a dedicated Holding unit and to specific units in the various countries where the Group operates. The principles of action concern:

- Proactivity: continual collection of data and information for the detection and interpretation of weak signals;
- Holistic Vision: integrated assessment and management of security risks for all potentially exposed assets (people, infrastructure, intangible assets);
- Open Power: cooperation with Business Lines, reference institutions and other operators of critical infrastructure;
- Resilience: adoption of measures to ensure the continuity of the system's operation and not only its passive protection;

TOPIC	BUSINESS LINES	COUNTRIES	AREAS FOR IMPROVEMENT
Rejection of forced labor	Global Procurement	Brazil, Chile, Colombia	To streghten the area of supplier assessment and their performances
Rejection of child labor	Global Procurement/ Legal and Corporate Affairs	Chile, Romania, Russia	Integrated supplier's control in order to verify their involvement in past violations .
Diversity	Sustainability, People and Organizaiton	Romania	Improve access for people with disability.
Freedom of association and collective bargaining	Global Procurement	Chile, Colombia, Italy, Peru, Romania, Russia	Checks on the performance of suppliers with active contracts.

→ Integrated Response: coordinated incident management between all components involved (communication, security, institutional affairs, technical lines).

In all cases where it is not possible to turn to public forces and it is necessary to use private security guards, Enel ensures that: all human rights assessments are made; the workers of security service providers have received appropriate training; contracts include human rights criteria; and that adequate equipment is provided to security guards.

Training and information

In 2019, approximately 820 thousand of training on sustainability issues were provided, of which human rights has been a fundamental part. In particular, the courses mainly addressed environmental and occupational health and safety issues, with an average of 16.5 hours of training *per capita*, which is up from the 2018 figure (11.9 hours). At the end of 2018, a new online training course on human rights was also launched. This course is Enel's way of renewing its commitment to this topic, involving all Company people by sharing experiences and best practices that highlight the key role of human rights. During 2019, approximately 11,000 people attended the course for a total of about 3,700 hours (0.3 hours *per capita*).

For further details see the following chapters: "Sustainable supply chain" (forced and child labour), "Our people and their value" (diversity), "Community and sharing of value" (Relations with local communities) and "Occupational health and safety" (occupational health and safety).

Data protection

103-2 103-3 418-1

The protection and processing of personal data is a major challenge in the age of digitalization and market globalisation in terms of responsibility when managing data, but it is also an opportunity to improve the service that Group companies provide. To rise to this challenge and in line with the new General Data Protection Regulation EU 2016/679 (GDPR), the Enel Group adopted a structure in 2017 to ensure that the privacy of all natural persons with whom it interacts is fully respected. Specifically, the Legal Function contains a Data Protection Office, which has assigned "Data Protection Officers" (or DPOs). DPOs are appointed based on their professional skills, knowledge and their ability to perform tasks in accordance with the principle of independence.

The Data Protection Office is structured as follows:

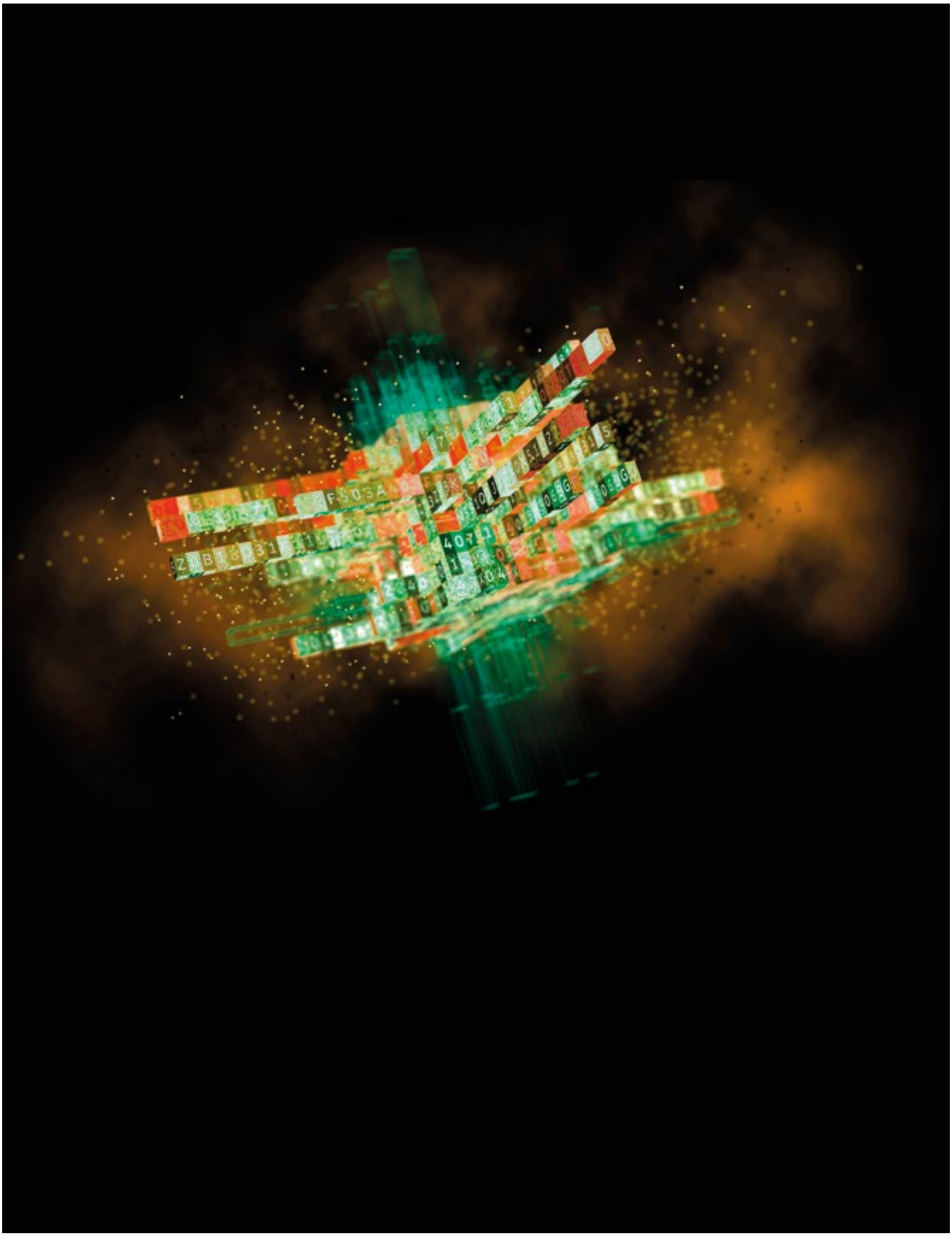
- **Governance Data Protection**: This monitors changes to legislation on data protection and determines the Group's compliance;
- **Global Service Functions and Holding Functions Data Protection**: This promotes privacy from the outset of planning processes at global level and ensures consistent development at national level;
- **Global Business Lines Data Protection**: This supports Global Business Lines in accordance with data protection, and monitors changes to data protection certification mechanisms for products and services;
- **Country units for the protection of national data** (Italy, Portugal, Romania, Spain): These monitor changes to data protection legislation at country level.

The Data Protection Office has also developed internal tools based on Enel's size and complexity to ensure compliance with the protection and optimal use of data to support Enel's presence in the European data economy. Some of these tools include: Personal data processing logs and the Data Protection Impact Assessment (DPIA). The DPO implements processes and activities in accordance with the GDPR and commits to support data officers in drawing up data protection agreements and clauses; planning data governance and corporate policies; providing privacy consulting in the design and default phase; ensuring adequate risk management by making wide use of the DPIA and monitoring the consistency of data protection policies within the organisation, particularly between legal entities within and outside Europe.

Moreover, the Audit Function carries out continuous monitoring of the GDPR's implementation, in collaboration with data protection officers, in order to track the progress of the efforts to align the companies' processes and tools with the GDPR. Activities are also planned to analyse security measures on systems that contain data relevant to the GDPR, commercially sensitive data (Distribution and Market) and employee data managed in human resources procedures, including in different geographical areas outside of the scope of the GDPR.

In 2019, the Group's European companies handled over 40,000 communications relating to personal data protection and have collaborated with national authorities, having received 79 requests for information and clarification. In Italy, e-distribuzione previously reported one incident relating to personal data and one data breach to the Authority for the Protection of Personal Data. In Romania, two data breaches were registered, formally notified to the competent Authority, which involved the market companies (Enel Energie Muntenia and Enel Energie SA) and the distribution companies (E-Distribuție Muntenia, E-Distribuție Dobrogea and E-Distribuție Banat).

Lastly, promoting a responsible and proactive approach to incorporate privacy right from the planning stage of processes, corporate services and activities, a specific training course has been set up for the people working at Enel.



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3. METHODOLOGICAL NOTE

LINK **Sustainability Report**
At a Glance
Performance indicators

Methodological note

Information and in-depth analyses on the issues and indicators presented in this Report can be requested from:

Enel SpA
Innovability Function
(Innovation and Sustainability)
Sustainability Planning
and Performance Management

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00198 Rome – Italy
Tel +39 06 8305 1
E-mail sustainability@enel.com
Web https://www.enel.com/it/investors1

Enel has been publishing a Sustainability Report with its Group Financial Report since 2003.

In accordance with the requirements of Italian Legislative Decree no. 254 of December 30, 2016, "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups", Enel has been publishing a Consolidated Non-Financial Statement (NFS) since 2017. The Sustainability Report will constitute Enel's NFS with effect from financial year 2019. Accordingly, from this financial year on, the NFS will no longer be published as a separate document. This Enel Group Sustainability Report at December 31, 2019 has therefore been prepared in accordance with Legislative Decree no. 254/16 and the 2019 Budget Act and is a separate document from the Report on Operations. The document has been published in the "Investors" section of Enel's website (www.enel.com).

The 2019 Sustainability Report is addressed to the Enel Group's stakeholders and is designed to present the actions taken in pursuit of the Group's sustainability goals and thus to respond to the legitimate expectations of all stakeholders. In contrast to previous years, the structure of the document has been revised to include a new initial chapter, the "At a Glance", which provides a concise overview of the main topics, discussed in detail in each chapter of the document.

To the extent necessary to ensure an understanding of the Company's activities, performance, results and impact, this document covers environmental, social, labour, human rights and anti-corruption and bribery topics that are material to Enel, in view of the Company's activities and characteristics, according to the process described below (see the section "The 2019 materiality analysis"). The following table contains the areas required by Legislative Decree no. 254/16, with an indication of the specific chapter of the document in which they are discussed.

TOPIC OF THE REPORT/DECREE	TOPIC OF THE MATERIALITY ANALYSIS	CHAPTER OF THE REPORT	RISKS	POLICIES AND MANAGEMENT MODEL	ACTIVITIES AND RESULTS
Environment	**Decarbonization of the energy mix**	Commitment to the fight against climate change	"Sound governance" chapter	"Commitment to the fight against climate change" chapter	"Commitment to the fight against climate change" chapter
	Environmental management	Environmental sustainability		"Environmental sustainability" chapter	"Environmental sustainability" chapter
Social	**Engaging local communities**	Communities and value sharing	"Sound governance" chapter	"Communities and value sharing"	"Communities and value sharing"
	Sustainable supply chain	Sustainable supply chain	"Sound governance" chapter	"Sustainable supply chain" chapter	"Sustainable supply chain" chapter
Employment and labour-related	**People management, development and motivation**	Our people and their value	"Sound governance" chapter	"Our people and their value" chapter	"Our people and their value" chapter
	Occupational health and safety	Occupational health and safety	"Sound governance" chapter	"Occupational health and safety" chapter	"Occupational health and safety" chapter
Human rights	**Sound governance and fair corporate conduct**	Sound governance	"Sound governance" chapter	"Sound governance" chapter	
	People management, development and motivation				
	Engaging local communities				
Fight against corruption	**Sound governance and fair corporate conduct**	Sound governance	"Sound governance" chapter	"Sound governance" chapter	"Sound governance" chapter

How this document has been constructed

The Report has been prepared according to the GRI Standards: Core option and the supplement dedicated to the Electric Utilities sector issued by the GRI in 2013 (Electric Utilities Sector Disclosures). In particular, the Global Reporting Initiative's Sustainability Reporting Standards (2016) (GRI Standards) have been considered; with effect from financial year 2018, Enel has also adopted the two new standards, GRI 403 – Occupational Health and Safety and GRI 303 – Water and Effluents, issued in 2018.

The content formulation process has been based on the principles of relevance ("materiality"), stakeholder inclusivity, sustainability context and completeness of the data and information: Enel reports information regarding its performance within the broader sustainability context, also discussed in a specific section (see the "At a Glance" chapter and the sections "The pillars of our sustainable business model" and "ESG backbones"), including specific references to the Sustainable Development Goals ("SDGs") in its objectives and

progress towards them in order to provide full disclosure of all significant information during the reporting period and reliable estimates for the future. With regard to the quality of the information reported, the principles of balance, comparability, accuracy, timeliness, clarity and reliability have been observed.

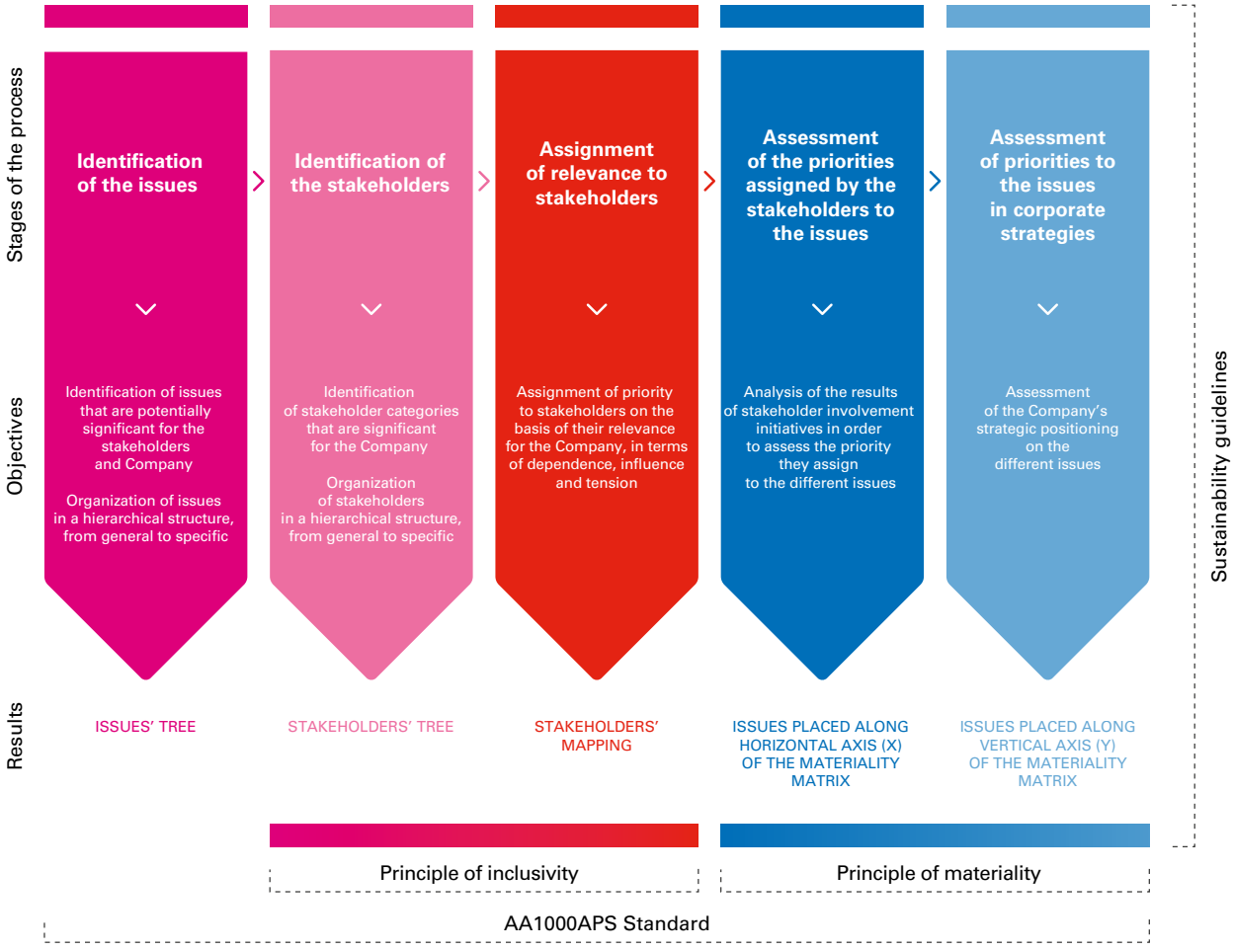
This Report is also compliant with the principles of inclusivity, materiality and responsiveness set out in AA1000APS (AccountAbility Principles Standard) issued in 2008 by AccountAbility, an international applied research institution focusing on sustainability issues. With regard to the materiality principle, in particular, the depth in which the various subjects are discussed in the Report has been determined according to their weight in the Group's goals and strategies and their relevance for stakeholders, identified through a structured materiality analysis process.

Finally, a reference to the United Nations SDGs has been included in the various chapters, in accordance with the instructions provided in the SDG Compass, the guide published in November 2015, developed by GRI, the UN Global Compact and the World Business Council for Sustainable Development ("WBCSD") to support companies in aligning their strategies with the SDGs and measuring and managing their contributions to these goals.

The 2019 materiality analysis

102-40 102-46 102-47 103-1

The materiality analysis process is divided into five main steps, as shown in the chart below.



This process is aligned with the AA1000APS standard and responds to the principles of Inclusivity, Materiality and Responsiveness.
Data collection, aggregation and processing of information are managed using a dedicated IT system that is upgraded each year to ensure increasing traceability, share best practices for stakeholder engagement and monitoring and permit a degree of coverage consistent with the company's organizational model. The system allows specific views to be obtained, not only at the level of the Group and individual companies, but also by Business Line/Company Function and individual asset (i.e., potential or actual operating site).
The Holding's Sustainability Planning and Performance Management unit plays a guidance and coordination role, providing guidelines and methodological support for the analysis conducted by the local personnel with the involvement of the stakeholders and key people at the company level. The results achieved at the level of the individual company and/or country are then consolidated by the Holding Company to prepare the Group's materiality matrix (see the section of the "At a Glance" chapter entitled "Materiality analysis" for detailed information on the results of the analysis).

The scope of the materiality analysis for 2019 has been further expanded to include the new "Enel X" Business Line, together with increasing integration of the results of the application of CSV tools to the Group's assets. In particular, in 2019 the analysis extended to 310 engagement initiatives, including 18 countries, 51 companies and 22 assets.

Identification of issues and stakeholders

102-40 102-46 102-47 103-1

Regarding the 2019 materiality analysis process, the issues and categories of stakeholders analysed were revised on the basis of indications received from the Company's internal and external stakeholders.
The issues subject to analysis were defined on the basis of various aspects, including company policies and principles of conduct, stakeholder feedback initiatives, the topics of greatest interest to sustainability rating agencies, industry benchmarking studies and the Company's strategic orientation.
The various units responsible for relations with stakeholders, involved in the analysis process each year, are tasked with identifying and updating the list of categories of relevant stakeholders to draw up a complete list of current and potential stakeholders and to ensure constant alignment with the sustainability context in which Enel operates.
The methodology adopted involves an annual update to the results achieved in the previous year and, every two years, an analysis to determine a possible revision of the issues and categories of stakeholders subject to analysis, to take account of any changes in the context in which the Company operates.

Assignment of relevance to stakeholders

102-40 102-42 102-43 102-46 102-47 103-1

COMMUNICATION AND ENGAGEMENT CHANNELS AND TYPES	AVERAGE ENGAGEMENT FREQUENCY BY CHANNEL/TYPE	FINANCIAL COMMUNITY	SUPPLIERS AND CONTRACTORS	CIVIL SOCIETY AND LOCAL COMMUNITIES	OUR PEOPLE	INSTITUTIONS	BUSINESS COMMUNITY	CUSTOMERS	MEDIA
Agents	daily							X	
Mobile app	ongoing							X	
Whistleblowing channel	ongoing			X	X	X			
Web channel	ongoing	X	X	X		X		X	
Press releases	weekly			X		X			X
Direct contacts	daily	X	X	X		X	X		X
Forums	monthly		X		X		X	X	
Working groups	monthly		X		X		X	X	
Dedicated meetings	weekly		X				X		X
Investor Day	once per year	X							
Informative interviews	weekly				X				
Intranet	ongoing				X				
Enel stores and commercial offices	daily							X	
Newsletters	every 2 weeks				X				
Company magazine	every 2-3 months				X				
Roadshows	4 times per year	X							X
Social media	ongoing			X		X		X	X
Surveys	twice per year				X			X	

The process provides the continuous and direct engagement of Company's external and internal stakeholders, including its top managers, through one-to-one interviews, surveys and other tools.

In 2019 the process of identifying and prioritising categories of stakeholders involved the Company's top management, which assessed the priority of the categories on the basis of a survey administered by the Holding's Sustainability unit according to the following parameters: dependence (importance of the relationship for the stakeholder), influence (importance of the relationship for the Company) and tension (the timing aspect of the relationship).

In addition, the various units involved each year in the analysis process and those responsible for relations with stakeholders are tasked with engaging them according to the most appropriate methods in view of the communications channels (generic, specific and participatory), the type of relations with the group concerned and the context of reference.

The most relevant categories identified in the analysis and the respective communications and engagement channels are shown in the table on this page.

Assessment of the priorities assigned by the stakeholders to the issues

102-40 102-43 102-46 102-47 103-1

The aspects investigated within the context of the materiality analysis are, from the stakeholders' perspective, the relative importance of each issue in their perceptions and the 'direction' of their expectations (expectations of engagement, rather than disengagement, by Enel), and, from the Company's perspective, the level of the impact of the issues on its corporate strategies.

Since 2016 Enel has integrated the process of assessing the level of satisfaction of stakeholders' expectations with regard to presidium of an issue by the Company: the results achieved, compared with the stakeholder materiality analysis, provide an overview of stakeholders' expectations and help identify the topics on which the Company should focus.

During 2019, the results of numerous engagement initiatives carried out by Enel focusing on Group's relevant stakeholders, such as the financial community, national and international organizations, authorities, representative and trade associations, suppliers, customers, civil society and Enel's people have been assessed. There was found to be increasing capitalization on feedback initiatives to monitor the results of operational management by the Company and its Business Lines. In this regard, examples of this are the customer satisfaction surveys carried out by the various Market areas, the climate survey conducted by the Global People and Organization Function, the online survey addressed to suppliers by Global Procurement and the questionnaires for sustainability rating agencies administered by the Holding unit. Other sources considered in the analysis are complaints from customers, relations with analysts and investors, relations with representative and trade associations, institutional relations at the national and local level, trade union relations, media monitoring and opinion polls.

Each unit responsible for relations with stakeholders in the countries of presence seeks to engage an increasingly large number of stakeholders, while selecting those who are most relevant to the activities pertaining to the unit itself. In particular, in 2019 within the framework of the Infrastructure and Networks Business Line, the Sustainability unit in Brazil conducted engagement initiatives focusing above all on regulatory bodies and customers, whereas the Sustainability unit of Enel Chile focused on the use of questionnaires for investors and rating agencies. In some cases, where necessary, stakeholder engagement is carried out on an *ad hoc* basis for the performance of the materiality analysis and then used for the purposes of the Report.

Assessment of priorities to the issues in company strategies

103-1

The materiality of the various issues in Enel's strategies has been assessed through the involvement of the various company Functions and has been submitted for review by the Chairman and Chief Executive Officer. This analysis reflects the strategic guidelines set by the 2020-2022 Strategic Plan, the goals of the Functions/Business Lines and the commitments made by the Group through its policies and rules of conduct. The aspect examined for the issues subject to analysis measures the level of the impact of the issues on company strategies. In order to identify the Company's positive and negative impacts on socio-economic development and on the environment in the countries in which it operates, as well as its contribution to sustainable development, an "Impact Evaluation" pilot project was launched in 2019. The project, which involved five countries[1], was carried out by each local Sustainability unit, with the involvement of all Functions responsible for managing the issues subject to analysis, and included an assessment of the extent of the impact, in accordance with the main standards of reference; in addition, each issue was analysed according to its direct and indirect contribution to the SDGs, in line with the commitment made by the Group, and observance of the management tools implemented to monitor those impacts.

In particular, the analysis conducted in Brazil provides an explanatory overview of the project described above. Indeed, with regard to one of the material issues, "Energy distribution", the Country concluded that the development of the network gives rise to several positive external impacts, such as improvement of service, the creation of new job opportunities, through the spread of smart meters, and the potential reduction of possible environmental incidents thanks to a more efficient and modern network. However, this issue also entails negative impacts, such as possible workplace incidents related to network development activities, and the potential loss of biodiversity due to the pruning operations.

In addition, during 2019 the "Actual Response" project, launched in 2018, was developed. This project involved nine countries and aimed to collect and elaborate the measures taken by Group companies to manage the highest priority issues, such as risk analysis, definition of targets and the study of the performances achieved, in order to conduct a comparative assessment of the Company's level of presidium on these issues.

Reconciliation of the issues of the materiality analysis and GRI Standards

102-40 102-46 102-47 103-1

The joint analysis of the stakeholder and Company aspects, through its representation in the materiality matrix presented in the "Materiality analysis" section of the "At a Glance" chapter, enabled an assessment of the degree of "alignment" or "misalignment" between the priority of action assigned by the stakeholders to the various issues and the degree of commitment that the Group has made to each of them. The following table contains the codes for the topics included in the materiality analysis as established in the GRI Standards or the "Aspects" of the GRI supplement dedicated to the electric utilities sector ("Electric Utilities Sector Disclosures") of reference, along with an indication of the context internal and external to the organization and the limitations on the scope.

