

**OPEN  
POWER  
FOR A  
BRIGHTER  
FUTURE.**

WE EMPOWER  
SUSTAINABLE  
PROGRESS.



**Our performance 2022**

Our commitment to a just transition:  
leaving no one behind

**enel**





# Our performance

## **Ambition of zero emissions and clean electrification**

lies at the heart of the strategy we are implementing in a sustainable and innovative way, to favor a **just transition**.

## **People are the mainstays of sustainable progress,**

not only ours, but also customers, suppliers, communities, institutions, the financial community, the media, companies and trade associations.

## **Innovation, circular economy, digitalization and sustainable finance**

are the growth accelerators, and embrace and enhance all strategic themes across the board.

## **Protection of nature and respect for human rights**

form our daily commitment to the current and future generations.

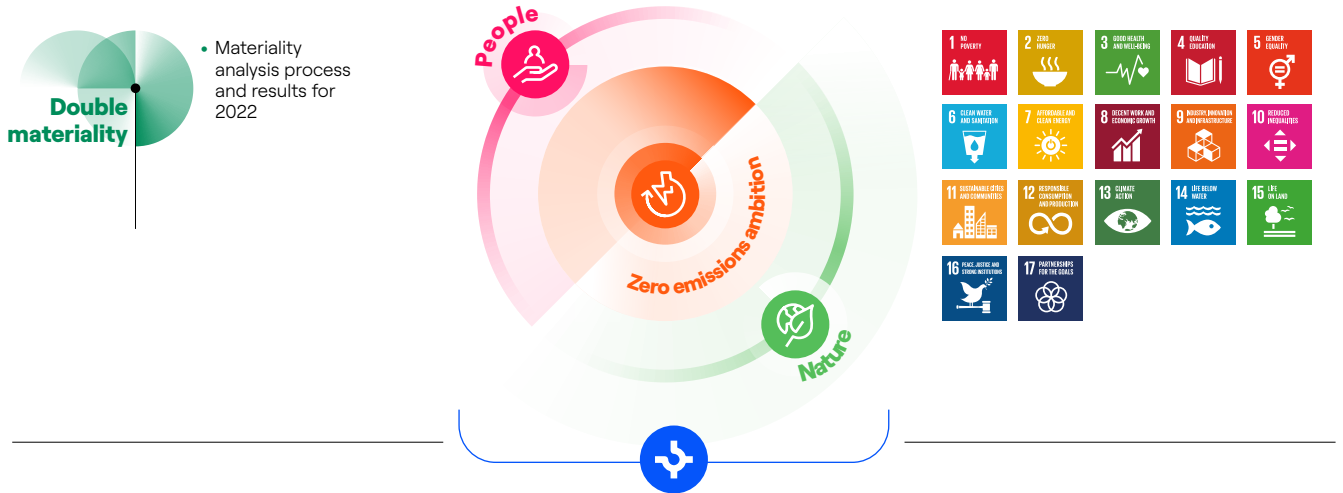
# Our commitment to a just transition: leaving no one behind



Material topics

Strategy

SDG



• Materiality analysis process and results for 2022

Please refer to the following chapters of the Sustainability Report:

1. Zero emissions ambition
2. Empowering Enel people
3. Sustainable supply chain
4. Engaging communities
5. Clean electrification

As early as the signing of the Paris Agreement on Climate Change, the connection between climate change and the impacts of the measures taken in response to it were acknowledged by signatory countries in its preamble.

By acknowledging that climate change is a common concern of humankind, signatories were requested, when taking action to address it, to respect, promote and consider their respective obligations on human rights, the right to health, the rights of local communities, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.

A just transition is a key tool to ensure that the road to a climate-neutral economy is equitable and does not leave anyone behind.

Just transition plans also show the way on how to best address social, economic and environmental challenges, with a specific focus on:

- **workers** directly affected by the transition, who need to be supported through requalification and/or by a facilitated access to job opportunities in new sectors;
- **people and society** at large, with a particular focus on the most vulnerable, who need facilitated access to new

services, like energy efficiency for buildings, measures to fight energy poverty, and to clean and affordable energy;

- **business** active in high-emitting industries or sectors who will need to be supported through actions easing the switch to green technologies and leading to an economy based on climate-resilient jobs and investments, also by spurring the setting up of new companies and investing in research and innovation;
- **States** and regions heavily dependent on fossil fuels and on high-emitting industries.

Business plays a central role in economy decarbonization since much of the CO<sub>2</sub> emissions causing climate change comes from business-driven economic activity. It acts as an enabler of innovation and solutions to prevent, mitigate and adapt to climate change and its adverse impacts on nature and people.

The role of the **energy sector** in transitioning away from a fossil-fuel based economy is crucial. Producers will need to scale up their contribution in terms of development of green technologies, grid infrastructure will need to be strengthened and digitalized to enable electrification and an efficient use of energy, and consumers will have to

change their behaviors, playing an active role in electrification of uses and contributing to optimization of energy utilization.

**Innovation** and **circular economy** will be vital to limit the use of newly extracted material thus reducing pressure on the supply side and mitigating human rights risks.

Finally, **inclusive approaches** will be key to manage the im-

pacts of the major changes green technologies will bring and make sure that the transitions will benefit the broader society, without leaving anyone behind.

A well-managed transition may help addressing the human and economic impacts of a changing climate and also foster growth, generate net new jobs and reduce inequality.

## Our strategy and our commitment for a just transition



**Ernesto Ciorra**

Chief Innovability® Officer

“ Respecting Human Rights is a fundamental element to empower sustainable progress.

We promote the growth of a **constructive dialogue** that can really help - in an effective way - **with tackling the challenges brought by the social impacts of decarbonization strategies in line with the Paris Agreement, and we have committed to a just transition that does not leave anyone behind.**

**Continuous innovation and embedding of circularity principles are also cornerstones for building a competitive, inclusive and sustainable business model.** Indeed, a sustainable business conduct based on international reference standards **is key to unlock multiple competitive advantages, such as increasing talent attraction & retention, strengthening corporate resilience, meeting customers & civil society expectations, improving access to stock & capital markets, shaping regulation & promoting system advocacy.** ”

Every day we work for an inclusive transition by leveraging engagement of our stakeholders (Enel people, suppliers and financial and commercial partners, communities in the areas of influence of our operations, our customers, the financial community) since we are aware that we belong to the territory and we are an essential element in the lives of people, business and society at large.

Our contribution to an affordable, secure and sustainable energy system goes through accelerating **decarbonization of our energy production mix**, in line with the Paris Agreement targets, thanks to the development of **renewable capacity**, coupled with energy storage, and the pro-

gressive phase-out of thermal generation sources. At the same time, we are strengthening the role of **distribution networks**, which in the future, due to the combination of greater use of electricity and greater diffusion of green technologies, will have to be increasingly reliable and digitalized in order to act as inclusive platforms for all our **customers** with whom our challenge will be to facilitate their switch to electricity for all uses and to new highly-digital services.

