# **MANAGING HUMAN RIGHTS**

407-1 | 408-1 | 409-1 | 411-1 | 413-1 | 413-2 | 418-1 |

#### **DOUBLE MATERIALITY**



#### **MATERIAL TOPICS**:

- · Climate change
- Sustainable supply chain
- Customer centricity
- · Engaging local and global communities
- · Economic value creation
- Water resources management
- · Preservation of biodiversity and ecosystems
- Air, water and soil quality
- Waste
- Governance and advocacy for nature and climate
- · Health and safety
- Digital transformation

#### SUSTAINABILITY **PLAN PILLAR**



**HUMAN RIGHTS** 

#### SUSTAINABLE DEVELOPMENT **GOALS (SDGs)**































The International Charter of Human Rights together with the International Labour Organization (ILO) conventions underlying the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy define the human rights that Enel applies to business practice.

Enel's commitment also takes into account:

- the 10 principles of the Global Compact, to which it signed up as an active member in 2004;
- the letter of commitment, signed by Enel in 2019, in

which the United Nations called on companies around the world to commit to a just transition and the creation of decent jobs;

- the United Nations' "Protect, Respect and Remedy" framework set forth in the Guiding Principles on Business and Human Rights;
- the OECD Guidelines for Multinational Enterprises. Enel's human rights management system is based precisely on the three pillars of the UN Guiding Principles:

**ACCESS TO REMEDY** 

#### **ENEL'S COMMITMENT**



#### THE DUE DILIGENCE PROCESS



- identification of salient issues
- gap identification and definition of potential improvement plans
- stakeholder relations (workplace, procurement processes and relations with business partners, communities, customers and cross-cutting and specific topics)





- grievance channels information
- redressing in legacy projects

#### It includes:

- the strategic approach to human rights in business operations
- Enel's **public commitment**: the Human Rights Policy
- embedding of the commitment into:
- · operating policies and procedures
- training
- governance

### **Enel's commitment**

2-24

## The strategic approach to human rights in business activities

Protection of the environment and natural resources, actions to combat climate change, and contribution to sustainable economic development are strategic factors in the planning and development of Enel's activities, along with its commitment to decarbonization and electrification processes, in line with the Paris Agreement and the United Nations Sustainable Development Goals (SDGs). Mitigating the effects of changes in the climate and nature cannot disregard the social impacts. For this reason, Enel promotes a just transition.

Indeed, respecting human rights in business practice is the basis for sustainable progress, because it enables increased talent attraction and retention, strengthened business resilience, meeting customer and civil society expectations, improved access to financial markets, and contributes to a transition path founded on constructive dialogue and active participation, both in the definition of enabling regulatory frameworks and in multi-stakeholder initiatives that promote system-wide advocacy actions.

## **Enel's public commitment: the Human Rights Policy**

The Enel Group Board of Directors first adopted a <u>Human Rights Policy</u> in 2013. It was then updated in 2021 to take into account the evolution of international frameworks and corporate operational, organizational and management processes.

Its content leverages commitments in several other codes of conduct, such as the Code of Ethics (adopted as early as 2002), the Zero Tolerance of Corruption Plan, and global compliance models, reinforcing and expanding on them.

There are **12** policy **principles**, defined in line with relevant policies, regulations, conventions and frameworks, split into **two macro-themes**:

- employment practices;
- relations with communities and society.

In particular, they establish the rejection of practices such as modern slavery, forced labor, and human trafficking, to name a few, and a Enel's commitment to promoting diversity, inclusion, equal treatment and opportunity, guaranteeing that people are treated fairly and valued for their uniqueness, as well as focusing on protection of the environment since a safe, clean, healthy and sustainable environment is integral to the full enjoyment of a wide range of human rights.

The principles have been identified based on their relevance to the Group's business activities and relationships, and are the result of a consultation with relevant stakeholders<sup>(1)</sup> based on the criteria listed in the "UN Global Compact Guide for business: How to Develop a Human Rights Policy". Indeed, constantly listening to and considering the perspectives of relevant stakeholders in

internal decision-making is an integral part of the commitment to human rights.



For further information see the chapters "Stakeholder engagement and materiality analysis" and "Engaging communities".