1 Spain, Chile, Columbia, Brazil and Russia.

ESG CATEGORY	2019 MATERIALITY ASSESSMENT ISSUE	GRI STANDARDS OR ELECTRIC UTILITIES SECTOR DISCLOSURE ASPECT	INTERNAL BOUNDARY	EXTERNAL BOUNDARY	REPORTING LIMITATIONS ON INTERNAL BOUNDARY	REPORTING LIMITATIONS ON EXTERNAL BOUNDARY
Business & Governance	**Economic and financial value creation**	GRI 201: Economic Performance	Group	-	-	-
	Sound governance and fair corporate conduct	GRI 205: Anti-corruption	Group	-	-	-
		GRI 206: Anti-competitive Behavior				
		GRI 406: Non-discrimination				
		GRI 415: Public Policy				
	Decarbonization of the energy mix	GRI 201: Economic Performance	Group	-	-	-
		GRI 305: Emissions				
		System Efficiency				
	Customer focus	GRI 417: Marketing and Labeling	Group	-	-	-
		GRI 418: Customer Privacy				
		Provision of Information				
	Ecosystems and platforms[1]	Research & Development	Group	-	-	-
	Energy distribution	Access	Group	-	-	-
		System Efficiency				
		Demand side management				
	Innovation and digital transformation	Research & Development	Group	-	-	-
Environmental	**Environmental management**	GRI 301: Materials	Group	-	-	-
		GRI 302: Energy				
		GRI 303: Water				
		GRI 304: Biodiversity				
		GRI 305: Emissions				
		GRI 306: Effluents and Waste				
		GRI 307: Environmental Compliance				

1 It includes the following topics: "New technologies and solutions for houses and apartment buildings"; "New technologies and solutions for cities"; "New technologies and solutions for industries" and "Electric mobility".

ESG CATEGORY	2019 MATERIALITY ASSESSMENT ISSUE	GRI STANDARDS OR ELECTRIC UTILITIES SECTOR DISCLOSURE ASPECT	INTERNAL BOUNDARY	EXTERNAL BOUNDARY	REPORTING LIMITATIONS ON INTERNAL BOUNDARY	REPORTING LIMITATIONS ON EXTERNAL BOUNDARY
Social	**People management, development and motivation**	GRI 401: Employment	Group	-	-	-
		GRI 402: Labor/Management Relations				
		GRI 404: Training and Education				
		GRI 405: Diversity and Equal Opportunity				
		GRI 407: Freedom of Association and Collective Bargaining				
		GRI 408: Child Labor				
		GRI 409: Forced or Compulsory Labor				
		GRI 410: Security Practices				
		GRI 412: Human Rights Assessment				
	Occupational health and safety	GRI 403: Occupational Health and Safety	Group	Suppliers	-	Reporting partially extended to suppliers
	Engaging local communities	GRI 411: Rights of Indigenous Peoples	Group	-	-	-
		GRI 413: Local Communities				
		GRI 416: Customer Health and Safety				
		Disaster/Emergency Planning and Response				
		Access				
	Sustainable supply chain	GRI 204: Procurement Practices	Group	Suppliers	-	Reporting not extended to suppliers
		GRI 308: Supplier Environmental Assessment				
		GRI 414: Supplier Social Assessment				

The reporting process

On the basis of the results of the materiality analysis, it was possible to define the structure of the 2019 Sustainability Report by focusing more on the material topics, to which specific detailed chapters have been devoted. Similarly, the level of materiality of issues, which in turn have been divided into detailed sub-issues, influenced the depth in which to discuss the individual subjects and to report on the relevant GRI indicators (GRI Standards and Electric Utilities Sector Disclosure) in order to qualify as "in accordance" Core option, as well as the choice of the tools best suited to representing them (2019 Annual Report and appended reports), to which reference has been made for the discussion or further examination of more specific topics relating to economic or governance performance. The materiality analysis also formed the basis for defining Enel's sustainability goals for the 2020-2022 period, as illustrated in the Sustainability Plan (see the "At a Glance" chapter, "The 2020-2022 Sustainability Plan").

The GRI Context Index, included in the Appendix, contains references to the 2019 Sustainability Report and the Group's other reporting instruments. Please also consult the website www.enel.com for further information, for example regarding innovation projects or the activities of Enel's foundations and the 2019 *Informe de Sostenibilidad* by Endesa and Enel Américas for additional details concerning initiatives dedicated to customers and local communities in Spain and South America.

Drafting and assurance

102-56

The process of reporting and monitoring the Key Performance Indicators ("KPIs") relevant to sustainability involves the Holding, with regard to transversal issues, and all Group Business Lines, Functions and companies for issues and indicators specific to the various sectors of activity.

Those responsible for collecting, verifying and processing the relevant KPIs are identified within the units involved. The Sustainability Planning and Performance Management unit, which is a part of the Innovability Function, is responsible for consolidating information and coordinating the entire process of preparing the 2019 Sustainability Report.

The Report was analysed and assessed by Enel's Control and Risks Committee and Corporate Governance and Sustainability Committee on April 1, 2020 and approved by the Board of Directors on April 2. The document will then be presented to the General Shareholders' Meeting together with the Group's Annual Report.

This Report was subject to a limited audit by an independent company, EY SpA, as the auditor also engaged to audit the Enel Group's Annual Report. The limited audit was conducted in accordance with the international standard ISAE 3000 (Revised)[2] and, accordingly, the Code of Ethics for Professional Accountants, including professional independence and verification of the absence of conflicts of interest that may affect the ethical principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct. The audit report, which contains a detailed description of the principles adopted, activities performed and conclusions reached, is appended.

In addition, a report on the green bond, also subject to an audit by EY SpA according to the criteria indicated in the standard ISAE 3000, has been appended to this Report, together with the relevant audit report.

The GHG Inventory Statements were audited by DNV GL, with a reasonable level of certainty for Scope 1, Scope 2 and Scope 3 emissions, as limited to the sale of natural gas, and with a limited level of certainty for the other Scope 3 emissions included within the scope of application of the inventory. The audit was conducted according to the standard ISO 4064-3 for the compliance of greenhouse gas (GHG) inventories with the WBCSD/WRI Corporate Accounting and Reporting Standard (GHG Protocol).

2 International Standard on Assurance Engagements (ISAE) 3000 revised, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Report boundaries

102-10 102-45 102-48 102-49 102-50 102-56

The information and data presented in the Report refer to Enel SpA and the companies within the scope of line-by-line consolidation at December 31, 2019, in accordance with the Group's financial consolidation scope. In addition to the line-by-line consolidation scope, the document also includes the data and information regarding the company Asociación Nuclear Ascó-Vandellós II AIE (ANA CNVII AIE), to which the two Spanish nuclear plants of Ascó and Vandellós are attributed. The company is considered a joint operation under accounting standard IFRS 11[3]. In fact, it has been included in the Group's scope of financial consolidation according to the proportional method in order to ensure a fair representation of its impacts, including in this Report, as it constitutes a material Group entity. The sole exception to the line-by-line consolidation scope are the companies acquired in 2019, for which, on the basis of prevailing practice, as also represented in the Consob report of January 19, 2018[4], it was decided to begin consolidation, with regard to some of the areas covered in this document, with effect from 2020, in the light of the reduced acquisition period. The areas of exclusion have been indicated directly in the specific chapters.
In particular, the main organizational changes affecting the Enel Group in 2019 were:

- the sale of 100% of Mercure Srl, the company that owns the Mercure biomass plant;
- the sale, through the renewable energy subsidiary Enel Green Power Brasil Participações Ltda, of 100% of three renewable energy plants operating in Brazil;
- the sale, on October 1, 2019, of the coal power plant of Reftinskaya GRES in Russia, sold by Enel Russia to JSC Kuzbassenergo[5];
- the acquisition by Enel Green Power SpA, through the US renewable energy subsidiary EGPNA (now ENA), of 100% of seven companies that own operating renewable source power plants, from Enel Green Power North America Renewable Energy Partners (EGPNA REP), a joint venture 50% owned by EGPNA and the remaining 50% by General Electric Capital's Energy Financial Services;
- the acquisition by Enel Green Power SpA, through the US renewable energy subsidiary EGPNA (now ENA), of Tradewind Energy, a company that develops renewables projects based in the United States;
- the acquisition by Enel X Italia of 100% of YouSave SpA, an Italian company operating in the energy services sector that provides assistance to large energy consumers;
- the acquisition by Enel X Srl of 55% of PayTipper, a payment services provider that offers its customers financial services that make daily life easier.

For more detailed information on the changes that have occurred, see the sections of the 2019 Annual Report "Main changes in the scope of consolidation" and "Significant events in 2019". Where associated companies (which in the Annual Report are measured according to the equity method) and other entities over which Enel exercises a significant influence (including joint ventures) have significant impacts, they have been included in the calculation of the data, in proportion to Enel's equity interest, and cited in the text. For the details of the companies within the scope of consolidation, refer to the 2019 Annual Report.

3 A "joint operation" is a joint-control arrangement in which the parties that hold joint control have rights to the assets and obligations for the liabilities associated with the arrangement.

4 Illustrative report on the results of the consultation and the consequences for regulation, the activities of companies and operators and the interests of investors and savers.

5 The sale of the R-GRES asset involves the removal from the scope of consolidation of the relative capacity, generation, EBITDA and 25 plant personnel that were transferred to the purchaser; they will remain as Enel Russia until all the licences are transferred to the new purchaser: the plant personnel and the relative data and KPI related to their management, the management and relative safety rates related to plant personnel, the management of the Opex contracts for ordinary maintenance and therefore the relative contractor data (also in terms of injury rates), the environmental and plant licenses that will gradually be transferred to the purchaser. The Capex contracts have been taken on by the purchaser, therefore including the relative data regarding the contractors and safety rates. The exclusion of Reftinskaya from the scope involves a significant impact also on the greenhouse gas emissions and other Group environmental data.

In this Statement, the terms "Corporate", "Holding Company" and "Parent Company" refer to Enel SpA, whereas "Group", "Enel" and "Company" refer to Enel SpA and its subsidiaries.

Various deviations from the KPIs and information included in the 2018 Sustainability Report are the result of changes in the Group's scope of consolidation. The effects of changes in the scope of consolidation, together with any significant changes or limitations of the scope or methods of calculating individual indicators compared with 2018, are expressly indicated in the text and/or the Appendix, along with the effects on the relevant data[6].

See the notes in the tables in the Appendix for all further details regarding adjustments with respect to already published data, calculation methods, assumptions or significant limitations of indicators.

The data have been thoroughly calculated on the basis of the results of Enel's accounting, non-accounting and other information systems, and validated by the persons responsible in each case. The data determined through the use of estimates and related calculation method have been expressly indicated. In the comparison of the data over time, it should be noted that differences between 2019 and 2018, in absolute and percent terms, have been calculated considering decimal places in some cases not visible in the printed document. This principle applies also to totals. In the tables containing quantitative data, percent changes in excess of |100%| are indicated by "-".

Performance indicators

Key sustainability performance indicators are presented from page 275 to page 324 and form an integral part of this Sustainability Report. In order to facilitate a reading of the performance indicators in conjunction with the qualitative information presented in the document, the quantitative indicators will be reported in a separate booklet in the printed copy. This booklet will be contained in the pocket on the third page of the cover.

6 Following reorganisation, since 2019 Costa Rica, Panama and Guatemala have passed from the North America to the Latin America scope. The 2018 and 2017 data provided in the Appendix have been recalculated to permit comparison with 2019.

Units of measure

,000 thousands
,000 d thousands of days
,000 h thousands of hours
,000 t thousands of tons
% percent
bn m^3 billions of cubic metres
cent euro euro cents
dd days
g/kWh grams per kilowatt hour
g/kWh eq grams per equivalent kilowatt hour[7]
GBq per unit gigabequerels per unit
GW gigawatts
GWh gigawatt hours
h hours
h/per cap hours *per capita*
i index
kg kilograms
km kilometres
kWh kilowatt hours
kWh eq equivalent kilowatt hours[7]
kWh/t kilowatt hours per ton
kWp peak kilowatts
l/kWh litres per kilowatt hour
l/kWh eq litres per equivalent kilowatt hours[7]
mil millions
mil A4 eq millions of equivalent A4 sheets
mil euros millions of euros
mil h millions of hours
mil l millions of litres
mil m^3 millions of cubic metres
mil t millions of tons
mil t eq millions of equivalent tons
min minutes
MJ/kWh eq megajoules per equivalent kilowatt hours[7]
ML megalitres
Mtoe millions of tons of oil equivalent
MW megawatts
MWh megawatt hours
no. number
sec seconds
t tons
TBq per unit terabecquerels per unit
TOE tons of oil equivalent
TJ terajoules
TWh Terawatt hours
years years

Acronyms

BOD Biochemical Oxygen Demand
BoD Board of Directors
CCGT Combined Cycle Gas Turbine
CERT Cyber Emergency Readiness Team
COD Chemical Oxygen Demand
CSR Corporate Social Responsibility
CSV Creating Shared Value
EBIT Earnings Before Interest and Tax
EBITDA Earnings Before Interest, Tax, Depreciation and Amortization
EBT Earnings Before Tax
EGP Enel Green Power
EIB European Investment Bank
EPS Earnings per Share
ESG Environmental Social & Governance
HV High Voltage
IPO Initial Public Offering
IRAP Imposta Regionale sulle Attività Produttive (Regional Business Tax)
IRES Imposta sul Reddito delle Società (Corporate Income Tax)
LBG London Benchmarking Group
LV Low Voltage
MV Medium Voltage
PCBs Polychlorinated Biphenyls
R&D Research & Development
RT Remote Training
S&P Standard & Poor's
SCIGR Internal Control and Risk Management System
SDG Sustainable Development Goal
SRI Socially Responsible Investor
TCFD Task Force on Climate-related Financial Disclosure
TSR Total Shareholder Return
UN United Nations

7 Corresponding to the sum of energy and heat production.

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Building a better working world

Independent auditors' report on the consolidated disclosure of non-financial information in accordance with article 3, paragraph 10, of Legislative Decree 254/2016 and with article 5 of CONSOB Regulation adopted with Resolution n. 20267 of January 18, 2018

(Translation from the original Italian text)

To the Board of Directors of
Enel S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Enel S.p.A. and its subsidiaries (hereinafter "Group" or "Enel Group") for the year ended on 31st December 2019 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 2nd April 2020 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards") identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, paragraph 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;

2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;

3. comparison of the economic and financial data and information included in the DNF with those included in the Enel Group's consolidated financial statements;

4. understanding of the following aspects:
    - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
    - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
    - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

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With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.

   In particular, we have conducted interviews and discussions with the management of Enel S.p.A. and with the personnel of Emgesa S.A. and Enel Produzione S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

   Furthermore, for significant information, considering the Group activities and characteristics:

   - at Group level
     a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
     b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
   - For the Termozipa thermal power plant and the El Quimbo hydropower plant of Emgesa S.A. and for the La Casella thermal power plant (Castel San Giovanni, Piacenza) of Enel Produzione S.p.A., that we have selected based on their activity, relevance to the consolidated performance indicators and location, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Enel Group for the year ended on 31st December 2019 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Rome, 8th April 2020

EY S.p.A.

Signed by: Massimo Antonelli
(Statutory Auditor)

This report has been translated into the English language solely for the convenience of international readers.

DNV·GL

Enel S.p.A.

Certificate of verification by the DNV GL Certification Body of the ENEL Group's greenhouse gas emissions reported in the 2019 Sustainability Report.

The verification was conducted by DNV GL in accordance with ISO 14064-3 with a reasonable level of guarantee for all Scope 1 and Scope 2 emissions reported by the Group. Scope 3 emissions were verified with a limited level of guarantee, excepted for Scope 3 emissions associated with the use of natural gas sold in the retail market, which was verified with a reasonable level of guarantee.

DNV·GL

VERIFICATION STATEMENT

Statement No:
10000328013-Assessment Services-DNV GL-ITA

First Issuance Date:
8 April 2020

Statement Validity:
8 April 2020 – 7 April 2021

DNV GL Business Assurance has verified, in accordance with the Standard ISO 14064-3, the Greenhouse Gas (hereinafter "GHG") emissions of the organization

ENEL SpA

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00198 Rome

reported in the 2019 Enel Sustainability Report and are in line with the GHG inventory descriptive document entitled "Quantificazione e rendicontazione delle emissioni di gas a effetto serra secondo lo standard corporativo 'The Greenhouse Gas Protocol' del anno 2019" (hereinafter "the GHG Inventory Report") issued in April 2020 by ENEL SpA using a financial control consolidation approach and relative to the direct and the indirect activities below reported carried out worldwide by the Group companies described in the aforementioned GHG Inventory Report.

Based on our verification process procedures, DNV GL states that:
- the aforementioned GHG Inventory Report has been issued by ENEL SpA in compliance with the revised edition of "The Greenhouse Gas Protocol" corporate standard. The report covers the reporting period from the 1 January 2019 to 31 December 2019 with the following results (values rounded to tons):

GHGs (tons CO_{2-eq})	2019							2017
	CO_2	CH_4	N_2O	NF_3	SF_6	HFCs	TOTAL	BASELINE
DIRECT EMISSIONS (SCOPE1)	69,496,043	39,081	242,171	10	196,620	7,976	69,981,902	105,961,618
From Electricity Power Generaltion	69,398,339	37,936	241,985	----	34,250	5,167	69,717,677	105,723,512
From Electricity Distribution	7,948	9	17	----	162,299		170,273	150,668
From Real Estate	89,757	1,135	170	----	----	2,102	93,164	87,438
From Other Activities	----	----	----	10	71	706	787	0
ENERGY INDIRECT EMISSIONS (SCOPE2)								
From electricity purchased from the grid (location based)	1,547,236	----	----	----	----	----	1,547,236	1,497,912
From electricity purchased from the grid (market based)	2,300,688	----	----	----	----	----	2,300,688	2,194,024
From losses on the distribution grid (retail market)	1,331,846	----	----	----	----	----	1,331,846	1,161,933
From losses on the distribution grid (third parties)	2,029,110	----	----	----	----	----	2,029,110	1,975,106
From losses on the transmission grid (retail market)	457,194	----	----	----	----	----	457,194	368,353
OTHER INDIRECT EMISSIONS (SCOPE3)	53,565,785	3,328,734	13,017				56,918,186	57,876,885
Cat.3 Fuel and Energy related activities	----	3,328,734	----	----	----	----	3,328,734	5,902,568
Cat.4 Upstream transportation and distribution	691,580	----	----	----	----	----	691,580	1,224,310
Cat.11 electricity sold in the retail market	28,975,364	----	----	----	----	----	28,975,364	25,460,118
Cat.11 natural gas sold in the retail market	23,898,841	10,650	13,017	----	----	----	23,922,508	25,289,889
TOTAL EMISSIONS (Location Based)	128,427,214	3,367,815	255,188	10	196,620	7,976	132,254,823	168,841,808
TOTAL EMISSIONS (Market Based)	129,180,666	3,367,815	255,188	10	196,620	7,976	133,008,275	169,537,920

- Scope 1 and Scope 2 emissions and Scope 3 emission associated to use of natural gas sold in the retail market provide, in DNV GL opinion and with the qualification listed in the annex of this Statement, a balanced representation of GHG emissions associated to the reported activities of the organisation in the reporting period.
- with regards to the Scope 3 emissions not associated to use of natural gas sold in the retail market, nothing has come to our attention showing that what reported by the organization is not a balanced representation of GHG emissions associated to the reported activities carried out by third parties in the reporting period

Place and date:
Vimercate 8 April 2020

For the issuing DNV GL office:
DNV GL – Business Assurance

Zeno Beltrami
Management Representative

Lack of fulfillness with the conditions laid down in the certification contract may render this certificate not valid
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FUTURE

4. GREEN BOND REPORT & APPENDIX

Green Bond Report

Enel Finance International NV, the Group's financial company controlled by Enel SpA, placed three green bonds on the European market in January 2017 (1.25 billion euros), 2018 (1.25 billion euros) and 2019 (1 billion euros) for a total of 3.50 billion euros. The green bonds are for institutional investors and are guaranteed by Enel SpA. The net issuance proceeds – carried out under the medium-term bond issue program of Enel and Enel Finance International (Euro Medium-Term Notes Program - EMTN) – were used to finance eligible projects according to the "Green Bond Principles" categories, published by the ICMA (International Capital Market Association). In particular, the proceeds were used to finance:

- new projects for the development, construction and repowering of generation plants from renewable sources (green bond emission in 2017 and 2019);
- new projects for the development, construction, repowering and refinancing of generation plants from renewable sources as well as projects for transmission, distribution and smart grids (green bond emission in 2018).

In order to facilitate the transparency and quality of the green bonds issued, the Enel Group has prepared and published specific "Green Bond Frameworks" for each year of emission, whose compliance with the reference principles has been confirmed by an external advisor, Vigeo Eiris, who issued the so-called "second party opinion". Within the frameworks, the categories relating to eligible projects are aligned with the Sustainable Development Goals of the United Nations (UN SDG), in particular Goals 7, 9, 11 and 13[1].

The reference documents for the three emissions are available on the Enel Group's website (https://www.enel.com/investors/fixed-income/main-programs/green-bond).

The Group is among the first companies in the world having set up a "Green Bond Committee" with the aim of selecting projects and monitoring the progress of their development. The reporting document hereof, published for the third time in 2019, meets Enel's commitment undertaken at the time of the bond issuance to report annually on the use of proceeds, on the environmental benefits deriving from the projects financed and on further ESG metrics linked to these projects.

1 SDG 7 "Affordable and clean energy"; SDG 9 "Industry, innovation and infrastructure"; SDG 11 "Sustainable cities and communities"; SDG 13 "Climate action".

Reporting criteria

In order to facilitate transparency and facilitate understanding of reporting over the years, the report is structured as follows:

- **summary table of 2017, 2018 and 2019 emissions** with indication of the installed capacity and of the CO_2 avoided;
- **2017 green bond reporting** with evidence of projects relating to renewable plants. Seven plants also contribute towards the allocation of the proceeds of the 2019 green bond following new investments (Capex) that were made;
- **2018 green bond reporting** with evidence of projects related to:
  - renewable plants, three of which that contribute towards the allocation of the proceeds of the 2019 green bond due to new investments (Capex) that were made;
  - "refinancing" of renewable plants due to the replacement of previous credit lines;
  - investment activities relating to the business area "Infrastructure and Networks";
- **2019 green bond reporting** with evidence of the projects relating to renewable plants, 10 of which were also subject to reporting for the 2017 and 2018 green bonds as described above.

The indicators were determined in accordance with the "Green Bond Framework" principles and shown in the table based on the type of project and the year of emission of the green bonds.

Table A "Financial indicators" shows:

- the capacity and amount of the "foreign currency investment" approved by the Board of Directors and/or the Investment Committee, and communicated to the financial market through specific press releases;
- the value of the "investment in euros", calculated by considering the average exchange rate for the years 2017-2019 (for projects defined in 2017), the average exchange rate for the years 2018-2020 (for projects defined in 2018) and/or the average exchange rate for the years 2019-2021 (for projects defined in 2018) of Enel's Industrial Plan;
- the share of the green bond proceeds allocated to the project as the difference between the total capitalized costs as at December 31, 2017, December 31, 2018 and/or December 31, 2019 and the amount of third-party financing associated to the specific project[2]. The amounts of proceeds allocated to the projects in 2017, 2018 and 2019 respectively were used in the same years;
- the date of entry into operation corresponding to the time when the plant produced the first kWh.

Table B "ESG indicators" shows the environmental benefit in terms of CO_2 avoided (actual or expected). In particular with reference to:

renewable projects:

- the quantity of CO_2 avoided (both actual and expected) is determined by multiplying production (actual or expected) by the emission factor linked to the specific thermoelectric energy production of the country in which the plant is located (emission factors source: Enerdata - February 25, 2020 release);
- the share of production (both actual and expected) and the related amount of CO_2 avoided attributable to the green bond, calculated as the share of green bond proceeds allocated to the project on the total investment (applicable only to projects for which there is a new Capex for 2019);
- for projects relating to generation plants from renewable sources, the cumulative value of actual production and the relative CO_2 avoided for all years of reporting of the green bond report is also shown (with the exception of the repowering plants whose share of production cannot be separated from the rest of the plant);

Infrastructure and Networks projects (among others):

- the cabling ratio, determined by the ratio between the length of the cable lines and the total length of the lines. The increase in this index over time is due to an increase in the length of the overhead and underground cable line to the detriment of bare conductors; in particular, the main environmental benefits concern the containment of plant cutting activities and a drastic reduction in the risk of electrocution for birds;

2 If the same company is involved with the implementation of several projects, proceeds are allocated to the specific project based on the capacity.

- network automation, which corresponds to the ratio between RCP (Remote Controlled Point) and medium/low-voltage equipment;
- technical network losses, mainly related to the characteristics/functions of the network. These losses are usually calculated using statistical models or benchmarks. A reduction in technical network losses results in a reduction in the energy to be generated and a consequent reduction in emissions and consumption of raw materials;
- the elimination of oil equipment with PCB reduces the risk of contamination of a compound no longer in production since the 1980s and classified as ecotoxic and bioaccumulable;
- the calculation of CO_2 avoided. The energy saving estimation model takes into account: the number of low-loss transformers replacing traditional transformers; operations on the MV network; network upgrading measures; the new transformer rooms, which involve optimizing the grid in terms of reducing low-voltage lines in favor of higher-voltage ones.

Table C "Further ESG indicators" shows, where possible and appropriate[3], as envisaged in the "second party opinion"[4] the following indicators for the renewable projects:

- water consumption related to the data reported in the period of construction of the plant or the period following its entry into operation. In the case of plants that started operating after September 30, 2019, the water consumption of the construction site is reported, in other cases (plants operating before September 30, 2019) the water consumption in operation;
- projects for protecting biodiversity promoted by Enel in connection to the operation of the plant;
- the cases in which the site stopped its operations (plant shutdown) due to environmental management issues and their impact;
- fatal accidents or "High Consequence" injuries to Enel people[5];
- activities and projects carried out to support local communities in the areas surrounding the plant. The indicator related to the number of beneficiaries of these projects refers to the people involved by such activity or project.

The above indicators in Table C, with the exception of water consumption and plant shutdown due to environmental issues, also refer to Infrastructure and Networks projects.

Table D "Overall information" refers to the criteria, indicators, overall information and approach chosen by Enel to develop the projects financed through the proceeds of the bond. The data have been thoroughly calculated on the basis of the results of Enel's accounting, non-accounting and other information systems, and validated by the persons responsible in each case. The data determined through the use of estimates and related calculation method have been expressly indicated.

GB emission	Area of investment	Allocated GB proceeds	Installed capacity[1] (MW)	CO_2 avoided (t)
2017	Renewables	**1,237 mil euros**	3,319	9,165,814
2018		**1,240 mil euros**		
of which new renewable projects	Renewables	575 mil euros	1,878	1,712,117
of which new Infrastructure and Networks projects	I&N	665 mil euros	n.a.	26,287
2019		**985.6 mil euros**	734	n.a.
of which new projects identified in 2019	Renewables	71.1 mil euros	734	n.a.
of which new Capex for 2018 projects	Renewables	342.5 mil euros	n.a.	n.a.
of which new Capex for 2017 projects	Renewables	572 mil euros	n.a.	n.a.

1 29.4 MW were installed for the Delfina plant in 2019, augmenting the 180 MW of 2018, while 33 MW were installed for the Cerro Pabellón plant, augmenting the 48 MW of 2018.