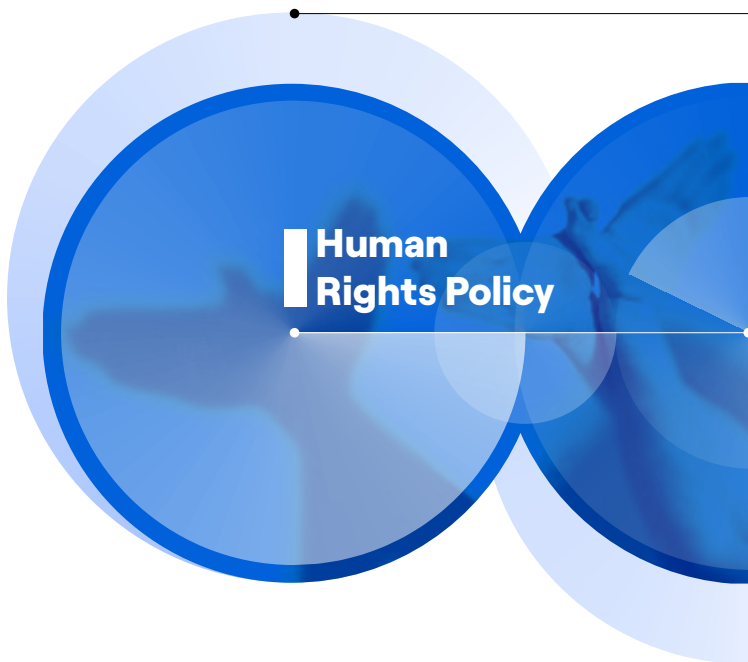
All of this while leveraging **innovation** and **circular economy** which act as accelerators of this path since they reduce pressure on materials and technologies critical to the achievement of our goals as well as making it possible for

business models to evolve in an even more sustainable direction.

Further information is available at “Our strategy for sustainable progress”.

**We fully support the principles of a just transition, as outlined in the International Labour Organization (ILO) Just**

**Transition Guidelines, so that no one is left behind, and we are aware of the social impact of our decarbonization strategy, which is in line with the Paris Agreement, and that we manage by taking into account our overall commitment in terms of respecting human rights throughout the value chain, as also set out in our Human Rights Policy which states that:**



“ A fair and inclusive transition does not leave anyone behind and takes into account the needs of all the stakeholders, and, specifically, the most vulnerable ones.

To this end we:

- proactively consider the needs and priorities of people and wider society because this leads to process and product innovation which is key for a competitive, inclusive and sustainable business model, including the adoption of circularity principles, protection of natural capital and of biodiversity;
- promote the involvement of the main external and internal stakeholders to enhance awareness and develop a constructive dialogue that can provide a valuable contribution to the creation of solutions that mitigate climate change. ”

(Enel's commitment to respecting human rights)

At the heart of our strategy is our contribution to building a fairer and more inclusive society across the whole value chain, since we believe that our integrated business model coupled with a sustainable business conduct enables contribution to the 2030 Agenda.

In 2019, we signed the **United Nations Pledge Letter on business commitment to a just transition and green, decent jobs** and we have committed to:

- promoting multi-stakeholder engagement and social dialogue with institutions, workers' and their representatives, respecting workers' rights, encouraging social protection (including pensions and health care), and providing wage guarantees, in line with the core and occupational health and safety standards of the International Labor Organization (ILO);
- working with existing and new suppliers that respect these standards, supporting them to increase their resilience in a transitioning economy, while advocating and acting for diversification of the supply chain of technologies critical to net zero achievement;
- contributing to the social and economic development

of local communities, particularly so in the case of those most exposed to the transition out from fossil fuels and into green technologies;

- supporting customers in their electrification journey while at the same time allowing for an affordable, secure and green access to energy.

During the United Nations Framework Convention on Climate Change – COP27, we signed jointly with other 270 corporates and civil society leaders, a declaration reciting **“We stand ready to deliver a just transition and an equitable and inclusive future for all. We want to work with governments in building an enduring legacy based on our collective efforts to secure 1,5 °C”**.

We have therefore defined specific plans and lines of work for a just transition, also at country level, consistently with the Group's strategy to decarbonize its generation capacity, with the objectives of the Paris Agreement, with the principles of the ILO's Just Transition Guidelines and the UN pledge, as well as with the public commitments outlined in our human rights policy.

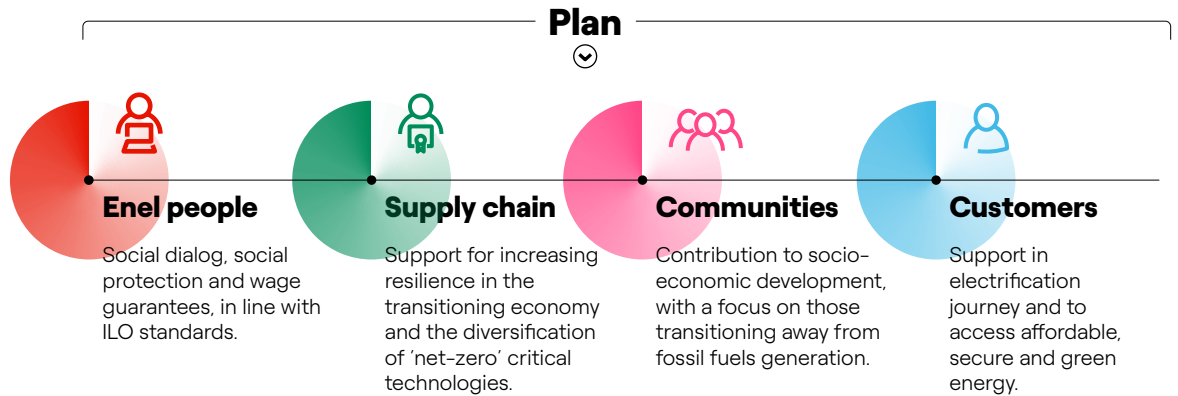
The plan hinges on three pillars:

- **involving** internal and external stakeholders to increase their awareness about a just transition and foster a constructive dialogue that can contribute valuably;
- **transition out** of high carbon activities, supporting the vocational requalification of direct and indirect workers, developing socio-economic plans for affected commu-

nities and helping customers to quit conventional technologies;

- **transition into** green technologies, facilitating access to new job opportunities for direct and indirect workers, and the development of inclusive and accessible solutions for communities and customers.

## Our plan and our lines of work for a just transition



## Lines of action

### Engagement

**Stakeholders' priorities analysis + Awareness raising campaigns + Advocacy + Other multi-stakeholder initiatives**

Social dialog and listening

Thematic supporting events (for example, decarbonization, circularity, human rights)

Ongoing dialog to disseminate benefits of green transition in terms of climate change and socio-economics development

Initiatives on decarbonization and electrification of uses

### Transition out

Upskilling/reskilling, redeployment, sharing of knowledge

Joint work on circular and low carbon supply models + upskilling/reskilling for workers whose jobs may disappear

Development of individual and multi-stakeholder activities to manage challenges and create shared value opportunities

Analysis of barriers and intervention areas to facilitate dropping out of conventional technologies

### Transition in

Upskilling/reskilling to green jobs and digital

Supplier development program (managerial and technical training to foster business reconversion and internationalization)

Access to credit, inclusive business products, training aimed at facilitating access to employment and gender-gap reduction

Empowerment and accessible and inclusive transition



# Stakeholders' engagement

We promote a broad engagement of stakeholders, both internal and external, in line with our Open Power approach, aimed at enhancing their awareness and developing a constructive dialogue that can contribute valuably to

a just transition. Such activities may be overarching, take the form of advocacy or of participation to initiatives promoting a fair and inclusive transition, as well as being tailored to specific stakeholders categories.