In managing human rights, it is important to work with leading organizations to develop, among other things, innovative and evolved standards of responsible conduct. In particular, in 2023 Enel participated:

- as a member of Eurelectric, at European utility sector level, to the process relating to the development of the draft proposal of the Corporate Sustainability Due Diligence Directive (CSDDD);
- to United Nations Global Compacts working groups, including the Just Transition Think Lab, an initiative that brings together leading companies on the issue globally, developed in collaboration with the International Labour Organization (ILO) and the International Trade Union Confederation (ITUC), and the Business & Human Rights Accelerator, a program that aims to train and stimulate companies in the transition from commitment to action on business and human rights. In addition to its global participation, the Group took part in local working groups in Spain, Colombia, and Peru;
- to the Business Commission to Tackle Inequality (BCTI), promoted by the World Business Council for Sustainable Development (WBCSD);

- in the CSR Europe Materials Leadership Hub, a selected group of members of CSR Europe;
- in Solar Power Europe, the European solar photovoltaic industry association.

## **Business Commission to Tackle Inequality (BCTI)**

Business Commission to Tackle Inequality (BCTI) is an initiative spearheaded by the World Business Council for Sustainable Development (WBCSD) that brings together business leaders and key stakeholders with the goal of stimulating greater levels of attention, investment, and action by businesses in tackling inequality by bringing the issue to the forefront of corporate agendas and

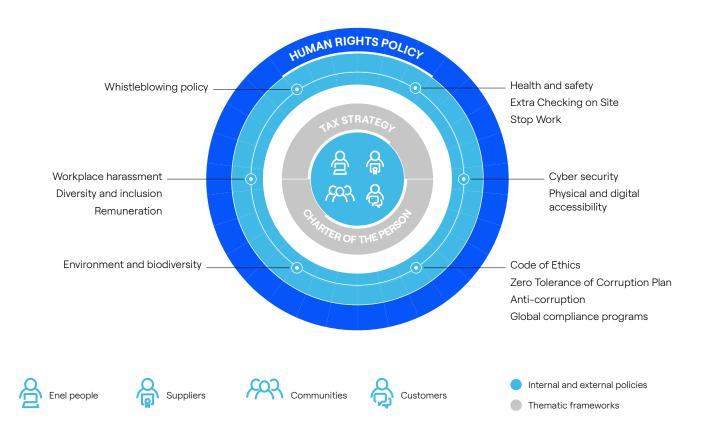
strategies. In 2023, Enel participated in the following working groups: 1. Access to essential products and services; 2. Diversity, equity and inclusion; 3. Promotion of a culture of good health and well-being in the working environment; 4. Promotion of a 'living wage'. The Group also contributed to the launch of the Flagship Report "Tackling Inequality: An Agenda for Business Action", which outlines a common agenda for the private sector, providing 10 recommendations for addressing inequality.

## **Operating policies and procedures**

A key element of the prevention and mitigation of negative impacts on human rights, as well as the promotion of decent work, inclusive economic growth and sustainable development, is the integration of Enel's commitment into

corporate operating processes.

The following is a summary representation of the main documents (internal and public) and thematic frameworks in which Enel's Human Rights Policy is reflected.



## Security and human rights

#### 3-3 410-1

Enel manages security services to protect the Company's personnel and property through a dedicated global function (Security) reporting directly to the Chief Executive Officer as of late 2023.

The Security Function acts in coordination with the equivalent Security Functions in the different countries of operation. These carry out information gathering and analysis activities in order to map potential security risks and define appropriate actions for their management, also in cooperation with external parties, such as relevant institutions and other critical infrastructure operators, in line with national laws and applicable international norms and standards and in line with the Voluntary Principles on Security and Human

rights (principle 2.2.3 of the Human Rights Policy).

Security services providers are selected following the overall qualification and procurement process, and monitored during the life of the contract (see chapter "Sustainable supply chain"). In particular, for suppliers falling into the "high reputational risk" category, additional checks established in a specific policy (Counterparty Analysis) are carried out in order to reduce and mitigate the related actual or potential risks.

Finally, the Security Function also ensures the organization of the protection services provided for Enel personnel traveling to high-risk countries, in accordance with the People Security policy.

### **Training**

#### 2-29

The training and awareness raising processes for both Enel people and commercial partners are fundamental for integrating respect for human rights into corporate activities. Specific training activities are devised every year to ensure that anyone who works with the Group is aware of the role they play in ensuring respect for human rights in carrying out their activities.

Various forms of training are available with different content to address every need, including:

- courses on environmental protection;
- courses on occupational health and safety;
- courses on diversity and inclusion;
- courses on community relations;
- courses on anti-corruption;
- digital training courses on issues closely related to human rights;
- training initiatives on best practices closely related to human rights.

In 2023, 93% of Enel people took part in sustainability training courses, a higher figure than was recorded in 2022 (84%). A total of 2 million hours of training were provided, with a per capita average of 32 hours.

Specifically, around 9,000 hours of training specifically on human rights were provided, plus around 11,000 hours of training on the contents of the Group Code of Ethics.