3 Projects relating to renewable plants with a capacity of more than 20 MW are considered to be relevant.

4 The indicator "Material reused/recycled after revamping" is not applicable, as the proceeds of the green bond were not used to finance revamping projects in 2017, 2018 and 2019.

5 Sum of: injuries that resulted in more than 6 months' absence from work as at December 31, 2019; injuries that are still open and considered severe (initial prognosis > 30 days) as at December 31, 2019; injuries categorised as "Life Changing Accidents" (LCAs), regardless of the resulting days of absence from work.

Table A - Financial indicators

Country	Project name	Technology	Status	Capacity (MW)	Commercial operation date	Investment (value in currency)			GB proceeds allocated in 2017 (mil euros)	GB proceeds allocated in 2019 (mil euros) [2]
						Currency	Value in currency (mil)	Equivalent in euro (mil) [1]		
USA	Red Dirt	Wind	In Operation	300	nov-17	USD	420	378	77	-
USA	Thunder Ranch	Wind	In Operation	298	nov-17	USD	435	392	132	-
USA	Hilltopper	Wind	In Operation	185	nov-18	USD	325	293	166	-
USA	Stillwater Solar II	Solar	In Operation	27	may-18	USD	40	36	48	-
USA	Woods Hill	Solar	In Operation	25	dec-17	USD	44	41	36	-
USA	Rattlesnake Creek	Wind	In Operation	320	dec-18	USD	430	387	204	-
USA	Rock Creek	Wind	In Operation	300	oct-17	USD	500	450	73	-
BRAZIL	Horizonte MP	Solar	In Operation	103	feb-18	USD	110	99	43	-
BRAZIL	Delfina	Wind	In Operation	209	aug-17	USD	440	364	33	-
CHILE	Cerro Pabellón	Geothermal	In Operation	81	aug-17	USD	420	347	57	-
CHILE	Sierra Gorda	Wind	In Operation	112	dec-16	USD	215	194	17	-
PERU	Wayra	Wind	In Operation	132	mar-18	USD	165	149	82	-
PERU	Rubi	Solar	In Operation	180	nov-17	USD	170	153	68	-
ITALY	Various projects [3]	Biomass/ Geothermal/ Hydroelectric		35		EUR	129	130	70	-
CANADA	Riverview	Wind	Under Construction	115	apr-20	USD	170	143	8	81
CANADA	Castle Rock Ridge 2	Wind	Under Construction	31	feb-20				2	23
MEXICO	Magdalena 2	Solar	In Operation	220	sep-19	USD	165	136	9	112
MEXICO	Amistad II	Wind	In Operation	100	dec-19	USD	115	97	22	55
MEXICO	Amistad III	Wind	Under Construction	100	feb-20	USD	104	86	11	59
MEXICO	Amistad IV	Wind	Under Construction	149	apr-20	USD	149	123	13	50
MEXICO	Dolores	Wind	Under Construction	244	mar-20	USD	280	235	36	192
PANAMA	Estrella Solar	Solar	In Operation	8	aug-18	USD	8	7	5	-
ZAMBIA	Ngonye	Solar	In Operation	34	mar-19	USD	40	34	10	-
ITALY	Various projects [4]	Geothermal/ Hydroelectric		11		EUR	43	36	14	-
Total									**1,237**	**572**

(1) Indicative value in euros (EUR), although the investment in US dollars (USD) applies where present. The exchange rate used for projects allocated in the 2017 green bond is 1.11 USD/EUR, for projects allocated in the 2018 green bond is 1.19 USD/EUR whereas for projects whose investment value has been updated – including those with the new Capex identified in GB 2019 – the exchange rate is 1.21.
(2) Additional proceeds were allocated for some renewable projects that were already identified in the 2017 and 2018 green bond, for which new capitalized costs emerged.
(3) Aggregate data related to 26 small sized Italian projects. The technologies involved are biomass, geothermal and hydroelectric.
(4) Aggregate data related to 8 small sized Italian projects. The technologies involved are geothermal and hydroelectric.

Table B - ESG indicators

Country	Project name	2019 production (GWh) [1]	CO_2 avoided 2019 (t)	2017, 2018 and 2019 production (GWh)	2017, 2018 and 2019 CO_2 avoided (t)	2019 production attributable to GB (GWh)	2019 CO_2 avoided attributable to GB (t)	Expected annual production (GWh)[2]	Expected CO_2 avoided (t)	Expected annual production attributable to GB (GWh)	Expected CO_2 avoided attributable to GB (t)
USA	Red Dirt	1,046	690,638	2,093	1,399,240	-	-	-	-	-	-
USA	Thunder Ranch	1,157	763,695	2.280	1,523,630	-	-	-	-	-	-
USA	Hilltopper	604	398,343	604	398,343	-	-	-	-	-	-
USA	Stillwater Solar II	39	25,917	55	36,681	-	-	-	-	-	-
USA	Woods Hill	24	15,663	47	31,082	-	-	-	-	-	-
USA	Rattlesnake Creek	1.031	680,587	1,031	680,587	-	-	-	-	-	-
USA	Rock Creek	1,124	741,766	2,205	1,473,431	-	-	-	-	-	-
BRAZIL	Horizonte MP	196	108,721	349	196,661	-	-	-	-	-	-
BRAZIL	Delfina	870	481,827	1,985	1,102,770	-	-	-	-	-	-
CHILE	Cerro Pabellón	192	141,887	467	356,016	-	-	-	-	-	-
CHILE	Sierra Gorda	357	264,246	1,015	772,868	-	-	-	-	-	-
PERU	Wayra	581	283,109	1,052	517,562	-	-	-	-	-	-
PERU	Rubi	422	205,579	844	415,771	-	-	-	-	-	-
ITALY	Various projects [3]	15	7,053	378	187,485	-	-	-	-	-	-
CANADA	Riverview	n.a.	n.a.	n.a.	n.a.	-	-	449	305,512	254	173,052
CANADA	Castle Rock Ridge 2	n.a.	n.a.	n.a.	n.a.	-	-	109	73,957	17	11,895
MEXICO	Magdalena 2	46	25,651	46	25,651	38	21,125	-	-	-	-
MEXICO	Amistad II	n.a.	n.a.	n.a.	n.a.	-	-	429	240,068	243	136,121
MEXICO	Amistad III	n.a.	n.a.	n.a.	n.a.	-	-	426	238,336	292	163,510
MEXICO	Amistad IV	n.a.	n.a.	n.a.	n.a.	-	-	618	345,893	251	140,607
MEXICO	Dolores	n.a.	n.a.	n.a.	n.a.	-	-	1,040	582,232	850	475,696
PANAMA	Estrella Solar	9	4,976	12	7,166	-	-	-	-	-	-
ZAMBIA	Ngonye	35	34,902	35	34,902	-	-	-	-	-	-
ITALY	Various projects[4]	9	4,477	12	5,966	-	-	-	-	-	-

n.a. not applicable

(1) For projects entered into operation by September 30, 2019, the actual production data are reported and consequently the amount of CO_2 avoided.

(2) For projects entered into operation after September 30, 2019 or which have not yet entered into operation, the expected annual production data and the expected amount of CO_2 avoided are reported.

(3) Aggregate data related to 26 small sized Italian projects. The technologies involved are biomass, geothermal and hydroelectric.
The share of production for only repowering cannot be separated from the rest of the plant because it is not possible to precisely determine the share of energy fed to the network only due to the increase in power.

(4) Aggregate data related to 8 small sized Italian projects. The technologies involved are geothermal and hydroelectric.
The share of production for only repowering cannot be separated from the rest of the plant because it is not possible to precisely determine the share of energy fed to the network only due to the increase in power.

Table C - Further ESG indicators

Country	Project name	Water consumption (m^3)	Actions to protect/restore biodiversity (no.)	Plant shutdown or site stop due to environmental issues (no.)	Injuries (fatal and "High Consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)
USA	Red Dirt	-	-	-	-	-	-
USA	Thunder Ranch	-	2	-	-	1	15
USA	Hilltopper	-	1	-	-	-	-
USA	Stillwater Solar II	-	-	-	-	3	1,600
USA	Woods Hill	-	-	-	-	1	365
USA	Rattlesnake Creek	-	1	-	-	2	1,050
USA	Rock Creek	-	1	-	-	5	9,586
BRAZIL	Horizonte MP	485 (1)	2	-	-	-	-
BRAZIL	Delfina	-	1	-	-	6	9,103
CHILE	Cerro Pabellón	-	6	-	-	11	1,637
CHILE	Sierra Gorda	-	1	-	-	-	-
PERU	Wayra	-	1	-	-	6	117
PERU	Rubi	-	-	-	-	5	131
ITALY	Various projects(3)	-	-	-	-	4	2,300
CANADA	Riverview	-	7	-	-	1	80
CANADA	Castle Rock Ridge 2	156 (2)	4	-	-	1	34
MEXICO	Magdalena 2	42,853 (2)	1	-	-	-	-
MEXICO	Amistad II	7,601 (2)	1	-	-		
MEXICO	Amistad III	724,791 (2)	2	-	-	3	1,396
MEXICO	Amistad IV	13,913 (2)	1	-	-		
MEXICO	Dolores	-	1	-	-	3	2,959
PANAMA	Estrella Solar	-	-	-	-	1	46
ZAMBIA	Ngonye	-	-	-	-	-	-
ITALY	Various projects(4)	3	-	-	-	-	-

n.a. not applicable
(1) For plant entered into operation by September 30, 2019 the figures refer to water consumption for industrial use related to operation phase.
(2) For plant not yet entered into operation by September 30, 2019 the figures refer to water consumption for industrial use related to under construction phase.
(3) Aggregate data related to 26 small sized Italian projects. The technologies involved are biomass, geothermal and hydroelectric.
(4) Aggregate data related to 8 small sized Italian projects. The technologies involved are geothermal and hydroelectric.

Table A - Financial indicators (1)

Green Bond 2018
Renewable projects + Refinancing

Country	Project name	Technology	Status	Capacity (MW)	Commercial operation date	Investment (value in currency)			GB proceeds allocated in 2018 (mil euros)	GB proceeds allocated in 2019 (mil euros) (2)
						Currency	Value in currency (mil)	Equivalent in euro (mil) (1)		
USA	Diamond Vista	Wind	In Operation	300	dec-18	USD	400	336	100	-
USA	Fenner Repowering	Wind	In Operation	29	dec-18	USD	29	24	21	-
USA	High Lonesome	Wind	In Operation	501	dec-18	USD	720	595	81	75
USA	Roadrunner	Solar	Under Construction	497	jun-20	USD	436	366	30	141
GERMANY	Cremzow	Other	In Operation	22	feb-19	USD	17	17	9	-
GREECE	Kafireas	Wind	In Operation	154	oct-19	USD	300	300	64	126
COLOMBIA	El Paso	Solar	In Operation	86	oct-19	USD	70	59	54	-
USA	Aurora	Solar	In Operation	150	jun-17	USD	290	244	181	-
USA	Little Elk	Wind	In Operation	74	dec-15	USD	130	107	5	-
USA	Chisholm View II	Wind	In Operation	65	dec-16	USD	90	76	29	-
Total									**575**	**342.5**

n.a. not applicable
(1) Indicative value in euros (EUR), although the investment in US dollars (USD) applies where present. The exchange rate used for projects allocated in the 2017 green bond is 1.11 USD/EUR, for projects allocated in the 2018 green bond is 1.19 USD/EUR whereas for projects whose investment value has been updated – including those with the new Capex identified in GB 2019 – the exchange rate is 1.21.
(2) Additional proceeds were allocated for some renewable projects that were already identified in the 2017 and 2018 Green Bond, for which new capitalized costs emerged.

Table B - ESG indicators

Green Bond 2018
Renewable projects + Refinancing

Country	Project name	2019 production (GWh) (1)	CO_2 avoided 2019 (t)	2018 and 2019 production (GWh)	2018 and 2019 CO_2 avoided (t)	2019 production attributable to GB (GWh)	2019 CO_2 avoided attributable to GB (t)	Expected annual production (GWh) (2)	Expected CO_2 avoided (t)	Expected annual production attributable to GB (GWh)	Expected CO_2 avoided attributable to GB (t)
USA	Diamond Vista	1,103	727,809	1,103	727,809	-	-	-	-	-	-
USA	Fenner Repowering (3)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
USA	High Lonesome	-	-	-	-	-	-	1,602	1,056,992	203	133,758
USA	Roadrunner	-	-	-	-	-	-	1,154	761,684	446	294,060
GERMANY	Cremzow	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GREECE	Kafireas	-	-	-	-	-	-	483	374,311	203	157,086
COLOMBIA	El Paso	-	-	-	-	-	-	176	98,800	n.a.	n.a.
USA	Aurora	172	113,450	361	241,111	-	-	-	-	-	-
USA	Little Elk	337	222,114	670	447,538	-	-	-	-	-	-
USA	Chisholm View II	212	140,050	442	295,659	-	-	-	-	-	-

n.a. not applicable
(1) For projects entered into operation by September 30, 2019, the actual production data are reported and consequently the amount of CO_2 avoided.
(2) For projects entered into operation after September 30, 2019 or which have not yet entered into operation, the expected annual production data and the expected amount of CO_2 avoided are reported.
(3) The share of production for only repowering cannot be separated from the rest of the plant because it is not possible to precisely determine the share of energy fed to the network only due to the increase in power.

Table C - Further ESG indicators

Country	Project name	Water consumption (m^3)	Actions to protect/restore biodiversity (no.)	Plant shutdown or site stop due to environmental issues (no.)	Injuries (fatal and "High Consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)
USA	Diamond Vista	-	1	-	-	-	-
USA	Fenner Repowering	-	-	-	-	-	-
USA	High Lonesome	80,208 (2)	-	-	-	1	600
USA	Roadrunner	44,112 (2)	2	-	-	1	700
GERMANY	Cremzow	-	-	-	-	-	-
GREECE	Kafireas	1,011 (2)	1	-	-	8	30,165
COLOMBIA	El Paso	359 (2)	-	-	-	-	-
USA	Aurora	-	16	-	-	1	450
USA	Little Elk	-	-	-	-	-	-
USA	Chisholm View II	-	-	-	-	1	36

n.a. not applicable
(1) For plant entered into operation by September 30, 2019 the figures refer to water consumption for industrial use related to operation phase.
(2) For plant not yet entered into operation by September 30, 2019 the figures refer to water consumption for industrial use related to under construction phase.

Table A - Financial indicators

Green Bond 2018
Infrastructure and Networks projects

Country	Project cluster	Cluster	Status	Investments in currency (mil)	Green bond proceeds allocated to the project in 2018 (mil euros)
ITALY	Smart meter	Asset Development	(1)	n.a.	46
ITALY	Smart grid	Asset Development	(2)	n.a.	21
ITALY	Quality&Efficiency	Asset Development	(2)	n.a.	305
ITALY	Other ICT Investment	Asset Development	(2)	n.a.	52
Total Asset Development				**824**	**424**
ITALY	Maintenance	Asset Management	(2)	n.a.	242
Total Asset Management				452	242
Total Asset Development and Asset Management Italy				**1,276**	**666**

n.a. not applicable
(1) As at December 31, 2018 the final figures of the project consisted of approximately 420 million euros of meters and concentrators entered into operation in the same month as the installation and about 26 million euros for the central remote management system and related software.
(2) The final figures are composed of a very large number of interventions that include activities started in previous years and concluded in the current year, activities started in the current year and concluded in the same year and activities started in the year and not yet completed at December 31, 2018.

Table B - ESG indicators

Green Bond 2018
Infrastructure and Networks projects

Italy	Cabling (%)	Network automation (%)	Oil equipment with PCB removed (no.)	Active smart meters (mil)	Renewable production units connected to network (no.)	New "users" connected to network (no.)	Technical network losses (%)	CO_2 avoided (t)
Total Asset Development	n.a.	n.a.	n.a.	31.4 (1)	58,693	198,582	n.a.	11,617
Total Asset Management	75	37	247	n.a.	n.a.	n.a.	3.8	

n.a. not applicable
(1) Starting in 2017, a campaign has been started for replacing first generation smart meters with second generation meters, therefore the replacement does not involve an increase in the number of reported smart meters.

Table C - Further ESG indicators

Green Bond 2018
Infrastructure and Networks projects

Country	Injuries (fatal and "High Consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)	Biodiversity projects (no.)
Italy	2	141	5,136	16

Table A - Financial indicators

Green Bond 2019
Renewable projects

Country	Project name	Technology	Status	Capacity (MW)	Commercial operation date	Investment (value in currency)			GB proceeds allocated in 2017 (mil euros)	GB proceeds allocated in 2018 (mil euros)	GB proceeds allocated in 2019 (mil euros) [2]
						Currency	Value in currency (mil)	Equivalent in euro (mil) [1]			
USA	Whitney Hill	Wind	In Operation	66	dec-19	USD	281	340	-	-	10
USA	Aurora Wind	Wind	Under Construction	299	oct-20	USD	111	135	-	-	10
USA	Cimarron Bend 3 phase I	Wind	Hand Over to Do	199	nov-20	USD	114	137	-	-	4
AUSTRALIA	Cohuna	Solar	Under Construction	34	feb-20	USD	54	65	-	-	31
AUSTRALIA	Girgarre	Solar	Ready to Build	96	feb-21	USD	144	174	-	-	7
ITALY	Various projects [3]	Hydroelectric		40		EUR	55	55	-	-	10
CANADA	Riverview	Wind	Under Construction	115	apr-20	USD	170	143	8	-	81
CANADA	Castle Rock Ridge 2	Wind	Under Construction	31	feb-20	USD			2	-	23
MEXICO	Magdalena 2	Solar	In Operation	220	sep-19	USD	165	136	9	-	112
MEXICO	Amistad II	Wind	In Operation	100	dec-19	USD	115	97	22	-	55
MEXICO	Amistad III	Wind	Under Construction	100	feb-20	USD	104	86	11	-	59
MEXICO	Amistad IV	Wind	Under Construction	149	apr-20	USD	149	123	13	-	50
MEXICO	Dolores	Wind	Under Construction	244	mar-20	USD	280	235	36	-	192
USA	High Lonesome	Wind	In Operation	501	dec-19	USD	720	595	-	81	75
USA	Roadrunner	Solar	Under Construction	497	jun-20	USD	436	366	-	30	141
GREECE	Kafireas	Wind	In Operation	154	oct-19	USD	300	300	-	64	126
Total									**101**	**175**	**986**

n.a. not applicable

(1) Indicative value in euros (EUR), although the investment in US dollars (USD) applies where present. The exchange rate used for projects allocated in the 2017 green bond is 1.11 USD/EUR, for projects allocated in the 2018 green bond is 1.19 USD/EUR whereas for projects whose investment value has been updated – including those with the new Capex identified in GB 2019 – the exchange rate is 1.21.

(2) Additional proceeds were allocated for some renewable projects that were already.

(3) Aggregate data related to 8 small sized Italian projects. The concerned technology is hydroelectric.

Table B - ESG indicators

Green Bond 2019
Renewable projects

Country	Project name [1]	2019 production (GWh) [2]	CO_2 avoided 2019 (t)	2019 production attributable to GB (GWh)	2019 CO_2 avoided attributable to GB (t)	Expected annual production (GWh) [3]	Expected CO_2 avoided (t)	Expected annual production attributable to GB (GWh)	Expected CO_2 avoided attributable to GB (t)
USA	Whitney Hill	-	-	-	-	246	162,169	7	4,731
USA	Aurora Wind	-	-	-	-	1,322	872,617	95	62,567
USA	Cimarron Bend 3 phase I	-	-	-	-	929	613,107	26	17,148
AUSTRALIA	Cohuna	-	-	-	-	78	65,654	37	31,021
AUSTRALIA	Girgarre	-	-	-	-	212	177,835	9	7,360
ITALY	Various projects [4]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. not applicable

(1) For projects for which new Capex were allocated in 2019, in addition to what was allocated in the 2017 and 2018 green bond, for the ESG indicators refer to the 2017 and 2018 tables.

(2) For projects entered into operation by September 30, 2019, the actual production data are reported and consequently the amount of CO_2 avoided.

(3) For projects entered into operation after September 30, 2019 or which have not yet entered into operation, the expected annual production data and the expected amount of CO_2 avoided are reported.
The share of production for only repowering cannot be separated from the rest of the plant because it is not possible to precisely determine the share of energy fed to the network only due to the increase in power.

(4) Aggregate data related to 8 small sized Italian projects. The concerned technology is hydroelectric.

Table C - Further ESG indicators

Country	Project name	Water consumption (m^3)	Actions to protect/restore biodiversity (no.)	Plant shutdown or site stop due to environmental issues (no.)	Injuries (fatal and "High Consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)
USA	Whitney Hill	46,113 (2)	-	-	-	1	300
USA	Aurora Wind	-	4	-	-	1	450
USA	Cimarron Bend 3 phase I	-	-	-	-	-	-
AUSTRALIA	Cohuna	9,490 (2)	3	-	-	3	120
AUSTRALIA	Girgarre	-	-	-	-	-	-
ITALY	Various projects (3)	1	-	-	-	2	14

n.a. not applicable
(1) For plant entered into operation by September 30, 2019 the figures refer to water consumption for industrial use related to operation phase.
(2) For plant not yet entered into operation by September 30, 2019 the figures refer to water consumption for industrial use related to under construction phase.
(3) Aggregate data related to 8 small sized Italian projects. The concerned technology is hydroelectric.

Table D - Overall information

CRITERION	INDICATOR	GB 2019 DATA/APPROACH
Respect for human rights standards and prevention of breaches	Number and description of the reports identified through the Enel monitoring system	No reporting on projects financed with GB proceeds.
	Results of risk analysis on human rights at country level	The analysis conducted in the Group's countries of presence highlighted an average risk perceived as "acceptable" and "high priority"[1]. Group human rights practices and policies were subsequently assessed as "robust"[2]. However, specific action plans have been developed for each country of presence as well as a centrally managed improvement plan to harmonize and integrate processes and policies defined at the global level and applied at local level.
Respect for labor rights	Number and description of the reports identified through the Enel monitoring system	No reporting on projects financed with GB proceeds.
	Results of risk analysis on human rights at country level	The analysis conducted in the Group's countries of presence highlighted an average risk perceived as "acceptable" and "to be monitored"[1]. Group human rights practices and policies were subsequently assessed as "robust"[2]. However, specific action plans have been developed for each country of presence as well as a centrally managed improvement plan to harmonize and integrate processes and policies defined at the global level and applied at local level.
Working conditions (employment relationships, training, health and safety conditions, respect for working hours)	Number of injuries (fatal and "High Consequence")	No reporting on renewable plant projects financed with GB revenues and 2 "High Consequence" injuries in Infrastructure and Networks in Italy (only Enel people).
Integration of environmental and social factors into the supply chain - Responsible purchasing	Ethical clauses in contracts with suppliers	Through the General Contract Conditions, Enel requires its contractors and subcontractors, among other things, to comply with the ten principles of the United Nations Global Compact, respect for and protection of internationally recognized human rights, as well as respect for ethical and social obligations regarding the fight against child labour and protection of women, equal treatment, prohibition of discrimination, freedom of association, association and representation, forced labour, safety and environmental protection, sanitary conditions and also regulatory conditions, retribution, contributions, insurance and tax.
Business ethics (prevention of corruption and money laundering, fraud, anticompetitive practices)	Number and description of the reports identified through the Enel monitoring system	One violation found in the Renewables area and one violation in the Infrastructure and Networks area on projects financed with GB proceeds.
Audit and internal control	% of area/country processes covered by internal audit activities	The average annual coverage level of the processes through internal audit activities is equal to 40% for Renewables and 53% for Infrastructure and Networks in Italy.

(1) Average perceived risk: average of perceived risk levels identified in the countries being analyzed. Reference scale of risks: 1. High risk; 2. High priority risk; 3. Risk to be monitored; 4. Acceptable risk.
(2) Reference scale of performance values: Robust (75%-100%); Good (50%-75%); Sufficient (25%-50%); Needs improvement (0%-25%).

Building a better working world

Enel S.p.A.

Report on the Green Bond Report attached to the Sustainability Report of Enel Group for the year ended on December 31, 2019

(Translation from the original Italian text)

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Building a better working world

Independent Auditors' report on the Green Bond Report of Enel S.p.A. attached to the Sustainability Report of Enel Group for the year ended on December 31, 2019

(Translation from the original Italian text)

To the Board of Directors of
Enel S.p.A.

We were engaged to perform a limited assurance engagement on the accompanying Green Bond Report of Enel S.p.A. (the "Company"), which comprises the tables of financial indicators, ESG indicators, further ESG indicators and overall information and the "Reporting Criteria" note, prepared to comply with the reference principles established in the Enel Group Green Bond Framework dated December 2016, December 2017 and November 2018. The Green Bond Report is attached to the Sustainability Report of Enel Group for the year ended on December 31, 2019 (the "Sustainability Report 2019").

Management's responsibility

Management is responsible for the preparation of the Green Bond Report in accordance with the criteria described in the "Reporting criteria" note, and for the internal controls as management determines is necessary to enable the preparation of a Green Bond Report that is free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditors' responsibility

Our responsibility is to express a conclusion on the Green Bond Report based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the provisions of the standard "International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain limited assurance whether the Green Bond Report is free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, primarily of persons responsible for the preparation of the Green Bond Report, as well as inspection

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of documents, recalculation, agreeing or reconciling with underlying records and other evidence-gathering procedures that are appropriate in the circumstances.

Our limited assurance engagement also includes:

(i) meeting with Enel's personnel involved in the preparation of the Green Bond Report;
(ii) assessing, through inquiries with Enel's personnel, the procedures followed to collect, aggregate and report the financial indicators and the ESG indicators included in the Green Bond Report;
(iii) performing limited test of details to verify that the data used in the preparation of the Green Bond Report are consistent with the information and documentation held by the companies of the Enel Group.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ISAE 3000 revised and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Company's Green Bond Report attached to the Sustainability Report 2019 is not prepared, in all material respects, in accordance with the criteria described in the "Reporting criteria" note.

Basis for preparation

Without modifying our conclusion, we draw attention to "Reporting criteria" note to the Green Bond Report, which describe the basis for preparation. The Green Bond Report is prepared for the purposes described in the first paragraph. As a result, the Green Bond Report may not be suitable for another purpose.

Rome, April 8, 2020

EY S.p.A.
Signed by: Massimo Antonelli
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.