## Analysis of stakeholders' priorities

Routinary and direct involvement of all our stakeholders through a structured process of 'materiality' analysis is one of the pillars of the definition of Enel's strategy. This allows to identify material topics, i.e., topics that represent the most significant impacts of the organization on the

economy, environment, and people, including impacts on human rights.

For more details, please refer to "Materiality analysis process and results for 2022".

## Awareness raising campaigns

Awareness raising campaigns are a focal element to empower our stakeholders in the transition to net zero. Our activities to this end are tailored to:

- people working in the organization, to support their commitment and sense of purpose as well as nurturing a culture of inclusion;
- suppliers, to support their path of change and growth since the transformation of the energy sector coupled

with the push on digital requires a different approach to executing works or providing goods and services;

- communities in our area of influence, with whom we have a structured approach to set up a broad, inclusive and ongoing dialogue and identify shared solutions;
- customers, whose active participation to the transition needs to be fostered and supported.

## Advocacy

Promoting a just transition at all institutional levels is fundamental since there is a need to agree on what public policies need to be in place to ensure achievement of decarbonization objectives.

Both our direct and indirect advocacy activities are conducted in line with the objectives of the Paris Agreement and with our decarbonization roadmap. Specifically, we involve institutional stakeholders, trade associations, non-governmental organizations, and academia, in order to promote our vision on climate and low-carbon policies, to contribute to the evolution of the regulatory framework towards ambitious climate goals and to promote an economy in which carbon pricing drives long-term investments. To this end, we interact directly with policy makers, contribute to the positioning of trade associations, and involve a broader set of stakeholders to build consensus and support for specific policy proposals.

For full details on our direct and indirect advocacy activities, please refer to "Advocacy about climate change policies"

### • *Joint statement on just energy transition*

In November 2021, the European social partners - Eurelectric, IndustriALL and EPSU - signed a joint state-

ment on just energy transition, based on the principles defined in the ILO Just Transition Guidelines.

Through such statement they have fully subscribed to the objectives of the European Green Deal while acknowledging the need for a more consistent effort by the EU to define a European strategy for the electricity sector and the transition of its workforce as well as the establishment of a coherent regulatory framework.

Recommended actions include:

- requiring countries to implement inclusive governance and participatory mechanisms, social dialogue and full transparency of transition planning;
- setting a European framework on the anticipation and management of change;
- offering employees lifelong learning to maintain a qualified workforce since the 'twin transition' (decarbonization and digitalization) prompts development of new business models thus spurring continuous changes in terms of job profiles needed.

Commitments include:

- promoting social dialogue and collective bargaining, at all levels;
- supporting the anticipation of skills and the need to provide workers with the opportunity to update their skills

— supporting and promoting reskilling and upskilling through continuous professional development and life-long learning.

- *European Works Council*

We maintain a high-profile social dialogue also through the European Works Council, last renewed in July 2016, a body introduced by European Directive 94/45/EC representing the European employees of a company. Through it, workers are informed and consulted by management on the progress of the business.

In March 2022, a plenary meeting was held and attended by several representatives of Enel's management, sharing the Group's positioning on the transition and the various initiatives in place in the company to ensure a fair process and a workforce increasingly prepared for change. For further details, please refer to "Industrial relations" in "Empowering Enel people".

- *United Nations Framework Convention on Climate Change – COP27*

The Sharm El Sheikh Implementation Plan includes a clear reference to just transition resolving to implement ambitious, just, equitable and inclusive transitions to lower emission and climate-resilient development in line with

the Paris Agreement. It affirms that sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue and participation of all stakeholders and notes that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication. It also emphasizes that a just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions.

A work program, including a yearly ministerial meeting, was also decided to discuss about the necessary steps to achieve the Paris Agreement objectives.

- *Electric mobility*

We actively promote e-mobility as a key factor in reducing road transport emissions and contributing to the European Union's energy efficiency targets.

Mobility is a critical aspect of social inclusion and an important contributor to human well-being, especially for vulnerable groups.

Transport, recognized as an essential service in the European pillar of social rights, meets a fundamental need in enabling citizens to integrate into society and the labor market.

## Other multi-stakeholder initiatives

- *Just Transition Think Lab*

Among the main initiatives promoted by the Global Compact, the Think Lab, developed in collaboration with the International Labor Organization (ILO) and the International Trade Union Confederation (ITUC) brings together global leading companies on the topic, clarifying the strategic importance for the business to support and engage in a fair transition that leaves no one behind, examining challenges, opportunities and encouraging the sharing of best practices and joint policy-advocacy actions.

In 2022 we contributed to the development of the following business briefs:

1. Introduction to Just Transition – outlining the behaviors and priority actions for companies to undertake a right transition.
2. Just Transition for Climate Adaptation – exploring how mitigation and adaptation actions implemented by companies to address the risks and impacts of climate change must consider a fair and equitable approach from a social standpoint.
3. Financing a Just Transition – focused on the role of finance in promoting a fair transition. The report also includes two Enel case studies: SDG-Linked Bonds and Futur-E.

- *Business Commission to Tackle Inequality (BCTI)*

Promoted by the World Business Council for Sustainable Development (WBCSD), it brings together business leaders and key stakeholders with the aim of building a new common narrative on the role of companies in the fight against inequalities, raising the issue of inequality in business agendas and strategies.

We are part of both the Commissioners' group and of the following working groups: 1. Respect for human rights; 2. Access to essential products and services; 3. Diversity, equity and inclusion 4. Preparing people for the future of work. We also contributed to the launch of the introductory report "Tackling inequality: The need and opportunity for business action" and we are cooperating for the launch of the initiative Flagship Report, expected in late 2023.

- *CSR Europe Leaders Hub for an Inclusive Green Deal.*

Selected group of CSR Europe members who have worked on identifying the actions and tools needed by companies to facilitate a fair transition in the context of the green and digital transformations. We have been involved both in the Steering Committee and in working groups on workforce, communities and consumers. A Roadmap for a Just Transition was presented during the European SDG Summit, with the aim of providing companies with a strategic direction to contribute substantially to a just transition.

The document contains three Enel case studies: Value 4 Disability, Soft Leadership and Re-generation. In the first months of 2023, a second document was also launched, the 'European Business Toolbox for Just Transition' which provides additional tools for integrating just transition into business strategies.

- *Solar stewardship initiative*

It is an initiative launched by the member-led association Solar Power Europe with the aim to ensure that solar products imported to our continent are not associated to human rights violations, as well as being aimed at enhancing the level of transparency, including a broader approach to sustainability, and therefore addressing the requirements that might be included in the upcoming European Union legislation.

- *Global Alliance for Sustainable Energy*

An independent global alliance, open to all actors recognizing the urgency of tackling the climate emergency according to 'just transition' principles and the need to promote and embed sustainability and social responsibility in the renewable energy industry.

The Alliance's initial efforts will focus on four key themes: net-zero & CO<sub>2</sub> footprint; circular design & economy; human rights; and water footprint. In addition to representatives of industry, industry associations, academia, the Global Alliance for Sustainable Energy<sup>(1)</sup> involves civil society and especially young people to accelerate the energy transition. An energy transition that is just and leaves no one behind.