Training also includes specific communication initiatives intended for internal and external stakeholders to foster a proper understanding of the commitment made through the Human Rights Policy. Activities carried out in 2023, for example, included training sessions on human rights in business practice for people working in the Group's Procurement area and in-depth sessions on the relationship between the fight against climate change and social impacts (just transition) intended for colleagues in the Renewables Development Business Line, also organized with the support of some Italian universities. In-depth meetings were also held with key suppliers belonging to core product categories.

See the "Sustainable supply chain" chapter for further details.

#### **Governance**

Compliance with Enel's commitment to human rights is an integral part of relevant corporate decision-making processes. The Group operates in accordance with an organizational and corporate governance model, based on principles of transparency and accountability, which defines the specific tasks and responsibilities of the main corporate governance bodies. Specifically:

- through the Control and Risk Committee and the Corporate Governance and Sustainability Committee, which carry out preparatory work aimed at making proposals and providing advice, the Board of Directors is responsible for examining the main company rules and procedures of relevance with respect to stakeholders and connected to the Internal Control and Risk Management System. These include the Human Rights Policy, the Code of Ethics, the Zero Tolerance of Corruption Plan, and global compliance programs. Both committees consider any subsequent amendments or additions to be submitted to the Board for approval to
- incorporate international best practices or changes in existing laws and regulations;
- the Sustainability Planning, Stakeholders and Human Rights unit, is responsible for:
  - managing the position on human rights and ensuring that it is properly reflected in internal and external communication activities, in collaboration with relevant business areas:
  - integrating respect of the principles included in the Human Rights Policy into business processes, as well as planning and coordinating due diligence activities on the related management system, jointly with the relevant business areas;
  - reporting to the Control and Risk Committee and the Corporate Governance and Sustainability Committee on the implementation of the due diligence process;
  - reporting on how Enel respects human rights commitments.

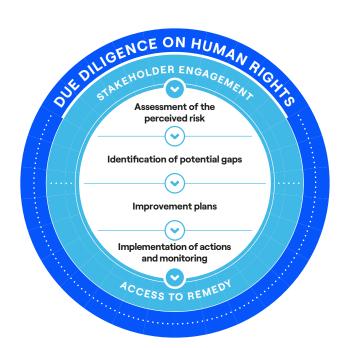
## The due diligence process

2-23

As required by the United Nations Guiding Principles on Business and Human Rights and the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, Enel has defined a process for assessing the robustness of its human rights management system, which has been codified in an internal procedure applied globally.

The process covers the entire value chain in the different countries in which the Group operates and is aimed at verifying both to what extent processes and procedures are in line with the requirements of the United Nations Guiding Principles and how much respect of the principles of the Human Rights policy is integrated into business practice. Through this process, 100% of the adopted operational policies and procedures are evaluated in order to identify any risks in the management of direct and indirect operations related to the entire value chain and the establishment of new business relationships (e.g., acquisitions, mergers, joint ventures, etc.). Based on the results obtained, if necessary, an improvement plan is defined.

Specifically, activities carried out in three-year cycles and involving both internal Company structures and external human rights experts and key stakeholders, include:



In 2023 a new cycle<sup>(2)</sup> was launched which led to achieving perceived risk assessment and identification of potential gaps at country level. Preliminary results are currently being analyzed to assess if any improvement plan is needed. With respect to Holding and Global Functions processes, the activity will be launched later once the simplification of corporate processes triggered by the undergoing organizational changes will have come to an end.

In order to make the analysis process even more robust, the new cycle makes use of an internally developed application that manages the collection, aggregation and processing of information related to the assessment of perceived risk and the identification of potential gaps. The adoption of a digital system ensures greater **traceability** of the flow of information and of approval process, **automatic consolidation** of the information collected as well as **accuracy** of the results, since it reduces manual collection processing and validation

Below is a summary of the main preliminary results of the previous due diligence cycle (2020–2022) followed by the results for the first stages of the new cycle carried out in 2023.

# Due diligence process | Previous cycle highlights (2020-2022)

The 2020–2022 due diligence cycle showed that the management system is robust which means that, according to the definition of the UN Guiding Principles, management of salient issues if effective.

The areas for improvement identified led to the development of a plan consisting of approximately **170 actions of varying magnitude** (covering 100% of operations and sites), **such as enhancing human rights training activities and activities related to disability issues** of which more than **80%** were achieved by the end of the cycle.

Below are some examples:

- Italy: inclusion of the link between the Human Rights Policy and business development procedures in Enel Grids' local operations;
- Brazil: definition of an operating instruction in order to assess management of human rights of partners and sub-tier suppliers;
- Chile: (i) development of a communication and awareness campaign on the Human Rights Policy targeting all relevant stakeholders; (ii) making the policy available to all relevant stakeholders, with a particular focus on those who are unable to access it through digital means (e.g., indigenous peoples).