APPENDIX

This Appendix is an integral part
of the Enel Group's Sustainability Report 2019

Performance indicators

At a Glance

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
EU1	**GENERATION**							
	Installed capacity							
	Net efficient generation capacity by primary energy source							
	Thermal net capacity	(MW)	**38,897**	**43,099**	**43,295**	-4,202	-9.7	Enel
	Coal	(MW)	11,695	15,828	15,965	-4,133	-26.1	Enel
	CCGT [1]	(MW)	14,991	15,021	15,028	-30	-0.2	Enel
	Oil/Gas [1]	(MW)	12,211	12,250	12,301	-39	-0.3	Enel
	Nuclear net capacity	(MW)	**3,318**	**3,318**	**3,318**	-	-	Enel
	Renewable net capacity	(MW)	**42,134**	**39,203**	**38,305**	2,931	7.5	Enel
	Hydroelectric	(MW)	27,830	27,844	27,799	-14	-0.1	Enel
	Wind	(MW)	10,327	8,190	7,431	2,137	26.1	Enel
	Geothermal	(MW)	878	804	802	74	9.2	Enel
	Biomass and cogeneration	(MW)	5	43	57	-38	-88.4	Enel
	Photovoltaic	(MW)	3,094	2,322	2,215	772	33.2	Enel
	Total net electrical capacity	(MW)	**84,349**	**85,620**	**84,917**	-1,271	-1.5	Enel
	Net efficient generation capacity by geographic area							
	Italy	(MW)	**27,452**	**27,624**	**27,652**	-172	-0.6	Italy
	Iberia	(MW)	**23,348**	**22,717**	**22,732**	631	2.8	Iberia
	Latin America	(MW)	**21,199**	**21,603**	**21,143**	-404	-1.9	Latin America
	Chile	(MW)	7,232	7,448	7,475	-216	-2.9	Chile
	Argentina	(MW)	4,419	4,419	4,419	-	-	Argentina
	Colombia	(MW)	3,592	3,583	3,467	10	0.3	Colombia
	Peru	(MW)	2,299	2,297	2,158	3	0.1	Peru
	Brazil	(MW)	3,050	3,250	2,975	-200	-6.1	Brazil
	Uruguay	(MW)	-	-	50	-	-	Uruguay
	Costa Rica	(MW)	81	81	81	-	-	Costa Rica
	Guatemala	(MW)	164	164	164	-	-	Guatemala
	Panama	(MW)	362	362	354	-	-	Panama
	North America	(MW)	**5,282**	**3,220**	**2,934**	2,062	64.0	North America

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	North America	(MW)	4,437	2,921	2,092	1,516	51.9	North America
	Mexico	(MW)	845	299	843	546	-	Mexico
	Europe and Euro-Mediterranean Affairs	(MW)	**6,292**	**9,761**	**9,761**	-3,469	-35.5	Europe and Euro-Mediterranean Affairs
	Russia	(MW)	5,255	8,878	8,878	-3,623	-40.8	Russia
	Romania	(MW)	534	534	534	-	-	Romania
	Greece	(MW)	461	307	307	154	50.2	Greece
	Bulgaria	(MW)	42	42	42	-	-	Bulgaria
	Africa, Asia and Oceania	(MW)	**776**	**695**	**695**	81	11.7	Africa, Asia and Oceania
	South Africa	(MW)	570	522	522	48	9.1	South Africa
	India	(MW)	172	172	172	-	-0.1	India
	Zambia	(MW)	34	-	-	34	-	Zambia
	Total net electrical capacity	(MW)	**84,349**	**85,620**	**84,917**	-1,271	-1.5	Enel
	Power generation plants							
	Thermoelectric plants [2]	(no.)	**84**	**89**	**89**	-5	-5.6	Enel
	Coal plants	(no.)	12	16	16	-4	-25.0	Enel
	CCGT plants	(no.)	23	23	23	-	-	Enel
	Oil/Gas plants	(no.)	49	50	50	-1	-2.0	Enel
	Nuclear plants	(no.)	**3**	**3**	**3**	-	-	Enel
	Renewable energy plants	(no.)	**1,138**	**1,094**	**1,073**	44	4.0	Enel
	Hydroelectric plants	(no.)	761	750	744	11	1.5	Enel
	- of which mini-hydro plants (< 10 MW)	(no.)	473	460	436	13	2.8	Enel
	Wind plants	(no.)	226	202	195	24	11.9	Enel
	Photovoltaic plants	(no.)	105	99	88	6	6.1	Enel
	Geothermal plants	(no.)	38	35	36	3	8.6	Enel
	Biomass plants	(no.)	8	8	10	-	-	Enel
	OPERATING RESULTS							
EU2	**GENERATION**							
	Net production by primary energy source							
	Thermal net production	(GWh)	**103,459**	**127,332**	**141,733**	-23,873	-18.7	Enel
	Coal	(GWh)	37,592	64,366	70,497	-26,774	-41.6	Enel
	CCGT	(GWh)	44,980	38,134	44,381	6,846	18.0	Enel
	Oil/Gas	(GWh)	20,887	24,832	26,855	-3,945	-15.9	Enel
	Nuclear net production	(GWh)	**26,279**	**24,067**	**26,448**	2,212	9.2	Enel
	Renewable net production	(GWh)	**99,391**	**98,940**	**81,695**	451	0.5	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Hydroelectric	(GWh)	62,580	65,893	55,363	-3,313	-5.0	Enel
	Wind	(GWh)	26,668	22,161	17,827	4,507	20.3	Enel
	Geothermal	(GWh)	6,148	5,881	5,820	267	4.5	Enel
	Biomass and cogeneration	(GWh)	21	108	108	-87	-80.6	Enel
	Photovoltaic	(GWh)	3,974	4,897	2,577	-923	-18.8	Enel
	Total net production	(GWh)	**229,129**	**250,339**	**249,876**	-21,210	-8.5	Enel
	Net production by geographic area							
	Italy	(GWh)	**46,912**	**53,233**	**53,518**	-6,321	-11.9	Italy
	Iberia	(GWh)	**61,402**	**74,192**	**78,618**	-12,790	-17.2	Iberia
	Latin America	(GWh)	**71,836**	**70,578**	**67,082**	1,258	1.8	Latin America
	Chile	(GWh)	21,041	20,885	20,231	155	0.7	Chile
	Argentina	(GWh)	12,974	13,949	14,825	-976	-7.0	Argentina
	Colombia	(GWh)	15,362	14,053	14,766	1,309	9.3	Colombia
	Peru	(GWh)	9,249	8,999	7,493	250	2.8	Peru
	Brazil	(GWh)	11,077	9,840	7,161	1,237	12.6	Brazil
	Uruguay	(GWh)	-	170	151	-170	-100.0	Uruguay
	Costa Rica	(GWh)	198	305	319	-107	-35.1	Costa Rica
	Guatemala	(GWh)	430	568	608	-137	-24.2	Guatemala
	Panama	(GWh)	1,505	1,808	1,528	-303	-16.8	Panama
	North America	(GWh)	**12,969**	**9,752**	**7,338**	3,217	33.0	North America
	North America	(GWh)	11,923	7,133	5,313	4,790	67.1	North America
	Mexico	(GWh)	1,046	2,619	2,025	-1,573	-60.1	Mexico
	Europe and Euro-Mediterranean Affairs	(GWh)	**34,439**	**41,076**	**41,839**	-6,637	-16.2	Europe and Euro-Mediterranean Affairs
	Russia	(GWh)	32,433	39,182	39,830	-6,748	-17.2	Russia
	Romania	(GWh)	1,251	1,227	1,358	24	2.0	Romania
	Greece	(GWh)	666	577	548	89	15.5	Greece
	Bulgaria	(GWh)	88	91	103	-4	-3.9	Bulgaria
	Africa, Asia and Oceania	(GWh)	**1,571**	**1,508**	**1,481**	63	4.2	Africa, Asia and Oceania
	South Africa	(GWh)	1,235	1,192	1,156	43	3.6	South Africa
	India	(GWh)	303	315	325	-12	-3.8	India
	Zambia	(GWh)	33	-	-	33	-	Zambia
	Total net production	(GWh)	**229,129**	**250,339**	**249,876**	-21,210	-8.5	Enel
	Development of renewables							
	New renewable power [3]	(MW)	**3,575**	**2,682**	**2,783**	893	33.3	Enel
	Hydroelectric	(MW)	51	71	400	-20	-27.7	Enel
	Wind	(MW)	2,227	1,415	1,258	812	57.4	Enel
	Geothermal	(MW)	75	1	41	74	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Biomass and cogeneration	(MW)	-	-	1	-	-	Enel
	Photovoltaic	(MW)	1,222	1,195	1,084	27	2.3	Enel
	NETWORK							
EU4	**Total electricity distribution network**	(km)	**2,230,029**	**2,226,097**	**2,160,559**	3,932	0.2	Enel
	Total high-voltage network	(km)	46,606	46,261	44,387	345	0.7	Enel
	- of which underground cable	(km)	1,992	1,976	1,826	16	0.8	Enel
	Total medium-voltage network	(km)	887,439	889,692	857,086	-2,253	-0.3	Enel
	- of which underground cable	(km)	221,447	219,203	214,060	2,244	1.0	Enel
	Total low-voltage network	(km)	1,295,984	1,290,144	1,259,086	5,840	0.5	Enel
	- of which underground cable	(km)	405,321	403,098	396,634	2,223	0.6	Enel
EU4	**Electricity distribution network by geographic area**							
	Total electricity distribution network Italy	(km)	**1,157,527**	**1,153,323**	**1,149,219**	4,204	0.4	Italy
	High-voltage network	(km)	22	13	13	9	69.2	Italy
	- of which underground cable	(km)	11	11	-	-	-	Italy
	Medium-voltage network	(km)	356,622	354,884	353,808	1,738	0.5	Italy
	- of which underground cable	(km)	151,703	150,201	148,487	1,502	1.0	Italy
	Low-voltage network	(km)	800,883	798,426	795,397	2,457	0.3	Italy
	- of which underground cable	(km)	278,255	276,744	274,821	1,511	0.5	Italy
	Total electricity distribution network Romania	(km)	**129,363**	**128,508**	**127,548**	855	0.7	Romania
	High-voltage network	(km)	6,521	6,511	6,505	10	0.2	Romania
	- of which underground cable	(km)	311	304	293	7	2.3	Romania
	Medium-voltage network	(km)	35,173	35,062	35,016	111	0.3	Romania
	- of which underground cable	(km)	13,675	13,343	13,103	332	2.5	Romania
	Low-voltage network	(km)	87,669	86,935	86,027	734	0.8	Romania
	- of which underground cable	(km)	21,004	20,829	20,649	175	0.8	Romania
	Total electricity distribution network Iberia	(km)	**316,332**	**319,613**	**317,782**	-3,281	-1.0	Iberia
	High-voltage network	(km)	19,593	19,625	19,560	-32	-0.2	Iberia
	- of which underground cable	(km)	787	787	779	-	-	Iberia
	Medium-voltage network	(km)	115,943	118,531	117,886	-2,588	-2.2	Iberia
	- of which underground cable	(km)	40,771	41,188	40,979	-417	-1.0	Iberia
	Low-voltage network	(km)	180,795	181,457	180,336	-662	-0.4	Iberia
	- of which underground cable	(km)	85,281	85,067	84,468	214	0.3	Iberia
	Total electricity distribution network Latin America [4]	(km)	**626,807**	**624,653**	**566,010**	2,154	0.3	Latin America
	High-voltage network	(km)	20,470	20,112	18,308	358	1.8	Latin America

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	- of which underground cable	(km)	883	874	754	9	1.1	Latin America
	Medium-voltage network	(km)	379,701	381,214	350,376	-1,513	-0.4	Latin America
	- of which underground cable	(km)	15,298	14,471	11,491	827	5.7	Latin America
	Low-voltage network	(km)	226,636	223,326	197,326	3,310	1.5	Latin America
	- of which underground cable	(km)	20,781	20,458	16,696	323	1.6	Latin America
	Energy transported and local coverage							
	Energy transported [5]	(TWh)	504.0	484.4	460.7	19.6	4.0	Enel
	Municipalities served by electric grid	(no.)	13,796	13,739	13,558	57	0.4	Enel
	SALES							
	Electricity volumes sold by market							
	Volumes sold free market	(GWh)	**152,588**	**152,619**	**151,722**	-31	-	Enel
	Italy	(GWh)	61,985	64,500	59,262	-2,515	-3.9	Italy
	Iberia	(GWh)	78,056	76,772	83,036	1,284	1.7	Iberia
	Romania	(GWh)	7,647	7,519	6,318	128	1.7	Romania
	Latin America	(GWh)	4,901	3,828	3,106	1,073	28.0	Latin America
	Volumes sold regulated market	(GWh)	**149,088**	**142,813**	**133,031**	6,275	4.4	Enel
	Italy	(GWh)	35,554	39,818	43,958	-4,264	-10.7	Italy
	Iberia	(GWh)	11,385	12,867	13,478	-1,482	-11.5	Iberia
	Romania	(GWh)	2,088	2,881	4,029	-793	-27.5	Romania
	Latin America	(GWh)	100,061	87,247	71,566	12,814	14.7	Latin America
	Total volumes sold	(GWh)	**301,676**	**295,432**	**284,753**	6,244	2.1	Enel
	Electricity volumes sold by geographic area							
	Italy	(GWh)	97,539	104,318	103,220	-6,780	-6.5	Italy
	Iberia	(GWh)	89,441	89,639	96,514	-198	-0.2	Iberia
	Romania	(GWh)	9,735	10,400	10,347	-665	-6.4	Romania
	Latin America	(GWh)	104,962	91,075	74,672	13,887	15.2	Latin America
	Volumes sold gas	(bn m^3)	**10.50**	**11.18**	**11.76**	-0.68	-6.1	Enel
	Italy	(bn m^3)	4.74	4.76	4.81	-	-0.4	Italy
	Iberia	(bn m^3)	5.75	6.41	6.94	-0.66	-10.3	Iberia
	Romania	(bn m^3)	0.01	0.01	0.01	-	-	Romania
102-7	**ECONOMIC RESULTS**							
	Revenues	(mil euros)	**80,327**	**75,575**	**74,639**	4,752	6.3	Enel
	EBITDA [6]	(mil euros)	**17,704**	**16,351**	**15,653**	1,353	8.3	Enel
	Italy	(mil euros)	7,628	7,304	6,863	324	4.4	Italy

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Iberia	(mil euros)	3,792	3,558	3,573	234	6.6	Iberia
	Latin America	(mil euros)	5,303	4,543	4,457	760	16.7	Latin America
	Europe and Euro-Mediterranean Affairs	(mil euros)	448	516	543	-68	-13.2	Europe and Euro-Mediterranean Affairs
	North America	(mil euros)	799	535	506	264	49.3	North America
	Africa, Asia and Oceania	(mil euros)	61	54	57	7	13.0	Africa, Asia and Oceania
	Other, eliminations and adjustments	(mil euros)	-327	-159	-346	-168		Other, -eliminations and adjustments
	Italy	(%)	43.1	44.7	43.8	-1.6	-	Italy
	Iberia	(%)	21.4	21.8	22.8	-0.4	-	Iberia
	Latin America	(%)	30.0	27.8	28.5	2.2	-	Latin America
	Europe and Euro-Mediterranean Affairs	(%)	2.5	3.2	3.5	-0.6	-	Europe and Euro-Mediterranean Affairs
	North America	(%)	4.5	3.3	3.2	1.2	-	North America
	Africa, Asia and Oceania	(%)	0.3	0.3	0.4	-	-	Africa, Asia and Oceania
	Other, eliminations and adjustments	(%)	-1.8	-1.0	-2.2	-0.9		Other, -eliminations and adjustments
	EBIT	(mil euros)	**6,878**	**9,900**	**9,792**	-3,022	-30.5	Enel
	EBT	(mil euros)	**4,312**	**8,201**	**7,211**	-3,889	-47.4	Enel
	Group net income	(mil euros)	**2,174**	**4,789**	**3,779**	-2,615	-54.6	Enel
	Creating value for stakeholders							
	Revenues [6]	(mil euros)	80,327	75,575	74,639	4,752	6.3	Enel
	External costs	(mil euros)	56,022	53,833	53,680	2,189	4.1	Enel
	Net income/(expenses) from commodity risk [6]	(mil euros)	-733	532	578	-1,265	-	Enel
	Gross global added value continuing operations	(mil euros)	**23,572**	**22,274**	**21,537**	1,298	5.8	Enel
	Shareholders	(mil euros)	3,050	2,765	1,983	285	10.3	Enel
	Lenders	(mil euros)	2,609	2,493	2,495	116	4.7	Enel
	Employees	(mil euros)	4,634	4,582	4,504	52	1.1	Enel
	State	(mil euros)	2,069	3,168	3,273	-1,099	-34.7	Enel
	Business system	(mil euros)	11,210	9,266	9,282	1,944	21.0	Enel
	Economic value generated							
	Economic value generated directly							
	Revenues [6]	(mil euros)	80,327	75,575	74,639	4,752	6.3	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Economic value distributed	(mil euros)	**66,067**	**63,545**	**63,375**	2,522	4.0	Enel
	Operating costs	(mil euros)	56,755	53,302	53,103	3,453	6.5	Enel
	Personnel and benefit cost	(mil euros)	4,634	4,582	4,504	52	1.1	Enel
	Payment to lenders of capital	(mil euros)	2,609	2,493	2,495	116	4.7	Enel
	Payments to governments	(mil euros)	2,069	3,168	3,273	-1,099	-34.7	Enel
	Gross added value continuing operations	(mil euros)	-	-	-	-	-	Enel
	Economic value generated	(mil euros)	**14,260**	**12,030**	**11,264**	2,230	18.5	Enel
	Investments							
	Investments	(mil euros)	**9,947**	**8,152**	**8,130**	1,795	22.0	Enel
	Total Italy	(mil euros)	**2,635**	**2,479**	**1,812**	156	6.3	Italy
	Iberia	(mil euros)	**2,020**	**1,433**	**1,105**	587	41.0	Iberia
	Latin America	(mil euros)	**2,632**	**2,259**	**3,044**	373	16.5	Latin America
	Europe and Euro-Mediterranean Affairs	(mil euros)	**458**	**390**	**307**	68	17.4	Europe and Euro-Mediterranean Affairs
	North America	(mil euros)	**1,806**	**1,360**	**1,760**	446	32.8	North America
	Africa, Asia and Oceania	(mil euros)	**275**	**142**	**30**	133	93.7	Africa, Asia and Oceania
	Total Abroad	(mil euros)	**7,191**	**5,584**	**6,246**	1,607	28.8	Total Abroad
	Adjustments	(mil euros)	121	89	72	32	36.0	Enel
	Weight of foreign investments	(%)	72.3	68.5	76.8	4	-	Enel

(1) The 2017 and 2018 figures have been recalculated in line with the reclassification of the turbogas plants in Italy (2,223 MW restated from CCGT to Oil & Gas).
(2) In some thermal plants, multiple technology units are present.
(3) Additional renewable capacity, excluding disposals and changes in scope, mainly in North, Central and Latin America.
(4) In 2018, the distribution company Eletropaulo was acquired in Brazil.
(5) The distributed energy figure for 2018 takes into account a more precise determination of the quantities transported.
(6) The 2018 data were adjusted to reflect the IFRS Committee (IFRIC) interpretations given in the March 2019 Agenda Decision, which resulted in a different classification – without affecting the margins recorded – of the effects related to contracts of purchase and sale of commodities measured at fair value in profit and loss (refer to the information given in note 4.3 of the Enel Group 2019 Financial Report).