## Tailored engagement activities

### Enel people | Playing a leading role in the transition

Listening and actively engaging the people working in Enel are core elements to foster their commitment and action on the strategy the Group is pursuing. Hereafter, the most relevant activities:

- *Enel Digital Days*

The format runs on a proprietary digital platform that includes live streaming and on-demand content, designed according to accessibility and inclusivity standards (voice over and sub-titles in the languages spoken in the organization<sup>(2)</sup>).

2022 edition: the narration hinged on the decade of electrification and the central role played by customers to achieve the transition, with focus areas on decarbonization and renewables, digitalization and data-driven, role of the distribution grids, energy communities. Contents are still available on-demand and the campaign achieved 36,000 unique users and 300,000 content views.

- *Strategic alignment tracking*

In 2021, we also launched a data-driven program to measure, on a rolling basis, how much the people working in our organization feel empowered to navigate through the transition, across strategic levers such as electrification of uses, acceleration of the decarbonization path, customer centricity and the new way of working.

Main objectives of the program are:

- keep track of the sentiment of our people about the company;
- understand their level of knowledge and engagement with respect to the key strategic pillars, as well as to specific projects developed to:
  - spread Enel's clean electrification pathway;
  - spread key notions around health, safety and well-being, diversity and inclusion, job opportunities, learning and development, listening and feedback, among others;
  - stimulate them to become 'enablers', like contributing to the SDGs, customer centricity, digitalization and data-driven culture, cybersecurity and data protection, technological innovation and circular economy;
- identify the communication channels that facilitate understanding of a topic;
- develop internal communication action/remediation plans on the topics/programs least understood;
- track results and effectiveness of actions implemented over time.

Overall population breaks down in 4 clusters, each representative of the composition of the full workforce by **gender, age, role, and seniority**, the survey is carried out 4 times a year (4 waves), and results are on an aggregate basis as well as per country. After each wave, results are analyzed jointly with countries/business lines/staff functions so as to define an immediate action plan, if necessary.

(1) Industrial members: 3M, Acciona, Adani renewables., EDP, Eletrobras, Enel Green Power, Goldwind, Iberdrola, JA Solar, Nordex, NTPC, Prysmian, Risen Energy, Trina Solar. Advisory members: European Space Agency, Global Solar Council, Global Wind Energy Council, Politecnico di Milano, Politecnico di Torino, Student Energy and Youth Climate Leaders. Supporting members: IRENA coalition for action

(2) 6 for the 2022 campaign and 5 for the 2022-2023 campaign as a result of the Group's exit from Russia.

In 2022, redemption was equal to 33.4%, higher than similar preceding surveys. Among the internal communication channels, the company intranet turns out to be the most effective means of communication.

In terms of reputation, perception is positive and generally higher than the average of other companies belonging to heterogeneous sectors (for example, telecommunications, financial) and with a perimeter comparable to the one of the Group (multinational companies).

Positive aspects concern the care given to the people working in the organization, who are rewarded equitably, the responsible and transparent conduct in communication and relations with the stakeholders, protection of environment and commitment to generate both environmental and social positive impacts. Among the aspects to work on further, the ability to offer increasingly accessible products and services. In addition, people working with us identify with the "Open Power for a Brighter Future" purpose, feel involved in the strategy, and actively promote it, both internally and externally, and would recommend Enel as a workplace.

## Suppliers | Thematic events

Suppliers are our partners in the sustainable growth path. We promote a cooperative joint effort to maximize the economic, productive, social and environmental advantages of the transition. We are committed to creating sustainable processes, both innovative and circular, that allow to better quantify, and then mitigate, total impacts they generate. We have in place thematic events concerning decarbonization, adopting circular business models, respecting human rights with the aim of sharing best practices and multi-stakeholder approaches in line with the international reference standards for a sustainable conduct.

## Communities | Ongoing dialogue

We collaborate with communities with the intent of identifying how we can work together for their socio-economic development, including fostering access to energy, fighting energy poverty, supporting quality education. Activities include spreading the notion that a transition to green technologies to fight climate change is not just beneficial to the environment and the preservation of the related human rights but that it brings socio-economic development. Indeed, the creation of new jobs is estimated to outweigh the loss of fossil-fuel related ones,<sup>(3)</sup> and may represent a further tool to contribute to improving gender balance in the working environment as well as contributing to an improved quality of life.

(3) IEA, 2022 World Energy Outlook.

## Customers | Communication campaigns and international initiatives

### • *Social media and website*

We develop initiatives to raise public awareness on decarbonization and electrification of uses.

Worth mentioning:

- #WattAChange, a campaign to highlight the importance of green technologies in the European energy context,
- the Enel website section dedicated to the strategic role of electricity in driving decarbonization and also enhanced through the social channels of the Enel Group (<https://www.enel.com/company/our-commitment/electricity-role-europe-decarbonization>).

### • *Power2People*

Power2People is a Eurelectric initiative aimed at fostering customers' engagement in actively taking part in the energy transition and how different actors in the new energy ecosystem can support them on this journey. We take part into this initiative as chair of the customers and new services working group.

Examples of facts-based actions to empower customers to utilize digital green technologies are:

- the publicly available study on the critical role heat-pumps play. On average, European households save 39% on their bills when switching from fossil fuel powered heating systems to electric heat pumps. In addition, they provide an up to 400% efficiency gain over comparable gas boilers when installed in properly insulated homes and the flexibility of the technology allows for their use in a variety of household settings, including in multifamily homes, or as part of district heating and cooling systems;
- the publicly available study on smart thermostats, a relatively easy to use and implement technology which helps households and enterprises of all sizes improve their energy efficiency and optimize consumption without reducing user comfort and providing flexibility to the power system by adjusting consumption during peak periods. They can also provide consumers with an average of 10-15% of energy savings when connected to climate control devices like electric heat pumps or air conditioning units.

### • *15 Pledges to customers*

15 Pledges to customers was launched in March 2020 by Eurelectric and co-signed by more than 90 European electricity retailers, supported by their National Associations, who have committed to accompany cit-

izens in the energy transition with the broad aim to ensure a future European electricity system that is sustainable, reliable and inclusive. By signing the pledge electricity suppliers commit to developing a range of solutions to make sure that everyone can benefit from carbon neutral electric solutions and to facilitate the adoption of electro-mobility, energy efficiency services and renewable generation. The scope of the initiative also included understanding the key barriers prevent-

ing consumers from engaging in the energy transition by identifying common trends and local differences across nine countries (Ireland, Norway, Netherlands, Italy, Spain, Portugal, Germany, Czech Republic and Poland) involved in the joint collaboration effort with Eurelectric and Accenture through their national associations representing the electricity industry. For further details, please refer to “Customers | Empowering the transition”, in the “Transition in” section of this chapter.

## Transition out

Enel has defined a clear decarbonization roadmap of its energy mix, planning to complete the closure of all coal-fired power plants by 2027 and to exit both gas-fired electricity generation and gas sales to final customers by 2040.

Such roadmap consists of four main actions:

- promote electrification solutions powered by renewable sources;
- complete fossil fuels phase-out;
- accelerate the development of renewable sources;
- digitalize and expand distribution networks.