## Assessment of perceived risk (identification of salient issues)

Identification of the salient issues relating to human rights and their potential impacts allow for activities to be prioritized and the perspectives of affected stakeholders to be considered. The assessment is carried out in the countries of presence of the Group and involves relevant stakeholders and experts from various fields, including civil society and academic institutions. Specifically, consultations were held with direct and indirect workers, civil society representatives from local communities and indigenous and tribal peoples, trade unions, local institutions, businesses and trade associations, and customers. Furthermore, regular

stakeholder and sustainability experts engagement activities are planned with the aim of identifying priority issues and material topics, *i.e.*, the Company's most significant impacts on the economy, environment, and people, including its impact on human rights.

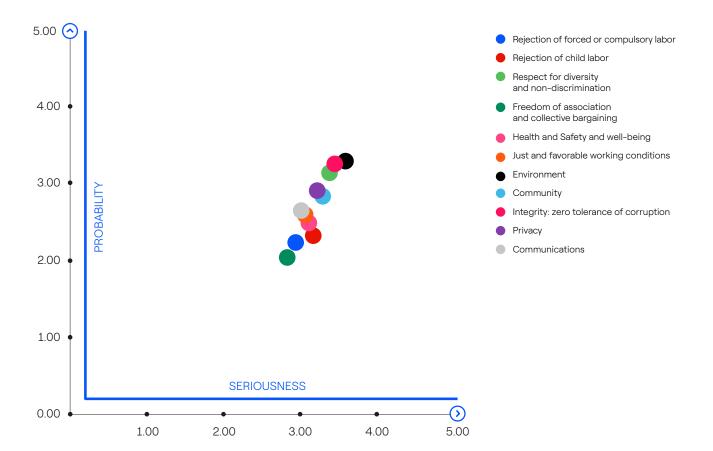


See the chapter "Stakeholder engagement and materiality analysis"

The perceived risk is calculated through the combination of the severity and probability of a potential violation of human rights<sup>(3)</sup>.

Below are the preliminary results for 2023:

- corruption (integrity: zero tolerance of corruption), environment, diversity and non-discrimination, community relations, and privacy are among the most salient issues ("to be monitored"). In particular, privacy has been identified as the most salient issue by stakeholders belonging to North America;
- labor practices (freedom of association and collective bargaining, rejection of forced labor and child labor, fair and favorable working conditions, and health, safety, and welfare in the workplace) and potential impacts from customer-facing communication activities were ranked lowest in terms of risk ("acceptable level").



New fields of analysis have been introduced in this new cycle in line with the 2021 update of the Human Rights policy and the evolution of the relevant ESG context.

#### Key differences:

- strengthening of the analysis related to principle 2.1.2
   "Respect for Diversity and Non-Discrimination", through
   a greater granularity of the criteria underlying a possible violation of this principle;
- expansion of the themes underlying principle 2.1.4
  "Health, safety and well-being", which now includes the
  dimension related to mental and physical well-being
  and work-life integration;
- expansion of the themes underlying the principles included in the "Community and society" section and, in particular, a reference to the following principles:
  - "Environment" (2.2.1), with the inclusion of a link between environment and human rights and aspects related to climate transition plans;
  - "Respect for the rights of indigenous and tribal peoples" (2.2.4), in accordance with ILO Convention no. 169;
  - "Privacy" (2.2.6) and "Communication" (2.2.7), keeping the two principles separate and strengthening customer protection aspects.

# Gap identification and definition of potential improvement plans

Besides the identification of salient issues, the management system includes the **identification of potential gaps** aimed at assessing the operating and risk monitoring processes ensuring the proper integration of human rights in business practice and identifying potential area for improvement. This process is divided into two segments:

 assessment of the general framework of operating procedures and processes based on four parameters defined by the United Nations Guiding Principles:

- public commitment to respect human rights;
- adoption of human rights due diligence process;
- preparation of a plan of action to remedy any gaps identified by the due diligence process;
- adaptation to match local context and regulations.
- 2. assessment of the level of integration of the Human Rights policy principles into business practice.