Commitment to the fight against climate change - Environmental sustainability

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	EMISSIONS							
	Avoided emissions [1]	(mil t)	**77.0**	**78.5**	**71.3**	-1.5	-1.9	Enel
305-1	**Direct greenhouse gas emissions (Scope 1)**							
	CO_2 emissions from the electricity production and heat	(mil t)	69.39	94.44	105.20	-25.05	-26.5	Enel
	Other CO_{2eq} emissions due to electricity production and other activities [2]	(mil t eq)	0.60	0.79	0.76	-0.19	-24.1	Enel
	Total direct emissions (Scope 1)	(mil t eq)	**69.98**	**95.23**	**105.96**	-25.25	-26.5	Enel
	Specific emissions							
	Specific CO_2 emissions from total net production [3]	(g/kWh eq)	**296**	**369**	**411**	-73	-19.8	Enel
305-2	**Indirect greenhouse gas emissions (Scope 2)**							
	Purchased electricity from the grid [4]							
	Fuel deposit and movement	(mil t eq)	0.001	0.002	0.002	-0.001	-50.0	Enel
	Electricity distribution	(mil t eq)	0.149	0.168	0.165	-0.019	-11.3	Enel
	Real estate	(mil t eq)	0.081	0.106	0.077	-0.025	-23.6	Enel
	Mining	(mil t eq)	0.0003	0.0010	0.0010	-0.0007	-70.0	Enel
	Energy production (thermal and hydroelectric plant)	(mil t eq)	1.316	1.122	1.253	0.194	17.3	Enel
	Total indirect emissions related to energy purchased from the grid (Scope 2, location based)	(mil t eq)	**1.547**	**1.399**	**1.498**	0.148	10.6	Enel
	Total indirect emissions related to energy purchased from the grid (Scope 2, market based)	(mil t eq)	**2.301**	**2.107**	**2.194**	0.194	9.2	Enel
	Distribution and transmission system: energy losses [5]							
	Emissions due to energy losses (location based)	(mil t eq)	**3.818**	**3.684**	**3.505**	0.134	3.6	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
305-3	**Other indirect greenhouse emissions (Scope 3)** [6]							
	Coal mining	(mil t eq)	3.329	5.602	5.903	-2.273	-40.6	Enel
	Transport of coal by sea	(mil t eq)	0.454	0.797	0.805	-0.343	-43.0	Enel
	Transport of coal by train	(mil t eq)	0.215	0.330	0.381	-0.115	-34.8	Enel
	Transport of fuel (gas oil, biomass, WDF)	(mil t eq)	0.009	0.008	0.011	0.001	12.5	Enel
	Transport of raw materials and waste	(mil t eq)	0.014	0.026	0.028	-0.012	-46.2	Enel
	End users' use of sold products: electricity market	(mil t eq)	28.975	27.387	25.460	1.588	5.80	Enel
	End users' use of sold products: gas market	(mil t eq)	23.923	25.410	25.290	-1.487	-5.9	Enel
	Total indirect emissions (Scope 3)	(mil t eq)	**56.918**	**59.563**	**57.877**	-2.645	-4.4	Enel
305-7	**Other atmospheric emissions** [7]							
	SO_2 emissions	(t)	138,264	192,796	214,057	-54,532	-28.3	Enel
	NO_x emissions	(t)	141,208	184,468	203,329	-43,260	-23.5	Enel
	H_2S emissions	(t)	5,162	5,347	5,809	-185	-3.5	Enel
	Dust emissions	(t)	27,012	43,059	68,095	-16,047	-37.3	Enel
	Specific emissions							
	SO_2 emissions	(g/kWh eq)	0.59	0.75	0.84	-0.16	-21.3	Enel
	NO_x emissions	(g/kWh eq)	0.60	0.72	0.79	-0.12	-16.7	Enel
	Dust emissions	(g/kWh eq)	0.12	0.17	0.27	-0.05	-29.4	Enel
307-1	**Environmental disputes**							
	Environmental proceedings as defendant [8]	(no.)	**177**	**292**	**569**	-115	-39.4	Enel
	Monetary value of environmental fines [9]	(mil euros)	**70.04**	**12.48**	**2.08**	57.55	-	Enel
	ENERGY CONSUMPTION							
302-1	**Fuel consumption by primary source in TJ**							
	from non-renewable sources	(TJ)	**1,203,787**	**1,488,072**	**1,671,664**	-284,285	-18.9	Enel
	Coal	(TJ)	371,960	634,761	686,761	-262,801	-41.4	Enel
	Lignite	(TJ)	9,360	18,003	25,121	-8,643	-48.0	Enel
	Fuel oil	(TJ)	50,013	59,997	69,668	-9,984	-16.6	Enel
	Natural gas	(TJ)	425,923	481,105	525,904	-55,182	-11.5	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Diesel	(TJ)	67,489	39,272	84,071	28,217	71.8	Enel
	Uranium	(TJ)	279,042	254,934	280,139	24,108	9.5	Enel
	from renewable sources	(TJ)	**54,185**	**58,992**	**59,034**	-4,807	-8.1	Enel
	Biomass, biogas and waste	(TJ)	1,995	6,615	5,945	-4,620	-69.8	Enel
	Geothermal fluid	(TJ)	52,190	52,377	53,089	-187	-0.4	Enel
	Total direct consumption	(TJ)	**1,257,972**	**1,547,064**	**1,730,698**	-289,092	-18.7	Enel
	Fuel consumption by primary source in Mtoe							
	from non-renewable sources	(Mtoe)	**28.8**	**35.5**	**39.9**	-6.7	-19.0	Enel
	Coal	(Mtoe)	8.9	15.2	16.4	-6.3	-41.3	Enel
	Lignite	(Mtoe)	0.2	0.4	0.6	-0.2	-53.5	Enel
	Fuel oil	(Mtoe)	1.2	1.4	1.7	-0.2	-16.3	Enel
	Natural gas	(Mtoe)	10.2	11.5	12.6	-1.3	-11.2	Enel
	Diesel	(Mtoe)	1.6	0.9	2.0	0.7	70.6	Enel
	Uranium	(Mtoe)	6.7	6.1	6.7	0.6	10.0	Enel
	from renewable sources	(Mtoe)	**1.3**	**1.5**	**1.4**	-0.3	-16.7	Enel
	Biomass, biogas and waste	(Mtoe)	0.05	0.20	0.10	-0.2	-75.0	Enel
	Geothermal fluid	(Mtoe)	1.2	1.3	1.3	-0.1	-7.7	Enel
	Total direct consumption	(Mtoe)	**30.1**	**37.0**	**41.3**	-6.9	-18.6	Enel
	Incidence of fuel consumption from non-renewable sources							
	Coal	(%)	30.9	42.7	41.1	-11.8	-	Enel
	Lignite	(%)	0.7	1.2	1.5	-0.5	-	Enel
	Fuel oil	(%)	4.2	4.0	4.2	0.2	-	Enel
	Natural gas	(%)	35.4	32.3	31.5	3.1	-	Enel
	Diesel	(%)	5.6	2.7	5.0	2.9	-	Enel
	Uranium	(%)	23.3	17.1	16.7	6.2	-	Enel
302-1	**Indirect energy consumption by destination**							
	Fuel deposit and movement	(TJ)	19	30	29	-11	-36.7	Enel
	Electricity distribution	(TJ)	1,946	2,107	1,872	-161	-7.6	Enel
	Real estate	(TJ)	1,154	1,558	932	-404	-25.9	Enel
	Mining	(TJ)	4	6	6	-2	-33.3	Enel
	Total energy consumption	(TJ)	**3,123**	**3,701**	**2,839**	-578	-15.6	Enel
	Internal consumption							
	Electricity consumption for civilian uses	(MWh)	320,676.9	432,761.0	258,874	-112,084.1	-25.9	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Fuel consumption	(toe)	30,350.4	32,475.0	25,768	-2,124.6	-6.5	Enel
	Water requirement for civilian uses	(,000 m³)	6,797.6	6,624.0	6,965	173.6	2.6	Enel
301-1	Paper bought for printers/ photocopiers	(mil A4 eq)	130.4	86.5	123.7	43.9	50.8	Enel
	RAW MATERIALS							
	Resources used in the production process							
301-1	**Fuel consumption for thermoelectric production**							
	from non-renewable sources							
	Coal	(,000 t)	18,483	31,105	32,775	-12,622	-40.6	Enel
	Lignite	(,000 t)	730	1,344	1,947	-614	-45.7	Enel
	Fuel oil	(,000 t)	1,246	1,488	1,726	-242	-16.3	Enel
	Natural gas	(mil m³)	13,513	13,080	14,318	433	3.3	Enel
	Diesel	(,000 t)	1,601	929	1,986	672	72.3	Enel
	from renewable sources							
	Biomass and waste for thermoelectric production	(,000 t)	130	574	519	-444	-77.4	Enel
	Biogas	(mil m³)	1.3	1.2	1.0	0.1	8.3	Enel
	Geothermal steam used for electricity production	(,000 t)	46,435	53,548	47,323	-7,113	-13.3	Enel
301-1	**Consumables**							
	Lime	(,000 t)	295.5	576.1	743.7	-280.6	-48.7	Enel
	Ammonia	(,000 t)	20.3	26.0	29.6	-5.7	-21.9	Enel
	Caustic soda	(,000 t)	79.6	83.0	83.7	-3.4	-4.1	Enel
	Slaked lime	(,000 t)	5.0	15.3	15.6	-10.3	-67.3	Enel
	Sulfuric/chloride acid	(,000 t)	9.2	11.6	11.8	-2.4	-20.4	Enel
	Other	(,000 t)	46.0	52.3	43.5	-6.3	-12.1	Enel
	Total	(,000 t)	**455.6**	**764.3**	**927.9**	-308.7	-40.4	Enel
301-2	**Percentage of materials used that derive from recycled material compared to total consumption of each resource**							
	Lubricant	(%)	14.9	4.0	5.2	10.9	-	Enel
	Dielectric oil	(%)	63.5	56.9	99.0	6.6	-	Enel
	Ferric chloride	(%)	-	3.9	8.3	-3.9	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Paper for printing	(%)	75.0	0.4	0.1	74.6	-	Enel
	Water							
	Volumes of water used by production process							
	By thermoelectric power production	(mil m³)	74.9	94.5	110.4	-19.6	-20.7	Enel
	By nuclear power production	(mil m³)	1.9	1.7	1.8	0.2	11.8	Enel
	By geothermal power production, fuel and stock management, solar panels plants	(mil m³)	0.490	0.071	0.043	0.419	-	Enel
	Total withdrawal by production processes	(mil m³)	**77.3**	**96.3**	**112.2**	-19.0	-19.7	Enel
	By other industrial uses	(mil m³)	-	0.02	0.02	-0.02	-	Enel
	Total water withdrawal	(mil m³)	**77.3**	**96.3**	**112.2**	-19.0	-19.7	Enel
	Specific requirements by production process [10]							
	Specific requirements by thermoelectric power production [11]	(l/kWh eq)	0.69	0.71	0.75	-0.02	-2.8	Enel
	Specific requirements by nuclear power production [12]	(l/kWh eq)	0.07	0.07	0.07	-	-	Enel
	Specific requirement for total production from production process [13]	(l/kWh eq)	**0.33**	**0.38**	**0.44**	-0.05	-13.2	Enel
303-3	**Water withdrawal by source** [14]							
	Withdrawal from scarce sources	(mil m³)	**63.7**	**84.4**	**97.5**	-20.7	-24.5	Enel
	Surface water (wetlands, lakes, rivers) total	(mil m³)	44.3	64.2	79.3	-19.9	-31.0	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	44.2	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	0.1	n.a.	n.a.	-	-	Enel
	Ground water (from wells) total	(mil m³)	11.9	12.2	11.3	-0.3	-2.5	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	11.9	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	-	n.a.	n.a.	-	-	Enel
	Water from aqueduct total	(mil m³)	7.5	8.0	6.9	-0.5	-6.3	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	7.0	n.a.	n.a.	-	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	0.5	n.a.	n.a.	-	-	Enel
	Withdrawal from non scarce sources	(mil m³)	**13.6**	**11.9**	**14.7**	1.7	14.3	Enel
	Sea water (used as is and dissalated)	(mil m³)	6.4	7.4	7.8	-1.0	-13.5	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	3.6	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	2.8	n.a.	n.a.	-	-	Enel
	from waste (amount used inside plants)	(mil m³)	7.2	4.5	6.9	2.7	60.0	Enel
	Total	(mil m³)	**77.3**	**96.3**	**112.2**	-19.0	-19.7	Enel
303-3	**Percentage of recycled and reused water**	(%)	**9.3**	**4.7**	**6.1**	4.6	98.2	Enel
	Water used for open-cycle cooling							
	Total	(mil m³)	**17,876.3**	**17,062.2**	**18,276.7**	814.1	4.8	Enel
	from surface water	(mil m³)	7,395.1	n.a.	n.a.	-	-	Enel
	from sea water	(mil m³)	10,481.2	n.a.	n.a.	-	-	Enel
	Total withdrawals	(mil m³)	17,953.6	17,158.5	18,388.9	795.1	4.6	Enel
	Water consumption [15]	(mil m³)	58.1	48.7	58.4	9.4	19.3	Enel
303-3	**Water withdrawal by source in "water stressed" areas**							
	Withdrawal from scarce sources	(mil m³)	**10.7**	**11.2**	**10.3**	-0.5	-4.5	Enel
	Surface water (wetlands, lakes, rivers) total	(mil m³)	0.4	n.a.	n.a.	-	-	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	0.4	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	-	n.a.	n.a.	-	-	Enel
	Ground water (from wells) total	(mil m³)	8.6	8.1	7.0	0.5	6.2	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	8.6	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	-	n.a.	n.a.	-	-	Enel
	Water from aqueduct total	(mil m³)	1.7	3.1	3.3	-1.4	-45.2	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	1.7	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	-	n.a.	n.a.	-	-	Enel
	Withdrawal from non scarce sources	(mil m³)	**0.2**	**-**	**0.3**	0.2	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Sea water (used as is and dissalated)	(mil m³)	0.1	n.a.	n.a.	-	-	Enel
	- freshwater (≤ 1,000 mg/l Total Dissolved Solids)	(mil m³)	0.1	n.a.	n.a.	-	-	Enel
	- other water (> 1,000 mg/l Total Dissolved Solids)	(mil m³)	-	n.a.	n.a.	-	-	Enel
	from waste (amount used inside plants)	(mil m³)	0.1	-	0.3	0.1	-	Enel
	Total	(mil m³)	**10.9**	**11.2**	**10.6**	-0.3	-2.7	Enel
	WATER DISCHARGE							
	Water discharge by destination [16]	(mil m³)	**17,895.5**	**17,109.8**	**18,330.5**	785.7	4.6	Enel
	Surface water (wetlands, lakes, rivers)	(mil m³)	7,388.6	n.a.	n.a.	-	-	Enel
	Groundwater	(mil m³)	-	n.a.	n.a.	-	-	Enel
	Water in municipal/ industrial treatment plants	(mil m³)	12.5	n.a.	n.a.	-	-	Enel
	Third party water	(mil m³)	12.1	n.a.	n.a.	-	-	Enel
	Seawater	(mil m³)	10,482.3	n.a.	n.a.	-	-	Enel
306-2	**WASTE PRODUCED** [17]							
	Non-hazardous waste	(t)	7,168,419	8,846,150	9,315,552	-1,677,731	-19.0	Enel
	Hazardous waste	(t)	50,332	150,673	67,453	-100,341	-66.6	Enel
	- of which waste containing PCB	(t)	968	89	695	879	-	Enel
	Total waste produced	(t)	**7,219,719**	**8,996,823**	**9,383,005**	-1,777,104	-19.8	Enel
	Total waste sent for recovery	(%)	**18.9**	**22.9**	**22.5**	-4.0	-	Enel
	Hazardous waste by disposal method							
	Recycled or sent for recovery	(t)	28,324	15,413	26,406	12,911	83.8	Enel
	Landfill	(t)	11,366	135,260	41,047	-123,894	-91.6	Enel
	Incineration and other disposal methods	(t)	10,642	n.a.	n.a.	-	-	Enel
	Total	(t)	**50,332**	**150,673**	**67,453**	-100,341	-66.6	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Non-hazardous waste by disposal method							
	Recovery (including energy recovery)	(t)	1,336,684	2,047,476	2,082,742	-710,792	-34.7	Enel
	Landfill	(t)	5,550,852	6,798,674	7,232,810	-1,247,822	-18.4	Enel
	Incineration and other disposal methods	(t)	280,883	n.a.	n.a.	-	-	Enel
	Total	(t)	**7,168,419**	**8,846,150**	**9,315,552**	-1,677,746	-19.0	Enel
	Mitigation of the impact on the landscape/territory [18]							
	LV/MV cabling ratio	(%)	60.1	60.0	60.0	0.1	-	Enel
	LV cabling ratio	(%)	82.2	82.0	81.9	0.2	-	Enel
	MV cabling ratio	(%)	29.1	28.5	28.1	0.6	-	Enel

(1) Avoided emissions are calculated as the sum of the emissions avoided in the various countries. The resulting figure is the product of the generation of electricity obtained from a renewable or nuclear source and the specific CO_2 emissions from the thermoelectric generation of the country where Enel operates (source: Enerdata - http://enerdata.net).

(2) For all combustion processes from fossil sources, the production of N_2O (GWP = 265) and CH_4 (GWP = 28) expressed in CO_2 equivalent are included. These values, not present in the 2017 and 2018 reporting, were recalculated for the previous two years. The calculation of the other activities also includes CO_{2eq} emissions from the combustion of diesel fuel in the generating sets, from the fuel of the company fleet, from the fuel used in the offices for heating and canteens, fluorinated gases and ODS, SF_6 and NF_3.

(3) This indicator is calculated as the ratio between total emissions from thermoelectric generation and the total from renewable, nuclear and thermoelectric generation (including the contribution of heat in MWh_{eq}).

(4) "Scope 2", emissions from energy taken from the grid: indirect CO_2 emissions relating to 2019 due to the consumption of electricity for moving fuel, electricity distribution, property management and electricity purchased from the grid by hydroelectric plants are calculated as the product of the electricity consumption multiplied by the respective weighted specific CO_2 emission coefficients of the whole generation mix of the countries where the Enel Group operates (source: Enerdata - https://www.enerdata.net/). The data for 2019 also includes the total share of energy taken from the grid for power generation for Italy. The 2018 and 2017 data has been recalculated to include this figure. Scope 2 is calculated according to the "location based" method (based on the company's location). It is the result of the calculation of greenhouse gas emissions resulting from electricity generation in the area where the consumption takes place. This figure is obtained by multiplying a company's electricity consumption (expressed in kWh) within the borders of the country in question and the average CO_2 emissions per kWh at the specific country level. Scope 2 is calculated according to the "market based" method (based on the market where the company operates). For companies operating in European countries, the reference market is the European one (EU). Companies can obtain this figure by calculating the emissions caused by the power plants that supply them. The electricity's origin must be certified by "contractual instruments that meet the minimum quality criteria". In Europe, the only way to prove the electricity's origin is the Guarantees of Origin. Companies that use electricity whose origin is not certified by these Guarantees must perform the calculation by referring to the emissions associated with the residual mix (source: Greenhouse Gas Protocol Scope 2 Guidance, 2015).

(5) "Scope 2", emissions from energy losses from Enel's distribution grid and the electricity system transmission grid: as of this year, this category includes indirect emissions deriving from technical losses from Enel's distribution grid, calculated for all countries of operation for 2017-2019. With its business, the Group covers the entire generation and sales chain in Europe (Italy and Spain) and in five Latin American countries (Argentina, Brazil, Colombia, Chile and Peru). To calculate emissions, it has been assumed that the vertical chain of activities takes place within the country. The emissions caused by the losses were calculated based on the part of energy that exceeds the quota produced in the considered country, to avoid the double accounting of emissions already included in Scope 1. An additional division was made for the fraction distributed and sold by Enel in the retail market – a share for which transmission losses were also calculated – and for the share distributed on behalf of other market companies.

(6) "Scope 3": indirect CO_2 emissions for 2019 resulting from the transportation of coal by sea are estimated based on the quantity transported (equivalent to 66.6% of the total coal used), taking into consideration the Panamax ships with a 67,600 t capacity, which cover average distances of 700 nautical miles in 22 days, consuming 35 t of fuel oil a day, and an emission coefficient of 3.2 kg of CO_2 per litre of oil consumed, considering also the 3-day stopover for unloading for which there is a consumption of 5 t of fuel oil. Indirect CO_2 emissions from rail transportation of coal are estimated based on the quantity transported (equivalent to 33.4% of the coal used) and taking into consideration trains with a capacity of 1,100 t, which cover average distances of 1,400 km with consumption of 6.9 kWh/t for every 100 km transported and an average Enel emission coefficient worldwide. Indirect CO_2 emissions from the transportation of consumable materials, fuel oil, gas oil, solid biomass, WDF and waste are estimated based on the quantities of raw materials transported, taking into consideration trucks with a capacity of 28 t, which cover average (round trip) distances of 75 km with a consumption of 1 litre of diesel for every 3 km travelled and an emission coefficient of 3 kg of CO_2 for each litre of gas oil consumed. The figure is a rough estimate of the fugitive methane emissions (CH_4) from coal imported and used by the Enel Group for thermoelectric generation. The figure does not take into account emissions due to the transportation of lignite. In terms of the use of the product sold by end customers for the gas market, the figure for emissions from the combustion of natural gas is calculated based on the energy amount (TWh) of gas sold multiplied by its emission factor (source: IPCC for CO_2, N_2O and CH_4); to calculate emissions from the use of the electricity sold, it has been assumed that the vertical chain of activities takes place within the same country. The emissions of the share sold and produced by the Company have not been included in the calculation since they already fall under Scope 1. The share for the fraction sold but not produced by country was calculated by multiplying the energy amount by the specific country-level emission (source: Enerdata). Emissions from grid losses are not included in the calculation

since they are reported under Scope 2.

(7) In terms of minor pollutants, mercury emissions in 2019 amounted to 109 kg, associated with thermoelectric generation for Italy, Spain, Russia and Chile, which account for almost 100% of coal-fired thermoelectric generation throughout the Group. This is in addition to the mercury emissions from the geothermal sector amounting to 403 kg. In Europe, mercury emissions are declared to the competent authorities for registration in the European Pollutant Release and Transfer Register (E-PRTR) in accordance with EU Regulation no. 166/2006 and are subject to the relevant checks in terms of completeness, consistency and credibility (Article 2 of Regulation no. 166/2006).

(8) The 2019 and 2018 data was classified according to a different method from that applied in 2017. The figures are therefore not comparable.

(9) The increase recorded in 2019 is mainly due to penalties imposed on the distribution company in Spain.

(10) Following the adoption of the new standard GRI 303 in the 2018 data reporting, the figure previously indicated as specific consumption now refers to specific requirements. Requirement means the total amount of water withdrawn, including the re-use of external wastewater, which is necessary for the plants to operate. This figure does not include water used for open-cycle cooling, since the water is then put back into the original water body.

(11) Specific requirements for thermoelectric generation are calculated considering the total consumption of water from thermoelectric generation, in proportion to the total thermoelectric generation (including the contribution of heat in MWh).

(12) Specific requirements for nuclear power generation are calculated considering total water consumption from nuclear generation, in proportion to the total nuclear power generation.

(13) Specific requirements for total generation are calculated considering the total water consumption for thermoelectric and nuclear generation, in proportion to the total thermoelectric (including the heat contribution in MWh), renewable and nuclear generation.

(14) Following the adoption of the standard GRI 303, since 2019 the figures relating to the withdrawal classes by water source are divided into fresh water (= < 1,000 mg/l total dissolved solids) and other water (> 1,000 mg/l total dissolved solids). This division is not available for previous years.

(15) The difference in the 2019 figure from the previous year is due to a different data collection method following the introduction of a new environmental data tool. The figures were gathered by adopting the withdrawal classes and discharges according to the new standard GRI 303.

(16) Following the adoption of the new standard GRI 303, as of 2019 the figures relating to discharges were collected by destination. This division is not available for previous years.

(17) With regard to waste production, the table below shows the 2019 figures by significant geographical area only.

KPI	UM	December 2019	Scope
Hazardous waste by significant geographical area			
Italy	(t)	16,112	Italy
Iberia	(t)	14,381	Iberia
Latin America	(t)	**9,258**	Latin America
Chile	(t)	968	Chile
Argentina	(t)	928	Argentina
Colombia	(t)	400	Colombia
Peru	(t)	850	Peru
Brazil	(t)	6,112	Brazil
Europe and Euro-Mediterranean Affairs	(t)	**10,337**	Europe and Euro-Mediterranean Affairs
Russia	(t)	8,649	Russia
Romania	(t)	1,581	Romania
Greece	(t)	106	Greece
Bulgaria	(t)	1	Bulgaria
Non-hazardous waste by significant geographical area			
Italy	(t)	956,529	Italy
Iberia	(t)	1,044,461	Iberia
Latin America	(t)	**2,132,446**	Latin America
Chile	(t)	1,768,964	Chile
Argentina	(t)	92,906	Argentina
Colombia	(t)	142,225	Colombia
Peru	(t)	41,990	Peru
Brazil	(t)	86,361	Brazil
Europe and Euro-Mediterranean Affairs	(t)	**3,034,059**	Europe and Euro-Mediterranean Affairs
Russia	(t)	3,030,190	Russia
Romania	(t)	3,853	Romania
Greece	(t)	13	Greece
Bulgaria	(t)	3	Bulgaria

(18) The cabling ratio is calculated by proportioning the km of cabled lines (both underground and aerial insulated cables) to the total km of lines. The increase in the cabling ratio over the years is due to a general increase, in terms of length, of aerial and underground cable sections at the expense of the bare conductor line.

Infrastructures, ecosystems and platforms

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
EU3	CUSTOMERS [1]							
102-6	Electricity market (Final number of customers)							
	Customers Italy	(no.)	**23,689,113**	**25,152,279**	**26,119,603**	-1,463,166	-5.8	Italy
	Free market	(no.)	9,243,826	8,563,028	7,864,967	680,798	8.0	Italy
	- business to consumer customers	(no.)	7,437,948	6,806,450	6,208,382	631,498	9.3	Italy
	- business to business customers	(no.)	1,780,278	1,722,745	1,620,452	57,533	3.3	Italy
	- customers in protected categories	(no.)	25,600	33,833	36,133	-8,233	-24.3	Italy
	Regulated market	(no.)	14,445,287	16,589,251	18,254,636	-2,143,964	-12.9	Italy
	Customers Iberia	(no.)	**10,634,958**	**10,753,670**	**10,847,815**	-118,712	-1.1	Iberia
	Free market	(no.)	5,786,083	5,678,750	5,539,934	107,333	1.9	Iberia
	Regulated market	(no.)	4,848,875	5,074,920	5,307,881	-226,045	-4.5	Iberia
	Customers Latin America	(no.)	**26,661,440**	**26,460,146**	**18,241,420**	201,294	0.8	Latin America
	Free market	(no.)	1,240	844	612	396	46.9	Latin America
	Regulated market	(no.)	26,660,200	26,459,302	18,240,808	200,898	0.8	Latin America
	Customers Romania	(no.)	**3,072,945**	**3,016,509**	**2,833,672**	56,436	1.9	Romania
	Free market	(no.)	2,122,646	1,734,123	1,030,177	388,523	22.4	Romania
	Regulated market	(no.)	950,299	1,282,386	1,803,495	-332,087	-25.9	Romania
	Total Customers Enel	(no.)	**64,058,456**	**65,382,604**	**58,042,510**	-1,324,148	-2.0	Enel
	Free market	(no.)	17,153,795	15,976,745	14,435,690	1,177,050	7.4	Enel
	Regulated market	(no.)	46,904,661	49,405,859	43,606,820	-2,501,198	-5.1	Enel
	Gas market (Final number of customers)							
	Customers Italy	(no.)	4,155,689	4,088,716	4,029,240	66,973	1.6	Italy
	Customers Spain	(no.)	1,648,705	1,603,721	1,559,685	44,984	2.8	Spain
	Customers Romania	(no.)	52,142	42,702	5,521	9,440	22.1	Romania
	Total customers gas market	(no.)	**5,856,536**	**5,735,139**	**5,594,446**	121,397	2.1	Enel
	Total customers Enel electricity and gas	(no.)	**69,914,992**	**71,117,743**	**63,636,956**	-1,202,751	-1.7	Enel
	PUBLIC LIGHTING							
	Customers public lighting [1]	(no.)	**3,071**	**3,194**	**3,363**	-123	-3.9	Italy

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Light sources public lighting	(,000)	**2,424**	**2,467**	**1,855**	-43	-1.7	Italy
	VOLUMES SOLD							
	Electricity							
	Free market	(GWh)	152,588	152,619	155,955	-31	-	Enel
	Regulated market	(GWh)	149,088	142,813	128,798	6,275	4.4	Enel
	Total volumes sold	(GWh)	**301,676**	**295,432**	**284,753**	6,244	2.1	Enel
	Gas							
	Italy	(bn m^3)	**4.7**	**4.8**	**4.8**	-0.1	-2.1	Italy
	- mass market customers	(bn m^3)	3.0	3.0	2.9	-	-	Italy
	- business customers	(bn m^3)	1.7	1.8	1.9	-0.1	-5.6	Italy
	Iberia	(bn m^3)	**5.8**	**6.4**	**6.9**	-0.6	-9.4	Spain
	Total volumes sold Enel	(bn m^3)	**10.5**	**11.2**	**11.7**	-0.7	-6.3	Enel
	ENERGY AVAILABILITY AND REALIABILITY							
EU11	**Efficiency thermoelectric generation** [2]							
	Average thermoelectric generation yield without heat component	(%)	42.0	40.1	40.7	1.9	-	Enel
	Average thermoelectric generation yield with heat	(%)	43.1	41.1	41.6	2.0	-	Enel
	Average yield by technology without heat component							
	Yield coal plants	(%)	36.1	36.2	36.0	-0.1	-	Enel
	Yield oil/gas plants	(%)	36.4	36.7	36.8	-0.3	-	Enel
	Yield CCGT plants	(%)	53.0	53.1	55.7	-0.1	-	Enel
	Average yield with heat component by technology							
	Yield coal plants	(%)	36.3	36.4	36.2	-0.1	-	Enel
	Yield oil/gas plants	(%)	40.8	40.6	40.6	0.2	-	Enel
	Yield CCGT plants	(%)	53.1	53.3	55.7	-0.2	-	Enel
EU30	**Availability of thermoelectric generation by geographic area**							
	Average availability thermoelectric generation Italy	(%)	86.9	86.7	89.0	0.2	-	Italy
	Average availability thermoelectric generation Russia	(%)	86.0	86.7	82.7	-0.7	-	Russia

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Average availability thermoelectric generation Iberia	(%)	91.4	93.0	92.6	-1.6	-	Iberia
	Average availability thermoelectric generation Chile	(%)	92.3	91.5	90.6	0.8	-	Chile
	Average availability thermoelectric generation Argentina	(%)	84.1	74.6	82.2	9.5	-	Argentina
	Average availability thermoelectric generation Brazil	(%)	95.3	100.0	99.6	-4.7	-	Brazil
	Average availability thermoelectric generation Peru	(%)	88.7	88.6	89.3	0.1	-	Peru
	Average availability thermoelectric generation Colombia	(%)	80.6	84.6	94.1	-4.0	-	Colombia
EU28	**Service interruptions - frequency (SAIFI)** [3]							
	Frequency of interruptions by customer Italy	(no.)	1.9	1.8	1.6	0.1	5.6	Italy
	Frequency of interruptions by customer Romania	(no.)	4.1	3.8	4.1	0.3	7.9	Romania
	Frequency of interruptions by customer Iberia	(no.)	1.4	1.6	1.8	-0.2	-12.5	Iberia
	Frequency of interruptions by customer Peru	(no.)	2.8	2.8	2.5	-	-	Peru
	Frequency of interruptions by customer Chile	(no.)	1.6	1.5	1.7	0.1	6.7	Chile
	Frequency of interruptions by customer Argentina	(no.)	6.0	6.7	6.8	-0.7	-10.4	Argentina
	Frequency of interruptions by customer Brazil (Ampla)	(no.)	8.0	7.7	9.8	0.3	3.9	Brazil
	Frequency of interruptions by customer Brazil (Coelce)	(no.)	5.4	4.4	4.9	1.0	22.7	Brazil
	Frequency of interruptions by customer Brazil (CELG)	(no.)	9.7	12.3	15.8	-2.6	-21.1	Brazil
	Frequency of interruptions by customer Brazil (ELPL)	(no.)	3.5	4.3	-	-0.8	-18.6	Brazil
	Frequency of interruptions by customer Colombia	(no.)	6.8	9.0	10.0	-2.2	-24.4	Colombia
EU29	**Service interruptions - duration (SAIDI)** [3]							
	Service continuity index Italy	(min)	49	47	43	2	4.3	Italy
	Service continuity index Romania	(min)	170	174	191	-64	-36.8	Romania
	Service continuity index Iberia	(min)	76	80	84	-4	-5.0	Iberia
	Service continuity index Peru	(min)	419	436	469	-17	-3.9	Peru
	Service continuity index Chile	(min)	184	178	230	6	3.4	Chile
	Service continuity index Argentina	(min)	1,214	1,485	1,770	-271	-18.2	Argentina