For further details, please refer to “Our strategy for sustainable progress”.

The framework developed to achieve these objectives takes into account the needs of the people who work with us, the unions, our communities, our suppliers and our customers and applies to all thermoelectric generation plants impacted by the phaseout of fossil fuels, articulating in the adoption of inclusive practices through initiatives in which individual conditions, economic and social development and the general welfare of broader society are closely connected.

In 2015, we have launched the ‘Futur-e’ initiative in Italy that included thermal power plants no longer competitive on the market for a total capacity of 13 GW. The aim was to give new life to the sites that hosted the plants. Subsequently, we expanded the geographic footprint extending to Iberia and South America and leading to a portfolio of about 5 times higher than the initial one (c. 80 sites).

Besides our direct involvement for other uses but always connected to the world of energy, we have expanded repurposing opportunities by integrating new business projects with complementary sustainable investments that meet the needs of the communities where the fa-

cilities are located. Specifically:

- in Italy, with energy requalification projects in line with the transition objectives, the National Integrated Energy and Climate Plan (Piano Nazionale Integrato Energia e Clima - PNIEC) and the European Fit for 55 and Repower EU objectives;
- in the Iberian Peninsula with the progressive transition of coal-fired plants, like Teruel in Andorra, Compostilla in León (closed in June 2020), Carboneras in Almería Litoral (closed in December 2021) and As Pontes in Galicia; for the latter we have developed a plan of entailing approximately 2.7 billion euros of investment and the creation of more than 1,300 jobs (details of the plan are available at the following link <https://www.endesa.com/en/press/press-room/news/energy-transition/development-plan-as-pontes-thermal-power-plant-closure>);
- in South America, where we have disconnected two coal plants, Tarapacá that was closed on 31 December 2019 and Bocamina (group I in 2021 and group II in 2022). We have thus become the first electricity company in Chile to no longer use coal for its generation activities, 18 years ahead of the original goal of 2040 set by the Chilean National Decarbonisation Plan of 2019.

Consistently with our commitment to a fair and inclusive transition, the plan for exiting thermal generation entails :

- Enel people | maintaining and developing skills and know-how transfer
  - agreed redeployment based on individual characteristics either in the same Business Line, on the renewable side, or in other Business Lines, in order to enhance human capital and know-how. Agreed redeployment (which also involves workers’ representative bodies) is accompanied by reskilling and upskilling plans for strengthening existing skills or developing new skills needed in the new role. Redeployment does

not affect negatively role and contract type.

In the case of Chile, for example, out of the 50 people working in the Tarapacá power plant 26 have been re-deployed in other thermal generation units, 9 people in renewable generation, 3 in other areas of the company, while 12 opted for a voluntary exit accompanied by an economic, training and insurance package. For further details, please refer to the Bocamina dedicated box;

- voluntary access to early retirement for those who are eligible. In the 2020–2022, period we have provisioned more than 1.5 billion euros dedicated to managing Enel people affected by the energy transition strategy.
- Site repurposing/regeneration<sup>(4)</sup>
  - replacement of thermal production plants with renewable or hybrid plants, i.e. a combination of green technologies like, for example, renewables, storage, hydrogen;
  - land reclamation and maximization of the reuse of abandoned structures, such as roads, infrastructure, high-voltage connections, buildings, etc. in line with our circular economy principles;
  - engagement of impacted communities and devel-

opment of multi-stakeholder projects to foster the creation of shared value throughout the project, from preliminary talks to the choice of the redevelopment project to pursue. The plan developed for the closure of the **Bocamina** plant contains at least two examples of this approach: for the site hosting the second unit, closed in September 2022, we drew up a project to transform the discharge of ash produced by combustion, amounting to 10 hectares, in a native forest. In addition, we signed a 'just transition' agreement with the municipality of Coronel that will allow the local government to invest in strengthening health services and education, in addition to the building of a new school and a new park (for further details, please refer to the dedicated box);

- third-party projects not in energy field that meet the needs of the communities in which the facilities are located. An example is the transformation of the site where the Porto Tolle plant operated to achieve environmental requalification and sustainable tourism thanks to a project of Human Company, a Florence-based group which is also Italy's leading open air tourism specialist.

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(4) For further details, please refer to "Clean electrification" dashboard and to the "Sustainable Repurposing Model" box of "Conservation of natural capital" chapter.

## TRANSITION OUT: Montalto di Castro (Italy)

### The first museum of the energy transition is being built in Montalto di Castro

**C**ulture, innovation and the energy transition: three fundamental aspects of Italy come together in the new energy exhibition center that will be built in our “Alessandro Volta” power plant in Montalto di Castro, in the province of Viterbo.

The site once hosting the plant will become an “integrated and multifunctional energy hub” thanks to the involvement of the community in the area of influence and in cooperation with the ACPV ARCHITECTS Antonio Citterio Patricia Viel studio.

As a matter of fact, the main objective of the project is to repurpose the site by developing the TECCC, the Centre for Culture and Knowledge of the Energy Transition, an Energy Transition museum that will also host facilities dedicated to training, awareness-raising and energy thematic events.

Furthermore, existing infrastructure will be expanded and integrated with new renewable capacity and storage, in line with our sustainability objectives, and this will contribute positively in terms of enhancement of the territory and livelihood of the local community. Third party entrepreneurial initiatives are also planned in line with our circularity strategy. Specifically, a portion of the land has been rented out to a local company for the building of a solar tracker factory, producing the devices that allow photovoltaic panels to follow sunlight during the day in order to maximize electricity production. The building of the factory will have positive outcomes for local employment and communities including, but not limited to, offering job opportunities to all site workers. In addition, spaces are dedicated to the study of further sustainable solutions, such as an innovative hydroponic greenhouse project .



## TRANSITION OUT: As Pontes (Spain)

### The socio-economic development plan concerning As Pontes phase-out testifies our commitment to a just transition and the creation of value in the area of influence of the plant

**T**he As Pontes plant is located in the north of the A Coruña province, in the municipality of As Pontes de García Rodríguez. It has been in operation since 1976 and it is the largest thermal plant in Spain.

We have submitted to the Ministry of Ecological Transition as well as to the Regional Government of Galicia and the Council of As Pontes, a plan mainly including:

- the dismantling of the coal plant (approximately 4 years) that will include training for the over 130 employed to such purpose, giving priority to local manpower and people who already worked in the plant;
- the development of a 1.3 GW wind farm that will generate up to 2,300 jobs during construction and additional 274 direct jobs during the 25 years of estimated useful life;
- the repurposing of the territory for new industrial uses including a smart tyre factory, that will create 750 direct jobs and will act as an economic vector for the terminal of the nearby port of Ferrol;
- a biological plant for the recovery, development and production of natural fibre from recycled paper and cardboard, that will generate 150 direct and 400 indirect jobs;
- the supply of electricity to Alcoa at a competitive price that would enable the latter to resume aluminum production after the downturn caused by the increase in energy prices;
- a new logistics role for the outer port of Ferrol that will compensate the traffic decline connected to the shutdown of the plant by becoming a multi-client bulk terminal (transport and storage of bulk cargoes: grain, minerals, etc.);
- green hydrogen generation plants, with the building of an electrolyser for up to 100 MW powered by the wind farm that will be built;
- the development of a strategic wind maintenance logistics centre to support 120 Endesa's wind farms in Spain, that will entail the generation of 57 direct jobs;
- training for local manpower, workers in auxiliary companies and to support women employment.