Below, a summary of key preliminary results of 2023 assessment:

| Human Rights Policy                                    |                           |                   |                     |
|--|---------------------------|-------------------|---------------------|
| Principles   | SDG                       | System to protect | Priority for action |
| Labor practices  |                           |                   |                     |
| Rejection of forced or compulsory labor                | 8 16                      | Robust            | None                |
| Rejection of child labor                               | 8                         | Robust            | None                |
| Respect for diversity and non-<br>discrimination.      | 5 8 10 16                 | Robust            | Low                 |
| Freedom of association and collective bargaining       | 8                         | Robust            | None                |
| Health, safety and well-being                          | 3 8                       | Robust            | None                |
| Fair and favorable working conditions                  | 3 4 8                     | Robust            | None                |
| Community and society                                  |                           |                   |                     |
| Environment  | 11 12 13 14 15            | Robust            | Low                 |
| Respecting the rights of communities                   | 1 3 4 5 7 8 9 10 11 13 17 | Robust            | Low                 |
| Respecting the rights of local communities             | 1 3 4 5 7 8 9 10 11 13 17 | Robust            | Low                 |
| Respecting the rights of indigenous and tribal peoples | 1 3 4 5 7 8 9 10 11 13 17 | Robust            | Low                 |
| Integrity: zero tolerance of corruption                | 16                        | Robust            | Low                 |
| Privacy  | 17                        | Robust            | Low                 |
| Communications   | 5                         | Robust            | None                |

Reference scales of performance values:

In line with the findings of the previous cycle, the management system in place to mitigate potential impacts is robust and enable the salient issues identified to be adequately managed, which, based on the definitions of the classification included in the UN Guiding Principles, means that the salient issues management system is effective. This is also borne out by the fact that, despite the greater

granularity of the assessed content as well as the addition of new content, the results of the assessment were better. This is the case, for example, with the health and safety, that now includes mental and physical well-being and work-life integration and that improved from low priority in the previous cycle to no priority.

<sup>•</sup> Scale of the system to protect: Robust (75%-100%); Good (50%-74%); Sufficient (25%-49%); Needs improvement (0%-24%).

<sup>•</sup> Scale of priorities for action: none; very low; low; medium; high; very high.

## Stakeholder relations: human rights in practice

Enel's pledge to respect human rights is the guiding principle that permeates all its activities and it is fully integrated into its corporate purpose and values, since it belongs to the territory, and it is an essential element in the lives of people, businesses, and society at large. With its commit-

ment Enel is striving for sustainable progress, to make its company and the communities in which it operates more prosperous, more inclusive and more resilient, without leaving anyone behind.

#### **Human Rights Content Index**

| ISSUE                | PRINCIPLE  | DESCRIPTION  | ASSOCIATED<br>SDGs   | INTERNATIONAL REFERENCE STANDARDS   | 2023 SUSTAINABILITY<br>REPORT REFERENCE  |
|----------------------|--|--|--|---|--|
|                      | Rejection<br>of forced or<br>compulsory labor<br>and child labor | Reject of the use of any form of<br>forced or compulsory labor, of<br>any form of slavery and human<br>trafficking and of child labor  | 8 ICONFESSION TO THE MEASURE OF THE  | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Convention 29     United Nations Global Compact principles                       | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Sustainable supply chain Innovation Circular economy Sound governance Managing human rights |
| EMPLOYMENT PRACTICES | Respect for diversity and non-discrimination                     | Diversity, inclusion, equal treatment and opportunity, working conditions respectful of personal dignity, creation of a working environment where people are treated fairly, valued for their uniqueness and not discriminated or subject to harassment, commitment to a just energy transition for everyone and attention to clients requests   | 5 (Ball)   | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Conventions 100, 111, 190     United Nations Global Compact principles           | Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Sustainable supply chain Engaging communities Customer centricity  |
|                      | Freedom of<br>association<br>and collective<br>bargaining        | Freedom to form or take part in organizations aimed at defending and promoting the rights of people, respect of their right to be represented by unions or other forms of representation, collective bargaining as the favored instrument for setting contractual conditions and regulating relations between management and unions              | 8 transverses  | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Conventions 87, 98, 154     United Nations Global Compact principles             | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Sustainable supply chain Engaging communities   |
|                      | Health, safety and<br>well-being                                 | Protection of health, safety and psychological, relational, and physical well-being of individuals; dissemination of such culture to ensure that workplaces are hazard-free and to promote behaviors oriented towards work-life integration  | 3 contestion   | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Conventions 155, 156, 187     United Nations Global Compact principles           | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Sustainable supply chain Engaging communities Health and safety of people                   |
|                      | Just and<br>favourable<br>working<br>conditions                  | Protection of the right to conditions that respect the health, safety, well-being and dignity of individuals, maximum working hours, daily and weekly rest periods and annual period of paid leave, and fair remuneration as well as equal pay for equal work for men and women, minimum compensation, and professional orientation and training | 3 consistence  A months of the constraint of the | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Conventions 100, 131, 155, 156, 187     United Nations Global Compact principles | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Sustainable supply chain Engaging communities   |