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Service continuity index Brazil (Ampla)	(min)	793	833	1,085	-40	-4.8	Brazil
	Service continuity index Brazil (Coelce)	(min)	832	522	515	310	59.4	Brazil
	Service continuity index Brazil (CELG)	(min)	1,349	1,538	1,861	-189	-12.3	Brazil
	Service continuity index Brazil (ELPL)	(min)	375	429	-	-54	-12.6	Brazil
	Service continuity index Brazil Colombia	(min)	667	710	820	-43	-6.1	Colombia
EU12	**Grid losses** [3]							
	Grid losses Italy	(%)	4.7	4.7	4.8	-	-	Italy
	Grid losses Romania	(%)	9.7	9.8	11.0	-0.1	-	Romania
	Grid losses Iberia	(%)	7.5	7.5	8.1	-	-	Iberia
	Grid losses Peru	(%)	8.2	7.9	8.2	0.3	-	Peru
	Grid losses Chile	(%)	5.0	5.0	5.1	-	-	Chile
	Grid losses Argentina	(%)	15.5	14.9	12.0	0.6	-	Argentina
	Grid losses Brazil (Ampla)	(%)	22.5	21.0	20.4	1.5	-	Brazil
	Grid losses Brazil (Coelce)	(%)	14.0	13.9	13.6	0.1	-	Brazil
	Grid losses Brazil (CELG)	(%)	12.3	11.6	11.7	0.7	-	Brazil
	Grid losses Brazil (ELPL)	(%)	9.6	9.5	-	0.1	-	Brazil
	Grid losses Colombia	(%)	7.7	7.7	7.8	-	-	Colombia
	SERVICE QUALITY							
	ELECTRICITY MARKET ITALY							
102-43. 102-44	**Customer satisfaction**							
	Regulated market							
	Customer Satisfaction Index [4]	(i)	92.4	92.4	92.3	-	-	Italy
	Frequency of surveys	(no.)	1	1	2	-	-	Italy
	Written complaints and information requests	(,000)	109.4	108.5	119.8	0.9	0.8	Italy
	Response time to written complaints	(dd)	31.1	20.9	17.0	10.2	48.8	Italy
	Free market							
	Customer Satisfaction Index [4]	(i)	90.2	90.2	91.3	-	-	Italy
	Frequency of surveys	(no.)	1	1	2	-	-	Italy
	Written complaints and information requests	(,000)	92.3	70.2	69.7	22.1	31.5	Italy
	Response time to written complaints	(dd)	31.3	14.3	11.2	17.0	-	Italy

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	ELECTRICITY MARKET ROMANIA							
	Customer satisfaction							
	Regulated market							
	Customer Satisfaction Index	(i)	89.0	86.0	84.0	3.0	3.5	Romania
	Written complaints and information requests [5]	(,000)	100.0	80.0	112.0	20.0	25.0	Romania
	Response time to written complaints [5]	(dd)	62.0	15.0	14.0	47.0	-	Romania
	Free market							
	Customer Satisfaction Index [6]	(i)	85.0	87.0	88.0	-2.0	-2.3	Romania
	Written complaints and information requests [5]	(,000)	284.0	117.0	23.2	167.0	-	Romania
	Response time to written complaints [5]	(dd)	83.0	16.0	14.0	67.0	-	Romania
	ELECTRICITY MARKET IBERIA							
	Customer satisfaction							
	Regulated market (former TUR market)							
	Customer Satisfaction Index	(i)	7.2	7.2	7.2	-	-	Iberia
	Written complaints and information requests	(,000)	6.4	8.3	8.1	-1.9	-22.9	Iberia
	Response time to written complaints	(dd)	6.8	9.1	7.8	-2.3	-25.3	Iberia
	Free market (former no TUR market)							
	Customer Satisfaction Index	(i)	7.3	7.2	7.0	0.1	1.4	Iberia
	Written complaints and information requests	(,000)	12.5	12.9	14.1	-0.4	-3.1	Iberia
	Response time to written complaints	(dd)	18.1	21.1	21.9	-3.0	-14.2	Iberia
	GAS MARKET ITALY							
	Customer satisfaction Gas [8]							
	Written complaints and information requests	(,000)	49.7	39.5	37.5	10.2	25.8	Italy
	Response time to written complaints	(dd)	36.8	14.9	9.5	21.9	-	Italy
	GAS MARKET IBERIA							
	Customer satisfaction Gas							
	Written complaints and information requests	(,000)	3.0	2.9	3.2	0.1	3.4	Spain
	Response time to written complaints [7]	(dd)	18.4	22.3	22.7	-3.9	-17.5	Spain

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Disputes with customers							
	Total proceedings	(no.)	121,175	101,057	99,287	20,118	19.9	Enel
	Incidence of proceedings as defendant	(%)	77.9	66.5	76.3	11.4	-	Enel

(1) The 2017 and 2018 data has been updated following a change in methodology. The final figure as at December 31 in the year in question has been reported in place of the average figure published in the 2018 Sustainability Report.
(2) The park efficiency was calculated assuming the operation of the plants at load level, where there is maximum efficiency for those plants for which the load curve is available. This assumption has not been applied to the heat component since it is already high efficiency; the availability was calculated by reducing the causes of internal unavailability.
(3) Some 2017 and 2018 figures have been updated.
(4) The figure is calculated on a scale of 1 to 100. For 2019, the values have been estimated on the basis of established trends. Following a change of methodology, as of 2018, the CSI (Customer Satisfaction Index) amount is determined annually rather than half-yearly as it was in 2017.
(5) The increase in the 2019 amount compared to 2018 is related to the migration of data to SAP, which took place at the beginning of 2019. The complexity of the process generated backlogs.
(6) The figure is calculated on a scale of 1 to 100. The fall recorded on the free market in 2019 relates to the replacement of the customer management IT platform with a more advanced one (SAP platform). The learning curve of the telephone operators was reflected in the quality of service provided.
(7) The 2017 and 2018 figures include a more specific determination of the amounts.
(8) The fall recorded in 2019 relates to the replacement of the customer management IT platform with a more advanced one (CRM Sales Force). The learning curve of the telephone operators has been reflected in the quality of service provided.

Our people and their value

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	SIZE AND COMPOSITION OF WORKFORCE							
	Size of workforce							
102-7	**Total workforce**	(no.)	**68,253**	**69,272**	**62,900**	-1,019	-1.5	Enel
401-1	**Change to size** [1]							
	New recruits	(no.)	3,726	3,414	2,301	312	9.1	Enel
	Changes in scope	(no.)	75	7,704	2,931	-7,629	-99.0	Enel
	Terminations	(no.)	4,820	4,746	4,413	74	1.6	Enel
	Balance	(no.)	**-1,019**	**6,372**	**820**	-7,391	-	Enel
102-8	**Workforce by geographic area and gender**							
	Italy [2]	(no.)	**29,750**	**30,311**	**31,114**	-561	-1.9	Italy
	- of whom men	(no.)	24,052	24,562	25,413	-510	-2.1	Italy
	- of whom women	(no.)	5,698	5,749	5,701	-51	-0.9	Italy
	Iberia [3]	(no.)	**10,123**	**9,947**	**9,884**	176	1.8	Iberia
	- of whom men	(no.)	7,704	7,626	7,591	78	1.0	Iberia
	- of whom women	(no.)	2,419	2,321	2,293	98	4.2	Iberia
	Europe and Euro-Mediterranean Affairs [4]	(no.)	**5,924**	**5,683**	**5,724**	241	4.2	Europe and Euro-Mediterranean Affairs
	- of whom men	(no.)	4,240	4,092	4,109	148	3.6	Europe and Euro-Mediterranean Affairs
	- of whom women	(no.)	1,684	1,591	1,615	93	5.8	Europe and Euro-Mediterranean Affairs
	North America [5]	(no.)	**1,639**	**2,007**	**1,787**	-368	-18.3	North America
	- of whom men	(no.)	1,210	1,454	1,372	-244	-16.8	North America
	- of whom women	(no.)	429	553	415	-124	-22.4	North America
	Latin America	(no.)	**20,240**	**21,083**	**14,166**	-843	-4.0	Latin America
	- of whom men	(no.)	16,322	17,085	11,359	-763	-4.5	Latin America
	- of whom women	(no.)	3,918	3,998	2,807	-80	-2.0	Latin America
	Africa, Asia and Oceania [6] [7]	(no.)	**577**	**241**	**195**	336	-	Africa, Asia and Oceania
	- of whom men	(no.)	405	153	112	252	-	Africa, Asia and Oceania

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	- of whom women	(no.)	172	88	83	84	95.5	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**-**	**30**	-	-	Other
	- of whom men	(no.)	-	-	14	-	-	Other
	- of whom women	(no.)	-	-	16	-	-	Other
	Total workforce	(no.)	**68,253**	**69,272**	**62,900**	-1,019	-1.5	Enel
	- of whom men	(no.)	53,933	54,972	49,970	-1,039	-1.9	Enel
	- of whom women	(no.)	14,320	14,300	12,930	20	0.1	Enel
405-1	**Workforce by level and gender**							
	Managers	(no.)	**1,363**	**1,346**	**1,281**	17	1.3	Enel
	- of whom men	(no.)	1,078	1,081	1,048	-3	-0.2	Enel
		(%)	79.1	80.3	81.8	-1.2	-	Enel
	- of whom women	(no.)	285	265	233	20	7.4	Enel
		(%)	20.9	19.7	18.2	1.2	-	Enel
	Middle Managers	(no.)	**11,329**	**10,985**	**10,416**	344	3.1	Enel
	- of whom men	(no.)	8,012	7,856	7,493	156	2.0	Enel
		(%)	70.7	71.5	71.9	-0.8	-	Enel
	- of whom women	(no.)	3,317	3,129	2,923	188	6.0	Enel
		(%)	29.3	28.5	28.1	0.8	-	Enel
	White-collar workers	(no.)	**36,274**	**34,710**	**32,654**	1,564	4.5	Enel
	- of whom men	(no.)	26,025	24,404	23,387	1,621	6.6	Enel
		(%)	71.7	70.3	71.6	1.4	-	Enel
	- of whom women	(no.)	10,249	10,306	9,267	-57	-0.5	Enel
		(%)	28.3	29.7	28.4	-1.4	-	Enel
	Blue-collar workers	(no.)	**19,287**	**22,231**	**18,549**	-2,944	-13.2	Enel
	- of whom men	(no.)	18,818	21,631	18,042	-2,813	-13.0	Enel
		(%)	97.6	97.3	97.3	0.3	-	Enel
	- of whom women	(no.)	469	600	507	-131	-21.8	Enel
		(%)	2.4	2.7	2.7	-0.3	-	Enel
	Total	(no.)	**68,253**	**69,272**	**62,900**	-1,019	-1.5	Enel
	Index of professional qualification							
	Managers	(%)	2.0	1.9	2.0	0.1	-	Enel
	Middle Managers	(%)	16.6	15.9	16.6	0.7	-	Enel
	White-collar	(%)	53.1	50.1	51.9	3.0	-	Enel
	Blue-collar	(%)	28.3	32.1	29.5	-3.8	-	Enel
405-1	**Workforce by age range and level**							
	< 30	(%)	**11.6**	**11.8**	**10.2**	-0.2	-	Enel
	- of whom Managers	(%)	-	-	-	-	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	- of whom Middle Managers	(%)	0.3	0.3	0.2	-	-	Enel
	- of whom White-collar	(%)	5.3	4.9	4.1	0.4	-	Enel
	- of whom Blue-collar	(%)	5.9	6.6	5.9	-0.7	-	Enel
	30 - 50	(%)	**54.6**	**57.0**	**52.2**	-2.4	-	Enel
	- of whom Managers	(%)	0.9	1.1	1.0	-0.2	-	Enel
	- of whom Middle Managers	(%)	10.4	10.4	10.3	-	-	Enel
	- of whom White-collar	(%)	27.4	27.1	26.1	0.3	-	Enel
	- of whom Blue-collar	(%)	15.9	18.4	14.8	-2.5	-	Enel
	> 50	(%)	**33.8**	**31.2**	**37.6**	2.6	-	Enel
	- of whom Managers	(%)	1.0	0.9	1.0	0.1	-	Enel
	- of whom Middle Managers	(%)	5.9	5.1	6.0	0.8	-	Enel
	- of whom White-collar	(%)	20.4	18.1	21.8	2.3	-	Enel
	- of whom Blue-collar	(%)	6.4	7.1	8.8	-0.7	-	Enel
	Average age	(years)	43.8	43.3	44.1	0.5	1.2	Enel
102-8	**Workforce by type of contract and gender**							
	Permanent contract	(no.)	**64,976**	**68,137**	**62,053**	-3,161	-4.6	Enel
	- of whom men	(no.)	51,482	54,112	49,320	-2,630	-4.9	Enel
	- of whom women	(no.)	13,494	14,025	12,733	-531	-3.8	Enel
	Fixed-term contracts [9]	(no.)	**3,277**	**1,135**	**847**	2,142	-	Enel
	- of whom men	(no.)	2,451	860	650	1,591	-	Enel
	- of whom women	(no.)	826	275	197	551	-	Enel
	Total contracts	(no.)	**68,253**	**69,272**	**62,900**	-1,019	-1.5	Enel
	- of whom men	(no.)	53,933	54,972	49,970	-1,039	-1.9	Enel
	- of whom women	(no.)	14,320	12,930	12,930	1,390	10.7	Enel
	Fixed-term and insertion/work contracts as percentage of total	(%)	**4.8**	**1.6**	**1.3**	3.2	-	Enel
	Internship and traineeships	(no.)	**882**	**1,136**	**1,595**	-254	-22.4	Enel
102-8	**Workforce by type of contract and geographic area**							
	Italy	(no.)	**29,750**	**30,311**	**31,114**	-561	-1.9	Italy
	Permanent contract	(no.)	29,726	30,271	31,053	-545	-1.8	Italy
	Fixed-term contracts	(no.)	24	40	61	-16	-40.0	Italy
	Iberia	(no.)	**10,123**	**9,947**	**9,884**	176	1.8	Iberia
	Permanent contract	(no.)	9,733	9,610	9,637	123	1.3	Iberia

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Fixed-term contracts	(no.)	390	337	247	53	15.7	Iberia
	Latin America [10]	(no.)	**20,240**	**21,083**	**13,903**	-843	-4.0	Latin America
	Permanent contract	(no.)	19,734	20,437	13,489	-703	-3.4	Latin America
	Fixed-term contracts [9]	(no.)	506	646	414	-140	-21.7	Latin America
	Europe and Euro-Mediterranean Affairs	(no.)	**5,924**	**5,683**	**5,724**	241	4.2	Europe and Euro-Mediterranean Affairs
	Permanent contract	(no.)	5,765	5,648	5,709	117	2.1	Europe and Euro-Mediterranean Affairs
	Fixed-term contracts	(no.)	159	35	15	124	354.3	Europe and Euro-Mediterranean Affairs
	North America [10]	(no.)	**1,639**	**2,007**	**2,050**	-368	-18.3	North America
	Permanent contract	(no.)	1,639	1,932	1,949	-293	-15.2	North America
	Fixed-term contracts	(no.)	-	75	101	-75	-100.0	North America
	Africa, Asia and Oceania	(no.)	**577**	**241**	**195**	336	-	Africa, Asia and Oceania
	Permanent contract	(no.)	569	239	189	330	-	Africa, Asia and Oceania
	Fixed-term contracts	(no.)	8	2	6	6	-	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**-**	**30**	-	-	Other
	Permanent contract	(no.)	-	-	27	-	-	Other
	Fixed-term contracts	(no.)	-	-	3	-	-	Other
102-8	**Workforce by type of contract and gender**							
	Full-time contracts	(no.)	**67,514**	**68,390**	**61,930**	-876	-1.3	Enel
	- of whom men	(no.)	53,769	54,748	49,678	-979	-1.8	Enel
	- of whom women	(no.)	13,745	13,642	12,252	103	0.8	Enel
	Part-time contracts	(no.)	**739**	**882**	**970**	-143	-16.2	Enel
	- of whom men	(no.)	164	224	292	-60	-26.8	Enel
	- of whom women	(no.)	575	658	678	-83	-12.6	Enel
	Part Time + Full Time	(no.)	**68,253**	**69,272**	**62,900**	-1,019	-1.5	Enel
	Percentage of part-time	(%)	**1.1**	**1.3**	**1.5**	-0.2	-	Enel
	CHANGES TO SIZE							
401-1	**New hires**							
	New hires by gender	(no.)	**3,726**	**3,414**	**2,301**	312	9.1	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Hiring rate [11]	(%)	**5.5**	**4.9**	**3.7**	0.6	-	Enel
	-men	(no.)	2,702	2,410	1,619	292	12.1	Enel
		(%)	72.5	70.6	70.4	1.9	-	Enel
	-women	(no.)	1,024	1,004	682	20	2.0	Enel
		(%)	27.5	29.4	29.6	-1.9	-	Enel
	New hires by age range	(no.)	**3,726**	**3,414**	**2,301**	312	9.1	Enel
	up to 30	(no.)	1,865	1,622	927	243	15.0	Enel
		(%)	50.1	47.5	40.3	2.6	-	Enel
	from 30 to 50	(no.)	1,698	1,628	1,127	70	4.3	Enel
		(%)	45.5	47.7	49.0	-2.2	-	Enel
	over 50	(no.)	163	164	247	-1	-0.6	Enel
		(%)	4.4	4.8	10.7	-0.4	-	Enel
	New hires by geographic area							
	Italy	(no.)	**1,042**	**796**	**403**	246	30.9	Italy
		(%)	28.0	23.3	17.5	4.7	-	Italy
	Iberia	(no.)	**430**	**425**	**315**	5	1.2	Iberia
		(%)	11.5	12.4	13.7	-0.9	-	Iberia
	Europe and Euro-Mediterranean Affairs	(no.)	**528**	**345**	**275**	183	53.0	Europe and Euro-Mediterranean Affairs
		(%)	14.2	10.1	11.9	4.1	-	Europe and Euro-Mediterranean Affairs
	North America	(no.)	**435**	**594**	**382**	-159	-26.8	North America
		(%)	11.7	17.4	16.6	-5.7	-32.9	North America
	Latin America	(no.)	**1,098**	**1,182**	**884**	-84	-7.1	Latin America
		(%)	29.5	34.6	38.4	-5.2	-14.9	Latin America
	Africa, Asia and Oceania	(no.)	**193**	**72**	**36**	121	-	Africa, Asia and Oceania
		(%)	5.2	2.1	1.6	3.1	-	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**-**	**6**	-	-	Other
		(%)	-	-	0.3	-	-	Other
	Effect of the changes in scope	(no.)	75	7,704	2,931	-7,629	-99.0	Enel
	Terminations							
	Causes							
	Voluntary terminations	(no.)	1,095	1,451	794	-356	-24.5	Enel
	Incentive based terminations	(no.)	2,304	2,543	2,673	-239	-9.4	Enel
	Retirements and other	(no.)	1,421	752	946	669	89.0	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Total terminations	(no.)	**4,820**	**4,746**	**4,413**	74	1.6	Enel
	Turnover rate [12]	(%)	**7.1**	**6.9**	**7.0**	0.2	-	Enel
	Terminations by gender							
	-men	(no.)	3,766	3,845	3,656	-79	-2.0	Enel
		(%)	78.1	81.0	82.8	-2.9	-	Enel
	-women	(no.)	1,054	900	757	154	17.1	Enel
		(%)	21.9	19.0	17.2	2.9	-	Enel
	Terminations by age range	(no.)	**4,820**	**4,746**	**4,413**	74	1.6	Enel
	up to 30	(no.)	626	499	321	127	25.4	Enel
		(%)	13.0	10.5	7.3	2.5	-	Enel
	from 30 to 50	(no.)	1,867	1,532	1,088	335	21.8	Enel
		(%)	38.7	32.3	24.6	6.4	-	Enel
	over 50	(no.)	2,328	2,715	3,004	-388	-14.3	Enel
		(%)	48.3	57.2	68.1	-8.9	-	Enel
	Terminations by nationality							
	Italy	(no.)	**1,607**	**1,668**	**1,250**	-61	-3.7	Italy
		(%)	33.3	35.1	28.3	-1.8	-5.1	Italy
	Iberia	(no.)	**254**	**425**	**642**	-171	-40.3	Iberia
		(%)	5.3	9.0	14.5	-3.7	-41.2	Iberia
	Europe and Euro-Mediterranean Affairs	(no.)	**369**	**384**	**407**	-15	-3.9	Europe and Euro-Mediterranean Affairs
		(%)	7.7	8.1	9.2	-0.4	-5.4	Europe and Euro-Mediterranean Affairs
	North America	(no.)	**392**	**374**	**195**	18	4.8	North America
		(%)	8.1	7.9	4.4	0.3	-	North America
	Latin America	(no.)	**2,103**	**1,862**	**1,889**	241	12.9	Latin America
		(%)	43.6	39.2	42.8	4.4	-	Latin America
	Africa, Asia and Oceania	(no.)	**95**	**33**	**26**	62	-	Africa, Asia and Oceania
		(%)	2.0	0.7	0.6	1.3	-	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**-**	**4**	-	-	Other
		(%)	-	-	0.1	-	-	Other
	VALORIZATION							
404-3	**Assessment**							
	Dissemination of assessment [13]	(%)	**93.3**	**94.8**	**94.8**	-1.5	-	Enel
	-men	(%)	93.5	95.5	95.1	-2.0	-	Enel
	-women	(%)	92.7	92.2	93.7	0.5	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	People assessed by level							
	Managers	(%)	96.7	95.9	97.3	0.8	-	Enel
	Middle Managers	(%)	92.5	91.2	92.3	1.3	-	Enel
	White collar	(%)	94.7	94.3	97.5	0.4	-	Enel
	Blue collar	(%)	90.9	94.8	91.2	-3.9	-	Enel
	Rewarding							
	Dissemination of incentives	(%)	**41.6**	**36.1**	**23.5**	5.5	-	Enel
	Employees with individual incentives	(no.)	28,367	24,976	14,799	3,391	13.6	Enel
	- of whom Managers	(no.)	1,312	1,336	1,209	-24	-1.8	Enel
	- of whom Middle Managers	(no.)	7,183	6,608	5,753	575	8.7	Enel
	- of whom White collar and Blue collar	(no.)	19,872	17,032	7,837	2,840	16.7	Enel
404-1	**Training**							
	Training hours by employees	(h/per-cap)	**38.8**	**40.2**	**34.4**	-1.4	-3.6	Enel
	by gender							
	-men	(h/per-cap)	39.7	41.2	36.4	-1.5	-3.5	Enel
	-women	(h/per-cap)	35.0	36.2	25.0	-1.2	-3.3	Enel
	by level							
	Managers	(h/per-cap)	58.4	40.3	38.9	18.1	44.9	Enel
	Middle Managers	(h/per-cap)	44.9	42.2	36.8	2.7	6.5	Enel
	White collar	(h/per-cap)	29.6	33.5	27.1	-3.9	-11.7	Enel
	Blue collar	(h/per-cap)	49.6	50.1	45.3	-0.5	-0.9	Enel
	Total training hours (distance learning + classroom)	(,000 h)	**2,648**	**2,684**	**2,163**	-36	-1.3	Enel
	Training hours distance learning	(,000 h)	248	212	164	36	17.1	Enel
	- for managerial training	(,000 h)	122	105	44	17	15.9	Enel
	- for specialist training	(,000 h)	127	107	120	20	18.3	Enel
	Training hours in the classroom	(,000 h)	2,370	2,472	1,999	-103	-4.2	Enel
	- for managerial training	(,000 h)	719	636	484	82	12.9	Enel
	- for specialist training	(,000 h)	1,651	1,836	1,515	-185	-10.1	Enel
	Training hours job shadowing (on site coaching)	(,000 h)	30	0.8	-	29	-	Enel
	- for managerial training	(,000 h)	30	0.6	-	29	-	Enel
	- for specialist training	(,000 h)	-	0.1	-	-0.1	-100.0	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Incidence of distance learning training	(%)	**9.4**	**7.9**	**7.6**	1.5	-	Enel
	Total training hours by level	(,000 h)	**2,648**	**2,684**	**2,163**	-36	-1.3	Enel
	Managers	(,000 h)	81	54	51	27	49.2	Enel
	Middle Managers	(,000 h)	495	448	371	47	10.5	Enel
	White collar	(,000 h)	1,037	1,137	884	-100	-8.8	Enel
	Blue collar	(,000 h)	1,035	1,045	857	-10	-0.9	Enel
	Dissemination of sustainability							
	Training per capita on sustainability	(h/per-cap)	16.5	15.5	8.2	1.0	6.4	Enel
	Total training hours on sustainability	(,000 h)	1,126	1,010	517	116	11.4	Enel
	Digitalization	(,000 h)	305	213	-	92	43.1	Enel
	Environment	(,000 h)	33	32	52	1	3.6	Enel
	Safety	(,000 h)	683	726	439	-43	-5.9	Enel
412-2	Human rights	(,000 h)	13	4	-	9	-	Enel
	Other [14]	(,000 h)	73	16	-	57	-	Enel
	Code of Ethics	(,000 h)	19	19	26	-	-	Enel
	CORPORATE WELFARE							
	Employees covered by pension plan (benefit plan)	(no.)	47,688	47,100	43,074	588	1.2	Enel
	Employees covered by pension plan (benefit plan)	(%)	69.9	68.0	68.5	1.9	-	Enel
EU15	**Employees entitled to retire in next 5 to 10 years**							
	Pension within 5 years - Enel							
	Managers	(%)	6.5	4.6	6.9	1.9	-	Enel
	Middle Managers	(%)	6.4	4.3	5.7	2.1	-	Enel
	White collar	(%)	9.1	6.3	6.9	2.8	-	Enel
	Blue collar	(%)	6.0	4.8	5.5	1.2	-	Enel
	Average	(%)	7.7	5.4	6.5	2.3	-	Enel
	Pension within 10 years - Enel							
	Managers	(%)	19.4	14.4	17.3	5.0	-	Enel
	Middle Managers	(%)	18.7	14.0	15.1	4.7	-	Enel
	White collar	(%)	23.6	18.8	17.5	4.8	-	Enel
	Blue collar	(%)	15.5	14.8	13.5	0.7	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Average	(%)	20.4	15.7	16.7	4.7	-	Enel
	MATERNITY/PATERNITY-PARENTAL LEAVE							
	Parental leave by gender	(no.)	**2,654**	**2,486**	**2,429**	168	6.8	Enel
	Men	(no.)	1,653	1,412	1,297	241	17.1	Enel
	Women	(no.)	1,001	1,074	1,132	-73	-6.8	Enel
	EQUAL OPPORTUNITIES							
	Level of female staff [15]	(%)	**28.4**	**27.5**	**27.0**	0.9	-	Enel
405-2	**Ratio of basic salary/ remuneration Women/ Men**							
	Ratio of basic salary Women/Men	(%)	**106.9**	**103.5**	**101.9**	3.4	-	Enel
	Managers	(%)	87.4	84.6	82.3	2.8	-	Enel
	Middle Managers	(%)	97.5	92.8	95.4	4.7	-	Enel
	White collar	(%)	86.4	87.5	92.2	-1.1	-	Enel
	Blue collar	(%)	70.2	90.0	85.1	-19.8	-	Enel
	Ratio of remuneration Women/Men	(%)	**106.6**	**n.a.**	**n.a.**	-	-	Enel
	Managers	(%)	83.7	n.a.	n.a.	-	-	Enel
	Middle Managers	(%)	96.3	n.a.	n.a.	-	-	Enel
	White collar	(%)	85.8	n.a.	n.a.	-	-	Enel
	Blue collar	(%)	72.9	n.a.	n.a.	-	-	Enel
405-1	**Disability**							
	Disabled or belonging to protected categories by gender	(no.)	**2,254**	**2,194**	**1,943**	60	2.7	Enel
	- of whom men	(no.)	1,565	1,494	1,364	71	4.8	Enel
	- of whom women	(no.)	689	700	579	-11	-1.6	Enel
	Incidence of disabled or belonging to protected categories by gender [16]	(%)	**3.3**	**3.2**	**3.2**	0.1	-	Enel
	- of whom men	(%)	2.3	2.2	2.2	0.1	-	Enel
	- of whom women	(%)	1.0	1.0	0.9	-	-	Enel
	Disabled or belonging to protected categories by level							
	Managers	(no.)	-	-	1	-	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Middle Managers	(no.)	141	100	88	41	41.0	Enel
	White collar	(no.)	1,941	1,913	1,761	28	1.5	Enel
	Blue collar	(no.)	172	181	132	-9	-5.0	Enel
	Incidence of disabled or belonging to protected categories by level [16]							
	Managers	(%)	-	-	-	-	-	Enel
	Middle Managers	(%)	0.2	0.1	0.1	0.1	-	Enel
	White collar	(%)	2.8	2.8	2.8	-0.1	-	Enel
	Blue collar	(%)	0.3	0.3	0.2	-	-	Enel
	WORKING FROM HOME							
	Telecommuting license							
	Employees with telecommuting license by gender	(no.)	1,042	1,554	2,671	-512	-32.9	Enel
	- of whom men	(no.)	398	702	1,274	-304	-43.3	Enel
	- of whom women	(no.)	644	852	1,397	-208	-24.4	Enel
	Employees with telecommuting license by gender [16]	(%)	1.5	2.2	4.2	-0.7	-	Enel
	- of whom men	(%)	0.6	1.0	2.0	-0.4	-	Enel
	- of whom women	(%)	0.9	1.2	2.2	-0.3	-	Enel
102-41	**RELATIONS WITH UNIONS**							
	Union membership in the electricity sector	(%)	**37.9**	**39.7**	**47.4**	-1.8	-	Enel
	Employees covered by collective agreements by geographic area							
	Total Enel	(no.)	**62,252**	**63,410**	**57,828**	-1,159	-1.8	Enel
		(%)	91.2	91.5	91.9	-0.3	-	Enel
	Italy	(no.)	**29,741**	**30,296**	**31,114**	-555	-1.8	Italy
		(%)	100.0	100.0	100.0	-	-	Italy
	Iberia	(no.)	**9,161**	**9,036**	**8,995**	125	1.4	Iberia
		(%)	90.5	90.8	91.0	-0.3	-	Iberia
	Europe and Euro-Mediterranean Affairs	(no.)	**5,308**	**5,237**	**5,413**	71	1.4	Europe and Euro-Mediterranean Affairs
		(%)	89.6	92.2	94.6	-2.6	-	Europe and Euro-Mediterranean Affairs
	Latin America [10]	(no.)	**17,980**	**18,817**	**12,035**	-837	-4.4	Latin America
		(%)	88.8	89.3	86.7	-0.4	-	Latin America
	North America [10]	(no.)	**24**	**24**	**215**	-	-	North America