## TRANSITION OUT: Teruel (Spain)

**After 40 years of operations, Teruel's coal plant cooling towers have been demolished. The site will host photovoltaics and wind installations. An additional example of sustainable decarbonization and decommissioning**

**D**evelopment of a hybrid energy hub, with photovoltaic and wind plants, storage and a green hydrogen installation: these are some of the projects included in the energy transition tender. A substantial change that will bring new jobs and will support requalification for the very people working in the plant thanks to job rotation. Hereby a few data:

- energy transition tender: right to develop 953 MW, with the option to get to up to 1,200 MW;
- building of 5 solar plants and 5 wind ones in a hybrid setup jointly with a storage system that will enable full exploitation of the renewable production;
- more than 1,200 millions of euro to be invested;
- industrial development coupled with a social plan entailing the generation of more that 3,500 jobs during con-

struction, with 300 direct permanent jobs at regime;

- training to upskill people in the area of influence in order for them to be able to work in the renewable energy sector and to open access to work to local unemployed people.

In addition to the plan connected to the energy transition tender, Teruel will also host a photovoltaic plant called SEDEIS V, for an installed capacity of circa 50 MW and an investment of approximately 40 million euros. The project will generate more than 280 jobs during construction (started in July 2022) and 8 permanent jobs for the operation and maintenance of the plant that will have an average life of 30 years.



## TRANSITION OUT: Bocamina (Chile)

**Ours is a daily commitment to an inclusive transition unfolding through engagement with our stakeholders since we are aware that we belong to the territory and we are an essential element in the lives of people, businesses, and society at large**

**O**n September 30, 2022, the town of Coronel witnessed a historic event. With the final disconnection of Bocamina II, Enel became the first company in Chile to close all of its coal-powered plants. The milestone occurred in an area historically associated with the coal industry, but that today aspires to transition to a more sustainable and inclusive development.

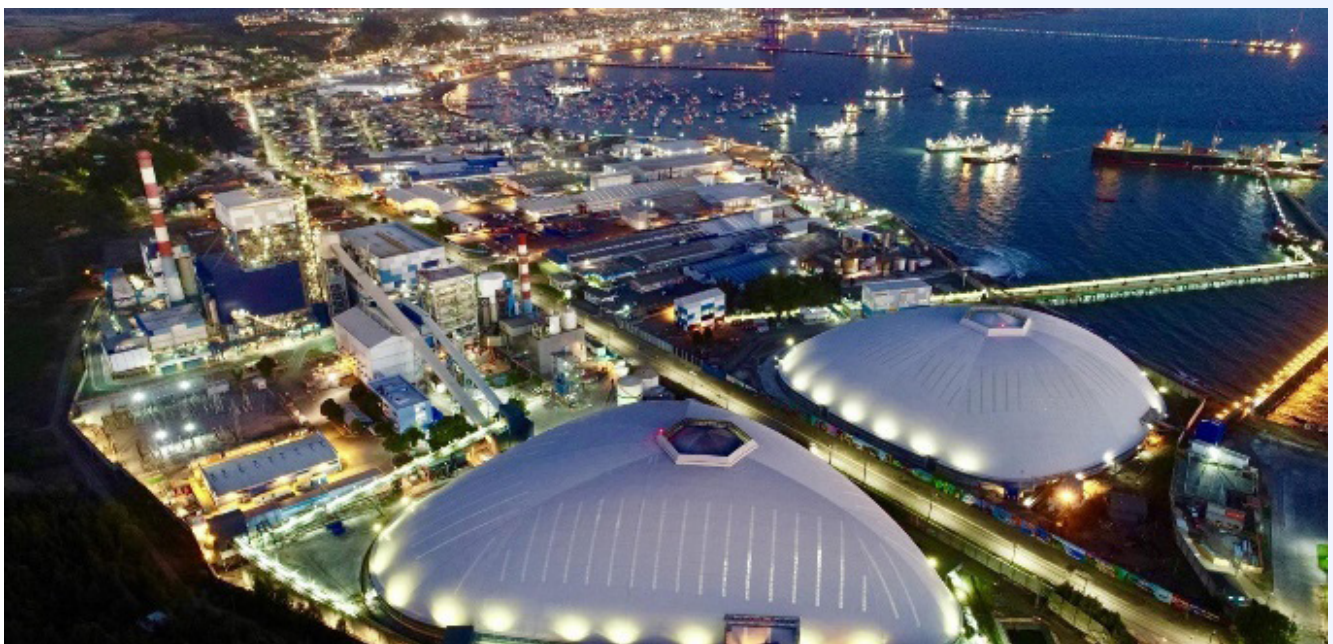
Bocamina contributed to Chile's national development and energy security and its shut-down has occurred at the end of a just transition plan launched two years before and aimed at maximizing value for Enel's people, suppliers and local communities.

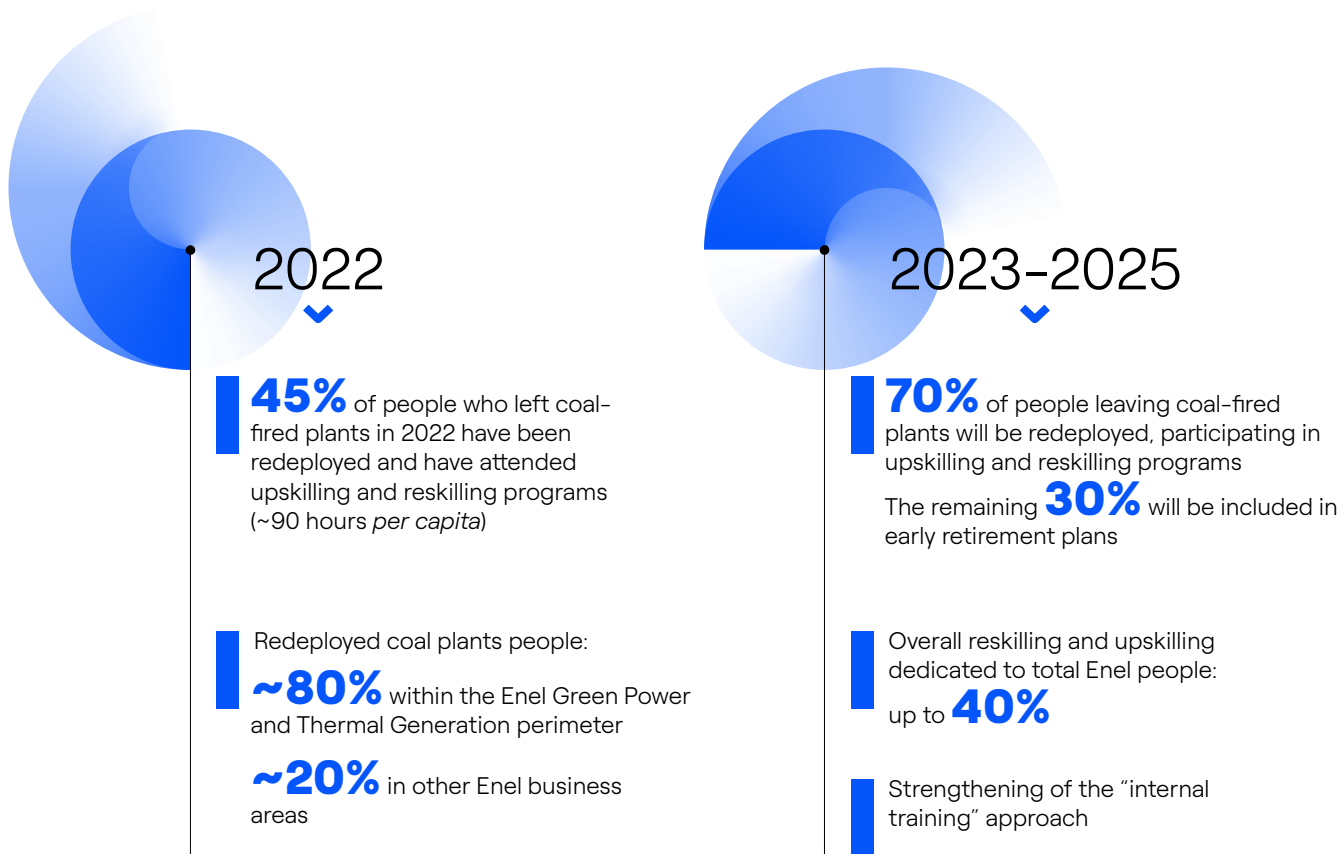
The story of Michael Navarro is a good example. The shut-down of the plant has turned into an opportunity since it has offered him new options in the renewables field and, specifically, in the maintenance of the solar power plants of