| ISSUE                   | PRINCIPLE   | DESCRIPTION  | ASSOCIATED<br>SDGs  | INTERNATIONAL REFERENCE STANDARDS  | 2023 SUSTAINABILITY<br>REPORT REFERENCE   |
|-------------------------|---|--|---|--|---|
|                         | Environment   | Protection of the environment<br>and biodiversity, climate action,<br>and contribution to a sustainable<br>economic development  | 13 out   14 min   15 min   15 min   15 min   15 min   16 | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     United Nations Global Compact principles"                       | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Roadmap towards natural capital conservation Sustainable supply chain Engaging communities Circular economy Innovation                     |
|                         | Respecting<br>the rights of<br>communities                      | Responsible community relations based on the assumption that individual conditions, economic and social development and general well-being of collectivity are strictly connected. This includes conducting capital expenditure in a sustainable manner and promoting cultural, social and economic initiatives for affected local and national communities to advance social inclusion through education, training and access to energy. Commitment to ensure that products and services are designed to be accessible for all  |   |  |   |
| COMMUNITIES AND SOCIETY | Respecting the rights of local communities                      | Commitment to respecting the rights of local communities and to contribute to their economic and social growth also through collaborations with suppliers, contractors and partners that contribute to the social and economic development of the communities where Enel operates. This goes also through: promoting free, prior, and informed consultation activities and implementing social inclusion actions (local manpower, health and safety training, development of local projects – also in partnership with local organizations); taking into due account the environmental and social impact in the designing and construction of Group infrastructure projects; commitment to ensuring that private security forces protecting Group's personnel and assets in operating areas act in a manner consistent with the applicable national laws and international rules and standards | 1 ************************************  | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Convention 169     United Nations Global Compact principles | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Zero emissions ambition and just transition Enel people Roadmap towards natural capital conservation Sustainable supply chain Engaging communities Customer centricity Circular economy Innovation |
|                         | Respecting<br>the rights of<br>indigenous and<br>tribal peoples | Specific commitment to pay particular attention to the most vulnerable communities, such as indigenous and tribal ones, in case of developing new projects and to respect the United Nations Declaration of the rights of Indigenous Peoples   |   |  |   |
|                         | Integrity: zero<br>tolerance of<br>corruption                   | Reject of corruption in all its forms, both direct and indirect, since it is one of the factors undermining institutions and democracy, ethical values and justice, as well as the well-being and development of society   | 16 interested   | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     United Nations Global Compact principles                        | Enel's commitment to sustainable<br>development<br>Stakeholder engagement and<br>materiality analysis<br>Sound governance   |

| ISSUE                   | PRINCIPLE                                    | DESCRIPTION  | ASSOCIATED<br>SDGs   | INTERNATIONAL REFERENCE STANDARDS  | 2023 SUSTAINABILITY<br>REPORT REFERENCE  |
|-------------------------|--|--|--|--|--|
| COMMUNITIES AND SOCIETY | Privacy                                      | Respect of the confidentiality and right to privacy of our stakeholders and to use correctly information and data relating to the people working in our organization, to our customers and to any other stakeholder; processing of data in compliance with the fundamental rights and the rights and principles recognized in law, notably respect for private and family life, home location details and communications, personal data protection, freedom of thought, conscience and religion, freedom of expression and information | 17 Particular  | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Recommendation "Protection of workers' personal data"     United Nations Global Compact principles"   | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Enel people Sustainable supply chain Sound governance Customer centricity |
|                         | Communications                               | Commitment to ensure that institutional and commercial communications are non-discriminatory and are respectful of different cultures, while also not adversely affecting the most vulnerable audiences, such as children and the elderly  | 5 ====   | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     ILO Recommendation "Protection of workers' personal data"     United Nations Global Compact principles"     United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     United Nations Global Compact principles | Enel's commitment to sustainable development Stakeholder engagement and materiality analysis Sustainable supply chain Engaging communities Customer centricity         |
| HUMAN RIGHTS GOVERNANCE | Public<br>commitment                         | Adoption of a Human Rights Policy  | 16 materines   | United Nations Guiding Principles<br>on Business and Human Rights     OECD Guidelines for Multinational<br>Enterprises     United Nations Global Compact<br>principles   | Sound governance<br>Managing human rights  |
|                         | Due diligence of<br>the management<br>system | Identification, prevention and mitigation of the potential negative effects caused by business operations  Reporting to Control and Risk Committee and to Corporate Governance and Sustainability Committee about the implementation of the due diligence process  | 16 sources   17 semants   18 se | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     OECD Guidance for Responsible Business Conduct*   | Sound governance<br>Managing human rights  |
|                         | Access to remedy                             | Access to specific grievance channels also at local level  | 10 mmms (  | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     OECD Guidance for Responsible Business Conduct     United National Global Compact principles  | Sound governance<br>Managing human rights  |
|                         | Transparency                                 | Annual reporting, within the<br>Sustainability Report, of the<br>performance on the commitments<br>undertaken through the human<br>rights policy   | 12 districts containing to the manufacture of the m | United Nations Guiding Principles on Business and Human Rights     OECD Guidelines for Multinational Enterprises     OECD Guidance for Responsible Business Conduct  | Sound governance<br>Managing human rights  |