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
		(%)	1.5	1.2	10.5	0.3	-	North America
	Africa, Asia and Oceania	(no.)	**38**	**-**	**55**	38	-	Africa, Asia and Oceania
		(%)	6.6	-	28.2	6.6	-	Africa, Asia and Oceania
	Other	(no.)	**-**	**-**	**1**	-	-	Other
		(%)	-	-	3.3	-	-	Other
	Dispute with employees							
	Total proceedings [17]	(no.)	**10,566**	**13,350**	**3,496**	-2,784	-20.9	Enel
	Incidence of proceedings as defendant	(%)	**86.2**	**98.7**	**80.7**	-12.5	-	Enel

(1) The companies Tradewind Energy in the United States, YouSave SpA and PayTipper in Italy, were acquired in 2019.
(2) Includes Branch Enel Produzione (Russia, Slovakia), Enelpower (Saudi Arabia), Branch Enel Trading (Algeria), Enel New Hydro and Dutch financial companies.
(3) Includes International Endesa BV (IEBV).
(4) The following countries are considered within this scope: Romania, Russia, Bulgaria, Greece, Egypt, France, Germany, Turkey, Saudi Arabia, Slovakia, United Kingdom, Ireland, Norway, Poland and the Croatia Branch.
(5) Of employees in North America, 1,050 EnerNOC employees were considered, 52% of whom are in North America and 48% in other countries (Latin America, Europe, Asia and Oceania).
(6) Following the corporate restructuring, since 2018 Morocco has been considered within the scope of Africa, Asia and Oceania.
(7) The following countries are considered within the scope: India, Kenya, South Africa, Zambia, Indonesia, Australia, Morocco, Singapore, Japan, Taiwan, New Zealand and Korea.
(8) The Branches listed under "Other" in 2017 have been redistributed as defined above.
(9) The data also includes 14 de obra (temporary) work contracts for 2019 and 2018, as well as 4 trainee contracts for Latin America in 2017.
(10) Following reorganisation, 2017 data has not been restated due to the passing of Costa Rica, Panama and Guatemala from the North America to the Latin America scope.
(11) Hiring rate = Total new recruits/Total workforce.
(12) Turnover rate = Total terminations/Total workforce.
(13) Forecast data, since the closure of the assessment process has been postponed to May 2, 2020 due to the Covid-19 crisis. The lower amount compared to 2018 is due to the staff of the R-GRES plant (whose sale is nearing completion) being removed from the assessment process.
(14) Includes training relating to privacy, anti-bribery, community relations and diversity.
(15) Level of female staff = Female Managers + Middle Managers/Total Managers + Middle Managers.
(16) The incidence is calculated on the total number of employees rather than the total of the category in question.
(17) The 2019 figure only includes the procedures relating to Enel and retired staff, and not the procedures relating to third parties.

Communities and shared value

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
203-1	**INITIATIVES IN FAVOR OF THE COMMUNITY**							
	Contributions to communities - LBG method							
	Charitable donations [1]	(mil euros)	4.6	5.7	10.3	-1.2	-20.7	Enel
	Investments in communities	(mil euros)	80.2	85.0	52.0	-4.8	-5.6	Enel
	Commercial initiatives with a social impact	(mil euros)	37.4	23.8	28.3	13.6	57.4	Enel
	Socially sustainable business initiatives	(mil euros)	-	-	-	-	-	Enel
	Total (expense + investments)	(mil euros)	**122.2**	**114.5**	**90.6**	7.7	6.7	Enel
	Enel Cuore Onlus							
	Solidarity projects supported by Enel Cuore [2]	(no.)	**24**	**34**	**30**	-10.0	-29.4	Italy
	Sums provided to Enel Cuore Onlus by Enel Group companies	(mil euros)	**5.5**	**5.4**	**5.8**	0.1	1.9	Italy
	Subscription fees	(mil euros)	0.3	0.3	0.3	-	-	Italy
	Extraordinary contribution from associates [3]	(mil euros)	5.0	5.0	5.5	-	-	Italy
	Tied donations	(mil euros)	0.2	0.1	-	0.1	100.0	Italy
EU25	**SAFETY FOR COMMUNITIES**							
	Third-party injuries							
	Severe and fatal third-party injuries	(no.)	**247**	**90**	**80**	157.0	-	Enel
	- fatal	(no.)	120	59	40	61.0	-	Enel
	- severe	(no.)	127	31	40	96.0	-	Enel
	Third-party injuries by type							
	Electricity injuries	(%)	89.9	80.0	81.3	9.9	-	Enel
	Road accidents against Group infrastructure [4]	(%)	6.5	16.7	12.5	-10.2	-	Enel
	Accidents for other reasons (slipping. falling from height. crash-crush-cut)	(%)	3.6	3.3	6.3	0.3	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Causes of electricity accident							
	Construction activities near power lines	(%)	62.6	52.8	24.6	9.8	-	Enel
	Attempted theft [4]	(%)	15.8	29.2	27.7	-13.4	-	Enel
	Other [5]	(%)	21.6	18.1	47.7	3.5	-	Enel

(1) This data includes grants made to Enel Cuore over the years.
(2) The 2018 data has been updated.
(3) As happened for the previous years, the amount of 5 million euros for 2019 refers to the total amount allocated to Enel Cuore Onlus, by way of the "Extraordinary Contribution 2019", by some of the associated companies of the latter (e-distribuzione SpA, Enel Energia SpA, Enel Produzione SpA, Enel Italy Srl, Enel Green Power SpA). As of December 31, 2019, the amount actually paid by the same companies is 679,000 euros; the remaining 3,321,000 euros will be disbursed in 2020. The 2017 data has been reclassified.
(4) The 2017 data has been updated.
(5) Mainly due to accidental contact with metal wires, agricultural work and plant cutting activities, among other things.

Innovation and digitalization

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
DMA EU	**RESEARCH AND INNOVATION**							
	Technological innovation [1]	(mil euros)	84	135	94	-50	-37.4	Enel
	Research personnel [2]	(no.)	472	462	409	10	2.2	Enel
	PROMOTION OF ENERGY EFFICIENCY							
	End users (final)	(no.)	73,258,840	72,945,664	65,482,627	313,175	0.4	Enel
	Active clients with smart meters [3]	(no.)	44,668,538	43,770.085	42,622,169	898,453	2.1	Enel
	Active clients with smart meters/End users (final)	(%)	61.0	60.0	65.1	1.0	-	Enel

(1) Around 40% of investment in Research and Innovation concerned the Global Power Generation Line, while 49% was for the Infrastructure and Networks Line.
(2) The 2017 figure has been reclassified.
(3) 2019 share for smart meter 2.0 amounting to 13.1 million.

Occupational health and safety

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	SAFETY [1]							
	Lost Time Injuries Frequency Rate. LTIFR [2] **Enel**	(i)	**0.18**	**0.19**	**0.24**	-0.01	-5.3	Enel
	Lost Time Injuries Frequency Rate. LTIFR [2] **Contractors**	(i)	**0.13**	**0.17**	**0.19**	-0.04	-23.5	Enel
	Enel People							
403-9	**Number of fatalities and frequency rate** [3]							
	Number of fatalities	(no.)	**1**	**1**	**2**	-	-	Enel
	Fatalities by geographical area							
	Italy	(no.)	-	-	-	-	-	Italy
	Iberia [4]	(no.)	1	-	1	1	-	Iberia
	Latin America	(no.)	-	1	1	-1	-100.0	Latin America
	North America	(no.)	-	-	-	-	-	North America
	Europe and Euro-Mediterranean Affairs	(no.)	-	-	-	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Fatalities frequency rate	(i)	**0.008**	**0.009**	**0.018**	-0.001	-11.2	Enel
	Fatalities frequency rate by geographical area							
	Italy	(i)	-	-	-	-	-	Italy
	Iberia [4]	(i)	0.059	-	0.060	0.059	-	Iberia
	Latin America	(i)	-	0.034	0.037	-0.034	-100.0	Latin America
	North America	(i)	-	-	-	-	-	North America
	Europe and Euro-Mediterranean Affairs	(i)	-	-	-	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Number of "high-consequence" injuries [5] (excluding fatalities) and frequency rate [6]							
	Number of "high-consequence" injuries	(no.)	**3**	**5**	**1**	-2	-40.0	Enel
	Number of "high-consequence" injuries by geographical area							
	Italy	(no.)	2	3	1	-1	-33.3	Italy
	Iberia [4]	(no.)	-	-	-	-	-	Iberia
	Latin America	(no.)	-	2	-	-2	-100.0	Latin America
	North America	(no.)	-	-	-	-	-	North America
	Europe and Euro-Mediterranean Affairs	(no.)	1	-	-	1	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	"High-consequence" injuries frequency rate	(i)	**0.023**	**0.044**	**0.009**	-0.020	-46.7	Enel
	"High-consequence" injuries frequency rate by geographical area							
	Italy	(i)	0.037	0.055	0.018	-0.018	-32.0	Italy
	Iberia [4]	(i)	-	-	-	-	-	Iberia
	Latin America	(i)	-	0.069	-	-0.069	-100.0	Latin America
	North America	(i)	-	-	-	-	-	North America
	Europe and Euro-Mediterranean Affairs	(i)	0.094	-	-	0.094	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Total number of injuries [7] and frequency rate [8]							
	Number of injuries	(no.)	**116**	**108**	**133**	8	7.4	Enel
	Injuries by geographical area							
	Italy	(no.)	59	60	68	-1	-1.7	Italy
	Iberia [4]	(no.)	6	6	5	-	-	Iberia
	Latin America	(no.)	46	41	57	5	12.2	Latin America
	North America	(no.)	-	-	1	-	-	North America
	Europe and Euro-Mediterranean Affairs	(no.)	5	1	2	4	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Injury frequency rate	(i)	**0.899**	**0.943**	**1.199**	-0.044	-4.7	Enel
	Frequency rate by geographical area							
	Italy	(i)	1.106	1.104	1.237	0.002	0.1	Italy
	Iberia [4]	(i)	0.352	0.366	0.300	-0.014	-3.7	Iberia
	Latin America	(i)	1.049	1.408	2.108	-0.359	-25.5	Latin America
	North America	(i)	-	-	0.673	-	-	North America
	Europe and Euro-Mediterranean Affairs	(i)	0.472	0.097	0.193	0.375	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Worked hours	(no.)	**129,068,627**	**114,552,443**	**110,927,204**	14,516,184	12.7	Enel
403-9	**Contractors**							
	Number of fatalities and frequency rate [2]							
	Number of fatalities [9]	(no.)	**6**	**7**	**11**	-1	-14.3	Enel
	Fatalities by geographical area							
	Italy	(no.)	1	2	3	-1	-50.0	Italy
	Iberia [4]	(no.)	-	-	-	-	-	Iberia
	Latin America	(no.)	4	5	7	-1	-20.0	Latin America
	North America	(no.)	-	-	-	-	-	North America
	Europe and Euro-Mediterranean Affairs	(no.)	1	-	1	1	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Fatalities frequency rate	(i)	**0.022**	**0.030**	**0.051**	-0.008	-25.3	Enel
	Fatalities frequency rate by geographical area							
	Italy	(i)	0.024	0.049	0.078	-0.025	-51.0	Italy
	Iberia [4]	(i)	-	-	-	-	-	Iberia
	Latin America	(i)	0.026	0.038	0.058	-0.012	-32.4	Latin America
	North America	(i)	-	-	-	-	-	North America
	Europe and Euro-Mediterranean Affairs	(i)	0.061	-	0.073	0.061	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Number of "high-consequence" injuries [5] (excluding fatalities) and frequency rate [6]							
	Number of "high-consequence" injuries	(no.)	**16**	**13**	**12**	3	23.1	Enel
	Number of "high-consequence" injuries by geographical area							
	Italy	(no.)	5	2	7	3	-	Italy
	Iberia [4]	(no.)	2	4	2	-2	-50.0	Iberia
	Latin America	(no.)	6	7	2	-1	-14.3	Latin America
	North America	(no.)	3	-	-	3	-	North America
	Europe and Euro-Mediterranean Affairs	(no.)	-	-	1	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	"High-consequence" injuries frequency rate	(i)	**0.059**	**0.055**	**0.056**	0.004	7.2	Enel
	"High-consequence" injuries frequency rate by geographical area							
	Italy	(i)	0.120	0.049	0.183	0.071	-	Italy
	Iberia [4]	(i)	0.048	0.101	0.058	-0.053	-52.2	Iberia
	Latin America	(i)	0.038	0.053	0.016	-0.015	-27.6	Latin America
	North America	(i)	0.314	-	-	0.314	-	North America
	Europe and Euro-Mediterranean Affairs	(i)	-	-	0.073	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Total number of injuries [7] and frequency rate [8]							
	Number of injuries	(no.)	**176**	**205**	**209**	-29	-14.1	Enel
	Injuries by geographical area							
	Italy	(no.)	42	56	60	-14	-25.0	Italy
	Iberia [4]	(no.)	32	34	34	-2	-5.9	Iberia
	Latin America	(no.)	90	111	100	-21	-18.9	Latin America
	North America	(no.)	7	1	10	6	-	North America
	Europe and Euro-Mediterranean Affairs	(no.)	5	3	5	2	66.7	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Injury frequency rate	(i)	**0.653**	**0.873**	**0.969**	-0.220	-25.2	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Frequency rate by geographical area							
	Italy	(i)	1.008	1.367	1.570	-0.359	-26.3	Italy
	Iberia [4]	(i)	0.772	0.859	0.990	-0.087	-10.1	Iberia
	Latin America	(i)	0.574	0.838	0.823	-0.264	-31.5	Latin America
	North America	(i)	0.733	0.276	1.410	0.457	-	North America
	Europe and Euro-Mediterranean Affairs	(i)	0.304	0.175	0.365	0.129	73.7	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Hours worked	(no.)	**269,484,178**	**234,755,218**	**215,608,456**	34,728,960	14.8	Enel
	CONTRACTORS							
EU 18	**Health and safety training**							
	Contractors and subcontractors employees that have undergone health and safety training and information	(%)	**100**	**100**	**100**	-	-	Enel
	Construction activities	(%)	100	100	100	-	-	Enel
	Operation and maintenance activities	(%)	100	100	100	-	-	Enel
	- of which operation activities	(%)	100	100	100	-	-	Enel
	- of which maintenance activities	(%)	100	100	100	-	-	Enel

(1) The 2018 rates and data in this chapter do not include the companies acquired during 2018 (Eletropaulo, YouSave, Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución). Given their only recent acquisition, these companies will be consolidated as of financial year 2019, in order to align the systems and respective reporting procedures.
(2) The Lost Time Injuries Frequency Rate (LTIFR) is calculated by proportioning the number of injuries with hours worked*200,000.
(3) This rate is calculated by proportioning the number of fatalities with hours worked/1,000,000.
(4) In 2019 and 2018, Iberia includes Spain and Portugal. In 2017, it includes Spain, Portugal and Morocco.
(5) Sum of:
- injuries that resulted in more than 6 months' absence from work as at December 31, 2019;
- injuries that are still open and considered severe (initial prognosis > 30 days) as at December 31, 2019;
- injuries categorised as "Life Changing Accidents" (LCAs), regardless of the resulting days of absence from work.

(6) This rate is calculated by proportioning the number of "High Consequence" injuries with hours worked/1,000,000.
(7) Includes all injuries (including those with 3 days of absence or fewer).
(8) This rate is calculated by proportioning the number of injuries with hours worked/1,000,000.
(9) Considering all areas where the Group operates and the activities managed, including companies consolidated using the equity method and companies for which the BSO (Build, Sell and Operate) mechanism has been applied, the total value of fatalities in 2018 is 8.

Sustainable supply chain

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	NATURE OF SUPPLIERS							
	Number of suppliers with which a new contract was signed in the year	(no.)	**29,370**	**31,434**	**31,329**	-2,064	-6.6	Enel
102-8	**Workforce of contracting and subcontracting companies** [1]	(no.)	**153,116**	**133,384**	**122,505**	19,732	14.8	Enel
	Training hours and information of employees of the contractors [2]	(no.)	**860,732**	**885,938**	**822,173**	-25,206	-2.8	Enel
	Days worked by employees of contractors and subcontractors	(,000 d)	**33,686**	**29,344**	**26,951**	4,341	14.8	Enel
	Construction activity	(,000 d)	10,052	7,435	8,368	2,617	35.2	Enel
	Operating and maintenance activity	(,000 d)	23,633	21,909	18,583	1,724	7.9	Enel
	- of which operating activity	(,000 d)	7,090	6,573	5,575	517	7.9	Enel
	- of which maintenance activity	(,000 d)	16,543	15,337	13,008	1,207	7.9	Enel
	Concentration of material and service suppliers (top 15)	(%)	**41.3**	**41.3**	**47.6**	-	-	Enel
204-1	**Local suppliers of materials and services** [3]							
	Local suppliers with contracts > 1 mil euros	(no.)	1,167	1,403	1,143	-236	-16.8	Enel
	Foreign suppliers with contracts > 1 mil euros	(no.)	157	197	158	-40	-20.3	Enel
	Spending on local suppliers with contracts > 1 mil euros	(mil euros)	9,169	11,173	8,288	-2,004	-17.9	Enel
	Spending on foreign suppliers with contracts > 1 mil euros	(mil euros)	1,131	1,912	707	-781	-40.8	Enel
	Concentration of spending on local suppliers	(%)	88.0	85.4	92.1	2.6	-	Enel
	Concentration of spending on foreign suppliers	(%)	12.0	14.6	7.9	-2.6	-	Enel
	Purchases and fuel							
	Purchases of materials and services	(mil euros)	**14,375**	**15,073**	**10,683**	-698	-4.6	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Supplies	(mil euros)	5,245	5,726	2,829	-481	-8.4	Enel
	Works	(mil euros)	3,702	3,656	3,713	46	1.3	Enel
	Services	(mil euros)	5,428	5,691	4,141	-263	-4.6	Enel
	Fuel purchases [4]	(mil euros)	**3,898**	**4,629**	**4,652**	-731	-15.8	Enel
	Gas	(mil euros)	1,952	2,024	1,611	-73	-3.6	Enel
	Oil	(mil euros)	970	906	834	64	7.0	Enel
	Coal/Lignite/Biomass	(mil euros)	976	1,698	2,207	-722	-42.5	Enel
	Management instruments							
	Active qualified companies	(no.)	**8,198**	**6,300**	**6,755**	1,898	30.1	Enel
	Online tenders as percentage of all tenders	(%)	**77.8**	**62.9**	**61.1**	14.9	-	Enel
	Online purchases as percentage of all purchases	(%)	**69.5**	**71.1**	**57.0**	-1.6	-	Enel
	Use of prescription	(%)	**18.1**	**15.4**	**21.3**	2.7	-	Enel
103-2	**Disputes involving suppliers**							
	Total proceedings	(no.)	**467**	**465**	**469**	2	0.4	Enel
	Incidence of proceedings as defendant	(%)	**80.7**	**77.8**	**85.1**	2.9	-	Enel

(1) Calculated in FTE (Full Time Equivalent).
(2) The figure also includes health and safety training and information courses provided by Enel staff to access the Group's construction and/or operating sites.
(3) "Local suppliers" are defined as suppliers with their registered office in the country where the supply contract was issued.
(4) The 2018 figures have been recalculated.