Enel in Chile. He has also gone from working 12-hour shift to a hybrid working framework. Now he works eight days a month at Enel Chile headquarters in Santiago or on-site the power plants in Antofagasta and Atacama. The rest of the month, he works remotely from his home so he can stay close to his family .

The people involved by the shut-down of the two units of the plant are 90: more than 60% has been redeployed in other areas of the company, like engineering and construction, renewables, health, safety, environment and quality whereas about 30% has enjoyed early retirement or voluntary redundancy, and about 7% has continued working for the Operations & Maintenance unit managing the plant.

In addition, the main contractors providing services to the Bocamina plant have been included in the eligibility programs for commercial retraining and professional skills.





## Transition in

The 'green transition' is the combination between technological innovation and actions aimed at a sustainable economic growth that fosters the transition from a system based on polluting energy sources to a virtuous model centered on green sources and social development at the same time.

This transition couples with a digital one, which initially started for operating efficiency reasons and then transformed into a driving force for innovating traditional business models.

Similarly to 'transition out', however, the path to a 'green' and digital future must also be led in an inclusive way to enable all stakeholders to seize its opportunities and manage the risks involved. Like actions to promote requalification, vocational training, and self-learning, in the case of direct and indirect workers, support for business diversification and increased resilience for supply chain companies, as well as generation of value for communities, through access to local job opportunities, and facilitating access to products and services for customers.

## Enel people | Lifelong learning

The rapid and continuous evolution of the business and the support to a fair transition strategy towards low carbon technologies and services entail the need for new technical and professional profiles and the awareness that some jobs will disappear. This context prompts for an ongoing training activity accompanying people throughout their personal and professional life in a sort of "circular path", starting from school up to when the working activity ends and returning consolidated knowledge to new generations and to the ecosystem will be key.

**Empowerment** becomes therefore crucial to evolve culturally, because it allows to fully involve people, motivating them to express their potential, while at the same time providing them with opportunities for personal and professional development, and contributing to create conditions of well-being, motivation, responsibility and participation that will enable the achievement of strategic objectives.

Among the initiatives implemented:

- retraining and professional updating, up/reskilling, self-learning and knowledge transfer. Our business lines

Schools & Academies have organized existing skills improvement programs to allow participants to access more advanced career paths (upskilling) and to learn new skills (reskilling) to hold different positions and roles, also through the enhancement of soft and transversal skills. Such programs have been realized also in collaboration with university and academic partners;

- support for the dissemination of the digital culture and the utilization of digital media;
- promotion of women's presence in STEM (Science, Technology, Engineering, Mathematics) classes and jobs. We collaborate with schools, universities, and institutions to overcome gender stereotypes and spread the importance of an increasingly integrated technical-scientific culture and humanistic dimension. These STEM awareness and orientation initiatives involved nearly 10,000 high school students in 2022 (over 30,000 students in the last 6 years);
- career counseling: conversations on specific topics to increase awareness of third- and fourth-year high-school students when choosing what to study and which job to look for, together with shadowing meetings, i.e., working days spent alongside a professional to begin to understand how the working environment works and

what is the language used, and the opportunities offered by STEM courses. For more details please refer to the chapter "Empowering Enel people".

## Enel people

**96%** of population involved in training

**> 3.1** million hours of training (**>47 average hours per capita**), of which over **42%** dedicated to upskilling and reskilling

**430** thousand hours of training dedicated to **digital skills (14%** of the overall training hours)

## Suppliers | Supporting change

Suppliers are an essential partner in the journey to decarbonization.

In this sense, the actions we have in place aim, on the one hand, at supporting their increased resilience and, on the other, to minimize pressure on critical materials and components through continued technology innovation and recycling.

That is why we work jointly with them to develop new performance metrics and to promote co-innovation projects to support decarbonization and circular economy approaches, that will all have positive impacts on their production processes and on the purchasing methods.

Among such initiatives:

- we set increasingly challenging emission targets in tender processes that also factor in the contribution of innovation. These targets are shared with our suppliers and are in line with a 1.5° roadmap;
- we promote a circular supply approach through the adoption of various initiatives and mechanisms that allow us to quantify, certify and communicate objectively the environmental impacts generated throughout the

life cycle of the supplies (for core categories<sup>(5)</sup> we require the Environmental Product Declaration<sup>(6)</sup> – EPD)

- we require information about the country of origin and the quantities of each material composing the product, including recycled and recyclable material. This allows us to reward suppliers based on their recycling capabilities thus stimulating a circular culture and meeting the increasing demand for supply chain transparency and traceability aimed at minimizing potential ESG impacts of some products production processes in terms of human rights violations, bribery, water use, air pollution, CO<sub>2</sub> emissions and loss of biodiversity.

We have also worked on several initiatives to walk the talk in terms of supporting business reconversion and diversification:

- Supplier Development Program, initially launched in Italy (where it is currently open to over 6,000 suppliers) and being extended to other countries of presence, which places a specific focus on SMEs operating in strategic sectors that will benefit from our direct support for an easier access to services such as liquidi-

(5) Core categories are the ones strategic for the business, and include wind turbines, smart meters, photovoltaics, transformers, street lighting, smart home solutions, storage systems.