## The workplace

2-29

Enel is committed to respecting and promoting internationally recognized workers' rights in all countries where it operates. This means rejecting practices such as modern slavery, forced labor and human trafficking, promoting diversity, inclusion, equal treatment and opportunity, and ensuring that people are treated with dignity and val-

ued for their uniqueness, whether within the Company or along the value chain in which it operates.



For further details, see the chapter "Enel people"

#### Training and people empowerment | Upskilling and reskilling

(Human Rights Policy, "Employment practices", principle 2.1.5 "Just and favourable working conditions")

Enel believes in the importance of professional orientation and training for the development of its people and their skills, even the more so in situations impacted by the energy transition that prompt requalification and enhancement of potential by way of reskilling and upskilling programs to foster a just transition. Facing the undergoing rapid evolutions means setting up an inclusive path in the workplace, which aims to enhance the human being

by making him or her the protagonist of an ecosystem in which lifelong learning, well-being, productivity and safety can strengthen each other, contributing to maximum personal fulfilment, with a view to ever greater centrality.



For further details, see the chapter "Enel people"

#### Inclusion

(Human Rights Policy, "Employment practices", principle 2.1.2 "Respect for diversity and non-discrimination")

Enel promotes the principles of diversity, inclusion, equal treatment and opportunity and is committed to guaranteeing the right to working conditions that are respecful of the personal dignity as well as creating a working environment in which people are treated fairly and valued for their uniqueness. It is committed to protecting the physical and psychological integrity and individuality of each person, and opposes any form of behavior that causes discrimination regarding gender, age, disability, nationality, sexual orientation, ethnicity, religion, political opinions and any other form of individual diversity, or that is detrimental to the person and their convictions or preferences. Accordingly, Enel promotes people's freedom of expression. It does not tolerate physical, verbal,

visual, sexual, or psychological harassment such that results in a working environment that is denigrating, hostile, humiliating, intimidating, offensive, or unsafe. The commitment to inclusion, as outlined in the Human Rights Policy, proactively considers the needs and priorities of people and society as a whole. In addition to ensuring that no one is left behind, this approach encourages the generation of new ideas and is an essential condition for the creation of sustainable value in the long term.

For further details, see the chapters

"Enel people" and "Customer centricity".

#### Health, safety and well-being

(Human Rights Policy, "Employment practices", principle 2.1.4 "Health, safety and well-being")

Enel considers the health, safety and psychological, relational and physical well-being of individuals to be the most precious asset to be protected at any moment, at work, at home and during leisure time. It is committed to developing and disseminating a robust health, safety, and well-being culture across its organization, to ensure that workplaces are free from health and safety hazards and to promoting behaviors oriented towards work-life integration. It is actively committed to fostering personal and organizational well-being as enabling factors for

people's involvement and innovative potential and does so, for example, by providing benefits and services that support the integration between private and working life (for example, support, including financial nature, for the care of children and dedicated to maternity or for the care of the elderly).

For further details, see the chapters

"Enel people" and "Health and safety of people".

#### Industrial relations

(Human Rights Policy, "Employment practices", principle 2.1.3 "Freedom of association and collective bargaining")

Enel protects the right of its workers to form or take part in organizations aimed at defending and promoting their interests. It also respects their right to be represented, in the various generation units, by trade union organizations and other forms of representation elected in compliance with the legislation and practices in force in the countries in which they work. The Group believes that collective bargaining is the favored instrument for determining the contractual conditions of its employees and to regulate relations between Company management and trade unions. Industrial relations activities on the Group level continue to be conducted in accordance with the model laid down in the Global Framework Agreement (GFA) signed by Enel in Rome in 2013 and renewed in 2023 with the Italian Feder-

ations in the sector, and the global unions IndustriALL and Public Services International, and which is confirmed as a benchmark best practice for European and non-European multinationals. The agreement is based on international human rights and business principles and is inspired by the best and most advanced transnational industrial relation systems of the reference multinational groups and institutions on the international level, including the International Labour Organization (ILO).



For further details, see the chapter "Enel people".