Sound governance

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
102-5	**SHAREHOLDERS**							
	Composition of shareholdings							
	Investors [1]							
	Ministry of Economy and Finance	(%)	23.6	23.6	23.6	-	-	Enel SpA
	Institutional investors	(%)	60.3	57.6	57.5	2.7	-	Enel SpA
	Retail shareholders	(%)	16.1	18.8	18.9	-2.7	-	Enel SpA
	Location of institutional investors							
	Italy	(%)	5.8	6.8	7.4	-1.0	-	Enel SpA
	UK	(%)	13.7	16.0	18.3	-2.3	-	Enel SpA
	Rest of Europe	(%)	26.2	28.9	27.3	-2.7	-	Enel SpA
	North America	(%)	46.7	40.9	38.9	5.8	-	Enel SpA
	Rest of the world	(%)	7.6	7.4	8.1	0.2	-	Enel SpA
	Concentration index (top 50)	(%)	**39.4**	**37.6**	**37.0**	1.8	-	Enel SpA
	Investment style of institutional investors							
	Long Only	(%)	73.0	83.4	71.4	-10.4	-	Enel SpA
	Index	(%)	12.9	9.3	13.1	3.6	-	Enel SpA
	Hedge	(%)	0.8	6.9	0.8	-6.1	-	Enel SpA
	Other	(%)	13.3	0.4	14.7	12.9	-	Enel SpA
	Socially Responsible Investors (SRI)							
	Presence of SRI	(no.)	**182**	**169**	**160**	13	7.7	Enel SpA
	Enel shares held by SRI	(mil)	**1,095**	**1,064**	**878**	31	2.9	Enel SpA
	Weight of SRI in institutional shareholdings [2]	(%)	**20.1**	**20.6**	**16.9**	-0.5	-	Enel SpA
	Location of SRI investors [3]							
	Italy	(%)	5.3	1.4	1.4	3.9	-	Enel SpA
	UK	(%)	11.4	13.2	13.2	-1.8	-	Enel SpA
	Rest of Europe	(%)	42.3	51.0	51.0	-8.7	-	Enel SpA
	North America	(%)	36.7	32.8	32.8	3.9	-	Enel SpA
	Rest of the world	(%)	4.3	1.6	1.6	2.7	-	Enel SpA

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Share price performance							
	Financial performance of the share [4]							
	Enel	(%)	40.2	-1.7	22.5	41.9	-	Enel SpA
	FTSEMib	(%)	28.3	-16.1	13.6	44.4	-	Enel SpA
	Endesa	(%)	21.1	11.6	-11.3	9.5	-	Endesa
	Enel Américas (formerly Enersis)	(%)	36.3	-10.6	27.2	46.9	-	Enel Américas
	Enel Chile	(%)	5.3	-8.0	19.5	13.3	-	Enel Chile
	Enel Russia	(%)	-9.1	-30.0	46.7	20.9	-	Enel Russia
	Ibex 35	(%)	12.6	-15.4	7.5	28.0	-	Enel SpA
	MICEX	(%)	29.3	11.8	-5.5	17.5	-	Enel SpA
	IPSA	(%)	-8.5	-8.3	34.0	-0.2	-	Enel SpA
	Dividend Yield [5]							
	Enel	(%)	4.6	5.6	4.5	-1.0	-	Enel SpA
	A2A	(%)	4.6	3.7	2.9	0.9	-	Enel SpA
	Centrica	(%)	13.4	8.9	9.6	4.5	-	Enel SpA
	Iberdrola	(%)	3.8	4.7	4.6	-0.9	-	Enel SpA
	RWE	(%)	2.6	3.7	0.9	-1.1	-	Enel SpA
	E.ON	(%)	5.2	5.0	2.4	0.2	-	Enel SpA
	Engie (formerly GDF-Suez)	(%)	5.6	6.0	7.0	-0.4	-	Enel SpA
	EdF	(%)	4.8	2.2	7.5	2.6	-	Enel SpA
	EdP	(%)	4.9	6.2	6.6	-1.3	-	Enel SpA
	Enel on the main stock markets worldwide							
	FTSE Italy All Share	(%)	13.2	12.1	10.0	1.1	-	Enel SpA
	BEELECT	(%)	14.8	13.7	13.5	1.1	-	Enel SpA
	Enel in the FTSE4GOOD sustainability index	(i)	**Yes**	**Yes**	**Yes**	-	-	Enel SpA
	Presence of Enel in the DJSI	(i)	**Yes**	**Yes**	**Yes**	-	-	Enel SpA
	Return for the shareholder							
	EPS (Earnings Per Share)	(cent euro)	**47**	**40**	**36**	7	17.5	Enel SpA
	TSR (Total Shareholder Return) from IPO (accumulated)	(%)	**212.7**	**112.4**	**106.1**	100.3	-	Enel SpA
	TSR from IPO (annualized)	(%)	**5.8**	**4.0**	**4.1**	1.8	-	Enel SpA
	TSR last 2 years (accumulated)	(%)	51.7	31.4	42.8	20.3	-	Enel SpA
	TSR last 2 years (annualized)	(%)	23.2	14.7	19.5	8.5	-	Enel SpA

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Communication to shareholders							
102-43	**Information requests from retail shareholders** [6]	(no.)	**41**	**75**	**85**	-34	-45.3	Enel SpA
	LENDERS							
	Debt							
	Total debt	(mil euros)	**45,175**	**41,089**	**37,410**	4,086	9.9	Enel
	Debt to Equity	(i)	**1.0**	**0.9**	**0.7**	0.1	6.7	Enel
	Rating							
	S&P	(i)	**BBB+**	**BBB+**	**BBB+**	-	-	Enel
	Outlook	(i)	Stable Outlook	Stable Outlook	Stable Outlook	-	-	Enel
	Moody's	(i)	**Baa2**	**Baa2**	**Baa2**	-	-	Enel
	Outlook	(i)	Positive	Stable Outlook	Stable Outlook	-	-	Enel
	Fitch	(i)	**A-**	**A-**	**BBB+**	-	-	Enel
	Outlook	(i)	Stable Outlook	Stable Outlook	Stable Outlook	-	-	Enel
405-1	**CORPORATE GOVERNANCE**							
	Board of Directors (BoD)							
	Members of BoD by type	(i)	**9**	**9**	**9**	-	-	Enel SpA
	Executive members	(no.)	1	1	1	-	-	Enel SpA
	Non-executive members	(no.)	8	8	8	-	-	Enel SpA
	- of whom independent [7]	(no.)	7	7	7	-	-	Enel SpA
	Directors nominated by minority shareholders	(no.)	**3**	**3**	**3**	-	-	Enel SpA
	Women on BoD of the Group							
	Women on the BoD of Enel SpA	(no.)	3	3	3	-	-	Enel SpA
	Women on the BoD of Group companies	(no.)	181	215	200	-34	-15.8	Enel
	Members of the BoD by age group							
	Under 30 years old	(%)	-	-	-	-	-	Enel SpA
	30 - 50 years old	(%)	-	11	11	-11	-	Enel SpA
	Over 50 years old	(%)	100	89	89	11	-	Enel SpA
	BoD meetings	(no.)	**14**	**18**	**15**	-4	-22.2	Enel SpA
	ETHICAL AUDITING							
103-2	**Implementation of the Code of Ethics**							
	Reports received by type of stakeholder	(no.)	**166**	**144**	**123**	22	15.3	Enel
	Internal stakeholders	(no.)	30	25	21	5	20.0	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	External stakeholders	(no.)	23	40	34	-17	-42.5	Enel
	Anonymous	(no.)	113	79	68	34	43.0	Enel
	Reports received for harmed or potentially harmed stakeholder	(no.)	**166**	**144**	**123**	22	15.3	Enel
	Shareholder	(no.)	66	67	51	-1	-1.5	Enel
	Customer	(no.)	7	12	27	-5	-41.7	Enel
	Employee	(no.)	69	45	26	24	53.3	Enel
	General public	(no.)	9	3	3	6	-	Enel
	Suppliers	(no.)	15	17	16	-2	-11.8	Enel
	Reports received by status	(no.)	**166**	**144**	**123**	22	15.3	Enel
	Reports being assessed	(no.)	7	7	-	-	-	Enel
	Reports for which a violation has not been confirmed	(no.)	123	107	92	16	15.0	Enel
	Reports for which a violation has been confirmed	(no.)	36	30	31	6	20.0	Enel
	Reports related to	(no.)	**166**	**144**	**123**	22	15.3	Enel
	Conflict of interests/ Bribery/Corruption	(no.)	35	33	27	2	6.1	Enel
	Misappropriation	(no.)	34	42	53	-8	-19.0	Enel
	Work practices	(no.)	74	38	22	36	94.7	Enel
	Community and society	(no.)	3	-	1	3	-	Enel
	Other reasons	(no.)	20	31	20	-11	-35.5	Enel
	Violations confirmed by type of harmed stakeholder [8]	(no.)	**36**	**31**	**31**	5	16.1	Enel
	Shareholder	(no.)	18	19	12	-1	-5.3	Enel
	Customer	(no.)	1	-	6	1	-	Enel
	Employee	(no.)	10	8	8	2	25.0	Enel
	General public	(no.)	2	-	2	2	-	Enel
	Suppliers	(no.)	5	4	3	1	25.0	Enel
103-2. 406-1	**Violations related to incidents of** [8]	(no.)	**36**	**31**	**31**	5	16.1	Enel
205-3	Conflict of interests/ Bribery/Corruption [9]	(no.)	8	10	7	-2	-20.0	Enel
	Misappropriation	(no.)	11	7	15	4	57.1	Enel
	Work practices	(no.)	11	8	6	3	37.5	Enel
	Community and society	(no.)	-	-	1	-	-	Enel
	Other reasons	(no.)	6	6	2	-	-	Enel
	Violations regarding incidents of conflict of interest/corruption, by country	(no.)	**8**	**10**	**7**	-2	-20.0	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Argentina	(no.)	-	1	-	-1	-100.0	Argentina
	Brazil	(no.)	2	1	1	1	100.0	Brazil
	Chile	(no.)	2	4	1	-2	-50.0	Chile
	Colombia	(no.)	1	1	2	-	-	Colombia
	Italy	(no.)	-	1	2	-1	-100.0	Italy
	Peru	(no.)	1	-	-	1	-	Peru
	Romania	(no.)	1	-	-	1	-	Romania
	Russia	(no.)	-	2	-	-2	-100.0	Russia
	Spain	(no.)	1	-	1	1	-	Spain
	Actions taken in response to incidents of conflict of interest/ corruption	(no.)	**11**	**13**	**9**	-2	-15.4	Enel
	- of which: actions taken against employees in response to cases of conflict of interest/ corruption		7	7	6	-	-	Enel
	- of which: actions taken against contractors in response to cases of conflict of interest/ corruption		4	6	3	-2	-33.3	Enel
	Significant investment agreements that include human rights clauses	(no.)	**4**	**9**	**6**	-5	-55.6	Enel
	Percentage of significant investment agreements that include human rights clauses	(%)	**100**	**100**	**100**	-	-	Enel
	INSTITUTIONAL RELATIONS							
201-4	**Grants** [10]							
	Grants supplied in the period by geographic area	(mil euros)	**10.4**	**83.2**	**66.7**	-72.8	-87.5	Enel
	Italy	(mil euros)	8.6	81.8	64.6	-73.2	-89.5	Italy
	Spain	(mil euros)	1.7	0.9	0.6	0.8	88.9	Spain
	Brazil	(mil euros)	-	-	-	-	-	Brazil
	Colombia	(mil euros)	0.1	0.5	1.5	-0.4	-80.0	Colombia
	Chile	(mil euros)	-	-	-	-	-	Chile
	Grants received by destination							
	Energy networks	(%)	35.7	88.8	90.9	-53.1	-	Enel
	R&D	(%)	59.3	1.3	4.3	58.0	-	Enel
	Renewable	(%)	1.8	2.4	3.8	-0.6	-	Enel

GRI/ EUSS	KPI	UM	December 2019	December 2018	December 2017	2019-2018	%	Scope
	Training	(%)	-	-	-	-	-	Enel
	Other	(%)	3.2	7.6	1.0	-4.4	-	Enel
	Number of projects which received grants	(no.)	38	88	42	-50	-56.8	Enel
	Loans granted by the EIB and others							
	Remaining debt on loans from EIB and others by geographic area	(mil euros)	**6,561**	**6,279**	**4,983**	282	4.5	Enel
	- Italy	(mil euros)	3,763	3,760	3,608	3	0.1	Italy
	- Abroad (Latin America, Spain, Slovakia, Russia, Romania)	(mil euros)	2,798	2,519	1,375	279	11.1	Enel
	Remaining debt on loans from EIB and others by destination							
	Energy networks	(%)	37.5	66.9	66.7	-29.4	-	Enel
	R&D	(%)	51.8	0.1	0.1	51.7	-	Enel
	Renewable	(%)	5.6	29.7	24.7	-24.1	-	Enel
	Training	(%)	-	-	-	-	-	Enel
	Other	(%)	5.1	3.2	8.5	1.9	-	Enel
	Number of projects in progress approved with loans from EIB and others	(no.)	128	171	123	-43	-25.1	Enel
	Taxes	(mil euros)	**2,069**	**3,168**	**3,273**	-1,099	-34.7	Enel
	IRES, IRAP and other taxes	(mil euros)	665	1,076	1,264	-411	-38.2	Enel
	Taxes abroad	(mil euros)	171	775	618	-604	-77.9	Enel
	Other taxes and duties	(mil euros)	1,062	1,150	1,222	-88	-7.7	Enel
	Fees net of contributions received	(mil euros)	171	167	169	4	2.4	Enel
	Policy Influence							
	Lobbying, interest representation or similar	(euros)	-	-	-	-	-	Enel
	Local, regional or national political campaigns. organizations/candidates	(euros)	-	-	-	-	-	Enel
	Contributions made to trade or employers' associations	(euros)	7,882,037	8,287,592	8,991,413	-405,555	-4.9	Enel
	Other (for example, spending related to ballot measures or referendums)	(euros)	-	-	-	-	-	Enel
	Total contributions and other spending [11]	(euros)	**7,882,037**	**8,287,592**	**8,991,413**	-405,555	-4.9	Enel

(1) The institutional investor is an entity who, under a specific mandate or on their own account, undertakes equity and/or property investment on a continuous and professional basis. The category includes: mutual funds, pension funds, hedge funds, investment and merchant banks, insurance companies.
(2) Calculated comparing the number of shares held by identified Socially Responsible Investors (SRIs) with the number of shares held by identified institutional investors.
(3) SRIs are investors who state that they include environmental, social and governance (ESG) factors in their traditional financial analyses in order to guide their investment decisions (inclusion of at least one ESG criterion and adhesion to the main international principles approved by organisations such as UNPRI, UKSIF, EUROSIF are among the key factors in order to classify an investor as an SRI).
(4) Calculated as the difference between the valuation on the last open market day of the year and the valuation of the previous year.
(5) Source: Bloomberg and Company filings.
(6) Only requests received have been considered, not the responses provided.
(7) The number of independent directors pursuant to the Consolidated Law on Finance (TUF) is 8 (including the Chairperson). The number of independent directors pursuant to the Corporate Governance Code is 7 because the Code does not allow the Chairperson to be considered independent since he/she is a "senior representative" of the company.
(8) In 2019, the analysis of reports received in 2018 was completed, and, for this reason, the number of confirmed violations for 2018 was restated from 30 to 31. The additional violation is attributable to reasons of a supplier's compliance with the law on overtime.
(9) Corruption consists of the abuse of power with the goal of private gain and can be instigated by individuals in the public or private sector. It is interpreted here as including corrupt practices such as bribery, fraud, extortion, collusion, conflicts of interest and money laundering.
(10) Non-repayable loans do not have a linear or foreseeable trend; while a significant grant was given in 2018, this did not occur in 2019 as only minor projects were set out.
(11) With regard to 2016 data, the total contributions to trade and employer associations is 8,287,592 euros.

GRI Content Index

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	**ORGANIZATIONAL PROFILE**				
	102-1 Name of the organization	236			
	102-2 Activities, brands, products and services	8-9			
	102-3 Location and headquarters	236			
	102-4 Location of operations	8-9			
	102-5 Ownership and legal form	8-9; 196; 236; Performance indicators, sec. Sound governance			
	102-6 Markets served	8-9; Performance indicators, sec. Infrastructures, ecosystems and platforms			
	102-7 Scale of the organization	8-9; 26; 78; 168-169; Performance indicators, sec. At a Glance, Our people and their value			
	102-8 Information on employees and other workers	Performance indicators, sec. At a Glance, Our people and their value			
	102-9 Supply chain	156-157; 164			
	102-10 Significant changes to the organization and its supply chain	156; 244			
	102-11 Precautionary Principle or approach	14; 202			
	102-12 External initiatives	43-44; 212-213; 222			
	102-13 Membership of associations	43-44; 212-213			
	STRATEGY				
	102-14 Statement from senior decision-maker	5			
	102-15 Key impacts, risks, and opportunities	8-10; 14-18; 20-21; 24-25; 34-39; 45-47; 53-55; 74-77; 90-93; 106-107; 124-127; 142- 145; 152-155; 166-167; 172; 190-193; 197-199; 202-208; 222-223			
	ETHICS AND INTEGRITY				
	102-16 Values, principles, standards, and norms of behavior	85-86; 224-225			
	102-17 Mechanisms for advice and concerns about ethics	83-84; 224-225			
	GOVERNANCE				
	102-18 Governance structure	12-13; 48-50; 196-199			
	102-19 Delegating authority	12-13; 48-50; 196-199			
	102-20 Executive-level responsibility for economic, environmental, and social topics	12-13; 48-50; 196-199			
	102-21 Consulting stakeholders on economic, environmental, and social topics	194-199			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
	102-22 Composition of the highest governance body and its committees	196-199; Performance indicators, sec. Sound governance			
	102-23 Chair of the highest governance body	196-199			
	102-24 Nominating and selecting the highest governance body	196-199			
	102-25 Conflicts of interest	200-201; 222-224			
	102-26 Role of highest governance body in setting purpose, values, and strategy	12-13; 48-50; 194; 196-199			
	102-27 Collective knowledge of highest governance body	194; 197-199			
	102-28 Evaluating the highest governance body's performance	197-206			
	102-29 Identifying and managing economic, environmental, and social impacts	12-15; 48-50; 200-206			
	102-30 Effectiveness of risk management processes	14-15; 48-50; 200-206			
	102-32 Highest governance body's role in sustainability reporting	12-13; 196-199			
	102-33 Communicating critical concerns	197-199; 222-224			
	102-35 Remuneration policies	48-49; 199-200			
	102-36 Process for determining remuneration	48-49; 199-200			
	STAKEHOLDER ENGAGEMENT				
	102-40 List of stakeholder groups	16-19; 239-241			
GRI 102: General Disclosure 2016	102-41 Collective bargaining agreements	Performance indicators, sec. Our people and their value			
	102-42 Identifying and selecting stakeholders	27; 108-111; 115-120; 239-241			
	102-43 Approach to stakeholder engagement	19; 27; 83-85; 99; 108-111; 115-120; 194; 240; Performance indicators, sec. Infrastructures, ecosystems and platforms, sec. Sound governance			
	102-44 Key topics and concerns raised	16-19; 27; 83-85; 108-111; 115-120; Performance indicators, sec. Infrastructures, ecosystems and platforms			
	REPORTING PRACTICES				
	102-45 Entities included in the consolidated financial statements	234; 244-245			
	102-46 Defining report content and topic boundaries	236-244			
	102-47 List of material topics	16-19; 236-244			
	102-48 Restatements of information	236; 246-247			
	102-49 Changes in reporting	236; 246-247			
	102-50 Reporting period	236; 246-247			
	102-51 Date of most recent report	236			
	102-52 Reporting cycle	236			
	102-53 Contact point for questions regarding the report	236			
	102-54 Claims of reporting in accordance with the GRI Standards	237			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 102: General Disclosure 2016	102-55 GRI content index	236; Content Index			
	102-56 External assurance	245; 249-251			
Material Topics					
200 series (Economic topics)					
	ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	27; 29-32; 203-206			
	103-2 The management approach and its components	14-15; 24-25; 38-39; 46-47; 53-65; 200-208			
	103-3 Evaluation of the management approach	14-15; 24-25; 38-39; 46-47; 53-65; 200-208			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Performance indicators, sec. At a Glance			
	201-2 Financial implications and other risks and opportunities due to climate change	14-15; 24-25; 38-39; 46-47; 53-55; 200-208			
	201-4 Financial assistance received from government	Performance indicators, sec. Sound governance			
	PROCUREMENT PRACTICES				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	156-165			
	103-3 Evaluation of the management approach	156-165			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Performance indicators, sec. Sustainable supply chain			
	ANTI-CORRUPTION				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	200-208; 222-224			
	103-3 Evaluation of the management approach	200-208; 222-224			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	222-224			
	205-3 Confirmed incidents of corruption and actions taken	222-223; Performance indicators, sec. Sound governance Besides the information on reports concerning the Code of Ethics, no other events are indicated			
	ANTI-COMPETITIVE BEHAVIOR				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	222-224			
	103-3 Evaluation of the management approach	222-224			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	29 legal actions have been recorded in 2019 (19 in Italy, 5 in Iberia and 5 in Romania)			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
300 series (Environmental topics)					
	MATERIALS				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173			
	103-3 Evaluation of the management approach	170-173			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance indicators, sec. Environmental sustainability			
	301-2 Recycled input materials used	Performance indicators, sec. Environmental sustainability			
	ENERGY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173; 177-178			
	103-3 Evaluation of the management approach	170-173; 177-178			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70-71; 177-178; Performance indicators, sec. Environmental sustainability			
	302-3 Energy intensity	177-178			
	302-4 Reduction of energy consumption	177-178			
	WATER				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173; 178-180			
	103-3 Evaluation of the management approach	170-173; 178-180			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	178-180			
	303-2 Management of water discharge-related impacts	178-180			
	303-3 Water withdrawal	72-73; 178-180 Performance indicators, sec. Environmental sustainability			
	BIODIVERSITY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173; 184-187			
	103-3 Evaluation of the management approach	170-173; 184-187			
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	184-187			
	EMISSIONS				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	66-67; 170-175			
	103-3 Evaluation of the management approach	66-67; 175; Performance indicators, sec. Environmental sustainability			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66-67; Performance indicators, sec. Environmental sustainability			
	305-2 Energy indirect (Scope 2) GHG emissions	66-67; Performance indicators, sec. Environmental sustainability			
	305-3 Other indirect (Scope 3) GHG emissions	66-67; Performance indicators, sec. Environmental sustainability			
	305-4 GHG emissions intensity	8-9; 66-67; Performance indicators, sec. Environmental sustainability			
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	175-177; Performance indicators, sec. Environmental sustainability			
GRI 103: Management Approach 2016	**EFFLUENTS AND WASTE**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173; 181-183			
	103-3 Evaluation of the management approach	170-173; 181-183			
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	181-182; Performance indicators, sec. Environmental sustainability			
	ENVIRONMENTAL COMPLIANCE				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173; 191			
	103-3 Evaluation of the management approach	170-173; 191			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	191; Performance indicators, sec. Environmental sustainability			
	SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	170-173			
	103-3 Evaluation of the management approach	156-165; 170-173			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	161			
400 series (Social topics)					
GRI 103: Management Approach 2016	**EMPLOYMENT**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	94-96; 103-104			
	103-3 Evaluation of the management approach	94-96; 103-104			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	26; 94; Performance indicators, sec. Our people and their value			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
	LABOR/MANAGEMENT RELATIONS				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	104-105			
	103-3 Evaluation of the management approach	104-105			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	104-105			
	OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	144-151			
	103-3 Evaluation of the management approach	144-151			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	144-151			
	403-2 Hazard identification, risk assessment, and incident investigation	144-151			
	403-3 Occupational health services	144-151			
	403-4 Worker participation, consultation, and communication on occupational health and safety	144-151			
	403-5 Worker training on occupational health and safety	144-151			
	403-6 Promotion of worker health	144-151			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	144-151			
	403-9 Work-related injuries	144-146; Performance indicators, sec. Occupational health and safety			
	TRAINING AND EDUCATION				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	26; 97-98			
	103-3 Evaluation of the management approach	26; 97-98			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	26; 94; 97-98; Performance indicators, sec. Our people and their value			
	404-3 Percentage of employees receiving regular performance and career development reviews	26; 97-98; Performance indicators, sec. Our people and their value			
	DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	99-102; 199-201; 224			
	103-3 Evaluation of the management approach	99-102; 199-201; 224			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	8-9; 26; 94; 99-102; 199-201			
	405-2 Ratio of basic salary and remuneration of women to men	26; 94; 100-101; Performance indicators, sec. Our people and their value			
GRI 103: Management Approach 2016	**NON-DISCRIMINATION**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	225-228			
	103-3 Evaluation of the management approach	225-228			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	225; Performance indicators, sec. Sound governance			
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	156-163; 227-231			
	103-3 Evaluation of the management approach	156-163; 227-231			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	156-163; 227-231			
	CHILD LABOR				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	156-163; 227-231			
	103-3 Evaluation of the management approach	156-163; 227-231			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	156-163; 227-231			
GRI 103: Management Approach 2016	**FORCED OR COMPULSORY LABOR**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	156-163; 227-231			
	103-3 Evaluation of the management approach	156-163; 227-231			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	156-163; 227-231			
GRI 103: Management Approach 2016	**SECURITY PRACTICES**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	230			
	103-3 Evaluation of the management approach	230			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	230 All Enel people are involved in training about sustainability issues, of which human rights are a fundamental element. All suppliers sign specific clauses concerning human rights and commit to complying with the associated policy			
GRI 103: Management Approach 2016	**RIGHTS OF INDIGENOUS PEOPLES**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	27; 108; 227-231			
	103-3 Evaluation of the management approach	27; 108; 227-231			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No violations of the rights of indigenous peoples have been reported			
GRI 103: Management Approach 2016	**HUMAN RIGHTS ASSESSMENT**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	224; 227-231			
	103-3 Evaluation of the management approach	224; 227-231			
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	227-231			
	412-2 Employee training on human rights policies or procedures	231; Performance indicators, sec. Our people and their value			
GRI 103: Management Approach 2016	**LOCAL COMMUNITIES**				
	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	27; 108-111; 115-121; 224; 227-231			
	103-3 Evaluation of the management approach	27; 108-111; 115-121; 224; 227-231			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	110-111 100% of thermal power plants in O&M, 96% of renewable plants in O&M	Percentage of total Group operations	Information not available on all business areas	Mapping process in progress. Only the % relative to thermal power plants and renewable plants in O&M phase is currently available

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
	SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	156-163; 224			
	103-3 Evaluation of the management approach	156-163; 224			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	156-163; 224			
	PUBLIC POLICY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	224-227			
	103-3 Evaluation of the management approach	224-227			
GRI 415: Public Policy 2016	415-1 Political contributions	Enel does not have direct relations with political parties and does not provide financing of any kind, as explicitly established at point 2.2 of the Zero Tolerance of Corruption Plan and at point 3.26 of the Group's Code of Ethics. Some exceptions can be found in some countries following the local law and subject to analysis by the due bodies			
	CUSTOMER HEALTH & SAFETY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	144-145; 149			
	103-3 Evaluation of the management approach	144-145; 149			
GRI 416: Customer Health & Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	149 New products and services are assessed in terms of potential impact on health and safety throughout the value chain, in order to minimize that impact, as confirmed by point 2.2.1 of the Human Rights Policy			
	MARKETING AND LABELING				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	83; 85-86			
	103-3 Evaluation of the management approach	83; 85-86			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	All the Group sale companies comply with the transparency obligations envisaged by various national and supranational regulations regarding the source of the electricity sold. Energy bills must specify the mix of energy sources used and the source of the energy			
	417-3 Incidents of non-compliance concerning marketing communications	In 2019 there were no cases of non compliance with regulations or voluntary codes relating to the Enel Group marketing activities			
	CUSTOMER PRIVACY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	16-19; 236-239			
	103-2 The management approach and its components	232			
	103-3 Evaluation of the management approach	232			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	232			

General standard disclosures for the electric utility sector

General standard disclosures for the electric utility sector	Page number(s)/URL/Direct answer
EU1	8-9; 70-71; 168-169; Performance indicators, sec. At a Glance
EU2	8-9; 70-71; 168-169; Performance indicators, sec. At a Glance
EU3	8-9; 70; 78; Performance indicators, sec. Infrastructures, ecosystems and platforms, sec. Innovation and digitalization
EU4	8-9; 78;168-169; Performance indicators, sec. At a Glance, sec. Infrastructures, ecosystems and platforms, sec. Innovation and digitalization

Specific standard disclosures for the electric utility sector

Category: economic	
	MATERIAL ASPECT: DEMAND SIDE MANAGEMENT
DMA	79-81; 87-89
	MATERIAL ASPECT: RESEARCH AND DEVELOPMENT
DMA	128-131
	MATERIAL ASPECT: SYSTEM EFFICIENCY
EU11	70; Performance indicators, sec. Infrastructures, ecosystems and platforms
EU12	Performance indicators, sec. Infrastructures, ecosystems and platforms
Category: social	
	SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

General standard disclosures for the electric utility sector	Page number(s)/URL/Direct answer
	MATERIAL ASPECT: EMPLOYMENT
DMA	97-98
DMA	144-145
EU15	Performance indicators, sec. Our people and their value
EU18	8-9; Performance indicators, sec. Sustainable supply chain
	SUB-CATEGORY: SOCIETY
	MATERIAL ASPECT: LOCAL COMMUNITIES
DMA	115-121
EU22	115-121
	MATERIAL ASPECT: DISASTER/EMERGENCY PLANNING AND RESPONSE
DMA	150
	SUB-CATEGORY: PRODUCT RESPONSIBILITY
	MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY
EU25	149; Performance indicators, sec. Communities and value sharing
	MATERIAL ASPECT: ACCESS
DMA	84-85; 111-114
EU26	Italy: 0% Spain: 0% Argentina: 0% Brazil: 0% Chile: 0% Colombia: 0.21% Peru: 4.8%
EU28	Performance indicators, sec. Infrastructures, ecosystems and platforms
EU29	Performance indicators, sec. Infrastructures, ecosystems and platforms
EU30	70; Performance indicators, sec. Infrastructures, ecosystems and platforms
	MATERIAL ASPECT: PROVISION OF INFORMATION
DMA	85-86

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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.
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