(6) Document describing the environmental impacts related to the production of a specific quantity of product or service: for example energy consumption and raw materials, waste production, emissions into the atmosphere and discharges into water bodies.

ty sources, management and technical training programs to encourage their business requalification to serve the energy transition, advice on sustainability, circular economy, strategy, M&A and internationalization, access to catalogues of means of transport and work machines, certificates;

- “Sportello imprese” (business counter), which consists in meeting periodically with companies belonging to the traditional energy production sector to support their growth and requalification in areas such as renewables or new services related to energy efficiency;
- courses focusing on the reskilling/ upskilling of workers connected to jobs that risk disappearing, on fostering entrepreneurship and strengthening the Italian productive and economic fabric, such as:
  - Digital Management Program: an initiative aimed at stimulating and encouraging businesses digital development. Our Digital Innovation Hub of Lazio has collaborated to developing a project of consolidation and growth of managerial skills of leading companies in the region. The training, that took place in 2022, was held after an initial stage of assessment instrumental to raise awareness about digital skills and improving them. The project has then given rise to the Digital Management Program which, in 2022, involved 20 companies of the local territory for a total of 24 hours of training provided by Luiss Business School;
  - courses for photovoltaic panel installers: during 2022, we launched the initiative also in Brindisi. It aims at requalifying local suppliers training them so that they can work in solar photovoltaic plants building sites. This activity builds on what was done in 2021 for Civitavecchia and Montalto di Castro suppliers involved in the Alto Lazio energy transition and that have decided to requalify their business in order to be able to work in the renewables field;

- “Energie per Crescere” (Energy for Growth), a program launched at the end of 2021 with the aim of training about 8,200 new technicians, including 5,500 by 2023, creating highly requested professional profiles in the electricity sector (cable pullers, cable splicers, substations assemblers, live-line workers) to be hired by Enel grids partner companies; the remaining 2,700 technicians will be trained and hired by 2025 and the training will focus on renewable profiles for partner companies (electrical specialists, junior site managers, civil-mechanical specialists). During 2022, some 2,100 new technicians were trained and recruited from grids suppliers;
- “Energie per la Scuola”, a program for final year students attending technical and vocational schools with the aim of training them for the ‘most wanted’ roles in the electricity sector so that, after graduation, they can be hired by Enel’s suppliers. The first edition of the program (school year 2020/2021) involved 11 schools, 8 suppliers of e-distribuzione and a total of some 100 students who were all hired by Enel’s suppliers at the end of the training. The second edition, aimed at 2022/2023 school year students, is currently underway and it involves over 60 schools and some 500 students.

For full details, please refer to “Sustainable supply chain”.

Moreover, also in 2022 we have promoted employment stability in Italy thanks to the application of the so-called “social clause” in our purchasing procedures. Such clause mandates a supplier taking over another in the provision of the same service to ensure continuation of the employment of the persons employed by the former supplier. This allowed 3,700 people to keep their job.

Our efforts also go in the direction of supporting a greater diversification of the supply chain of key technologies for the transition, like for solar PV.

This is the case of 3SUN, our PV modules producing factory in Catania, Sicily which is a European leader in the manufacturing of innovative bifacial cells and panels.

The planned capacity expansion (from the current 200 MW to roughly 3,000 MW per year by 2024) will involve an investment of around 600 million euros and the creation of direct and indirect jobs.

For further details, please refer to "Clean electrification".

## Suppliers

**8,200** people involved in training aimed at new technical profiles to be hired in supply chain companies

**5,500** people for grids, of which 2,100 have been already trained and employed (full achievement by 2023)

**2,700** people for renewables (full achievement by 2025)

## Communities | Creating shared value

Our commitment to support communities goes through initiatives that promote inclusion (with particular attention to people in conditions of physical, social and economic vulnerability) both in terms of access to local working opportunities and to facilitating access to products and services.

These initiatives, as specified in the chapter "Engaging communities", are the result of solid and lasting relationships that include a broad, inclusive and continuous dialogue based on clearly defined phases of "Stakeholder engagement" in line with international reference standards.

We have, for example, put in place many projects focusing on digitalization to support connectivity in rural areas, computer literacy, as well as to encourage the participation of women in STEM subjects. These include the following:

- Lethbridge College (Alberta, Canada) - partnership for wind engineers

Support to the training program for wind turbine engineers and involvement of students belonging to the Piikani Nation community (indigenous population of the Alberta region, Canada).

The partnership creates opportunities for STEM education and access to the world of work for indigenous and other students living in the areas of influence of several of our wind farms in the southern part of the province.

- Ruta Pehuenche (Maule Region, Chile) - program for the growth of local small entrepreneurs

Engagement with the local community of the area of influence where the construction of the Los Cóndores hydroelectric plant is underway has generated educational and working opportunities, with the birth of a micro-entrepreneurial fabric led by women.

The project was born with the twofold objective of promoting the economic growth of the whole community, through training courses, and improving living conditions, thanks to the use of environmentally friendly technologies for water supply, for the cultivation of food, for the construction of housing, for access to energy and for sanitary facilities. In the four years since the start, more than 80 participants attended the courses, including 70 women.

- È viva la scuola, Helpcode (Italy)

In partnership with Helpcode, the project aims at supporting educational institutions in their activities, by integrating training contents and strengthening curricular teaching, with the additional aim of increasing the awareness of children on issues of topical importance for Enel such as the energy transition, digitalization and human rights. The project also provides specific training for teachers.

For more details, please refer to "Sustainability projects and initiatives" in the chapter "Engaging communities".

## Communities

**2,300** socio-economic development projects

**3.7 million people<sup>(1)</sup>** having benefited from inclusive and equitable quality education (SDG 4)

**4.9 million people<sup>(2)</sup>** eligible for sustained, inclusive and sustainable economic growth (SDG 8)

- (1) 2015-2022 cumulated data of total SDG 4 beneficiaries.  
(2) 2015-2022 cumulated data of total SDG 8 beneficiaries.

## Customers | Empowering the transition

Energy and digital technologies are key enablers for empowering consumers through new services, better insights and more control.

The first stone that must be laid is a smart meter. This is a piece of technology that allows customers to access their own consumption data more easily, increasing awareness of their energy use habits and encouraging behaviors that are more efficient and sustainable.

It also enables personalized electricity rates that are better suited to different consumer habits, with dynamic and highly flexible pricing.

Recently improved technology also makes it possible to integrate energy consumption monitoring with smart home management systems for electrical appliances, boilers, air conditioners and lights. Finally, it facilitates real time monitoring of self-produced energy from users' own distributed generation systems, like photovoltaics and or batteries.

The second step is putting the increasing number of connected home devices (home appliances, mobile technology, heat pumps and EVs) to the best to manage energy use. Energy suppliers and service providers can help consumers use the power of new technology by designing easy-to-use services and offers that reduce complexity and costs while increasing control and gaining new revenues (sale of the excess self-produced electricity or of unutilized available power capacity) and keeping technology innovation and evolution always in the radar to always provide the most effective and relevant solutions.

Affordability of green technologies whether EVs, solar PVs, batteries or heat pumps is a relevant barrier, especially for low-income and vulnerable customers who are already affected by a low spending capacity for primary energy uses and who might be the ones to benefit the most from adopting them.

The enormous amount of data created by the growing role of connected devices offers a great opportunity to engage customers in the transition with tailored solutions but data security and privacy shall be preserved and transparency about how data is being used and shared must also be ensured with simple terms and conditions. For further details, please refer to "Clean electrification" and "Managing human rights" chapters.

## Customers

Sold

**>70,000** smart home products

**>5,000** photovoltaic products

**approx 90 MW** of capacity through solutions for renewable energy self-production

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