#### Procurement activities and relationships with business partners

(Human Rights Policy)

Besides guaranteeing the necessary quality standards, Enel partners are requested to adopt best practices on human rights, including working conditions, occupational health and safety, environmental responsibility, and respect for privacy by design and by default. These principles are also an integral part of development and awareness programs: each person must feel that they are responsible for their own health and safety as well as for the health and safety of others. In terms of specific actions, Enel secures that its procurement processes are based on criteria that promote sustainable development and social stability, as well as the principles of free competition, equal treatment, non-discrimination, transparency and rotation over and above compliance with local legislation. 100% of the purchasing product categories are preliminarily assessed in terms of risk, based on human, environmental, social and economic rights criteria. Furthermore, Enel supports its partners to increase their resilience, also in line with the promotion of practices based on a just and inclusive transition. In particular, during 2023 all the activities linked to the target included in the 2023-2025 Sustainability Plan were completed(4). Specifically, the actions carried out were the following:

- development of a tool to identify any potential human rights hotspots in the supply chain of core product categories;
- 2. meetings with the main suppliers belonging to core product categories, as part of the action plan to strengthen the integration of the supply chain, to deepen the knowledge of the Group's commitments and provide information about the new requirements in terms of human rights included in the tenders and provided for by the contractual clauses relating to the mapping of the potential supply chain, traceability and inspections;
- 3. Supplier Performance Management: a guideline has been drawn up on aspects related to human rights and business practices to support Enel people in evaluating supplier performance in this area in the "Human rights and fairness" category (through the application "Track and Rate").





<sup>(4)</sup> Activities for the target included in the 2023-2025 Sustainability Plan: definition of the strategic framework on human rights management in business operations, implementation of the resulting action plans, analysis of results and processing of inputs for updating the strategic framework also in the light of the evolving international context.

#### **Communities**

(Human Rights Policy, "Community and society", principles 2.2.2, 2.2.3 and 2.2.4 "Respecting the rights of communities", "Respecting the rights of local communities", "Respecting the rights of indigenous and tribal peoples")

Enel's commitment testifies how much it is aware that its activities can have a direct or indirect influence on the communities. Indeed, individual conditions, socio-economic development and the general well-being of the community are closely connected: Enel is therefore committed to conducting its capital expenditure and the decarbonization path in a sustainable way and to promoting cultural, social and economic initiatives in favor of local and national communities in the areas of influence, to promote social inclusion through education, training and access to energy. It achieves all this also through constant dialogue aimed at requesting prior, free and informed

consent and taking into due account the cultural, social and economic diversity of each country. Furthermore, it requires each of its stakeholders to behave accordingly, paying specific attention to conflict-affected and high-risk contexts and vulnerable groups, such as local, indigenous and tribal populations, for which Enel is committed to respecting the relevant International Labour Organization (ILO) Convention no. 169.

For further details, see the chapter

"Engaging communities".



#### **Customers**

(Human Rights Policy, "Employment practices", principle 2.1.2 "Respect for diversity and non-discrimination", "Community and society", principles 2.2.2, 2.2.6 and 2.2.7 "Respecting the rights of communities", "Privacy", "Communication")

Enel is committed to a "just energy transition for all", also through the offer of innovative and inclusive services for its customers, regardless of their age, for weak, destitute, marginalized, vulnerable people, paying particular attention to people with disabilities. It undertakes to always respond to suggestions and complaints from customers and consumer associations, making use of suitable and timely communication systems (for example, call center services, e-mail addresses), and to consider all customer needs, with particular attention to people with disabilities. It is also committed to ensuring that its products and services are designed to be accessible to all and not to compromise the health and physical integrity of its customers, as far as reasonably foreseeable. It is committed to non-discriminatory institutional and commercial com-

munication that respects different cultures and at the same time pays particular attention not to negatively influence the most vulnerable audiences, such as children and the elderly. Furthermore, it requires that contracts and communications sent to its customers are: clear and simple, drawn up using a language as close as possible to the one normally used by the people for which the message is intended to, be exhaustive, available on our website and accessible in order to be inclusive of vulnerable categories.

For further details, see the chapter





### **Cross-cutting issues**

#### **Privacy**

Enel respects the confidentiality and rights to privacy of its stakeholders and is committed to the correct use of the data and information relating to people working in its organization, to its customers and to any other stakeholder. Personal data protection and processing is a major challenge in the digitalization and market globalization era. Enel processes personal data respecting all fundamental rights and observes the freedoms and principles recognized by law, in particular respect for private and family life, home and communication, protection of personal data, freedom of thought, conscience and of religion, freedom of expression and information. It also

undertakes to monitor all third-party companies that may be in a position to use the personal data of customers. 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.

乜

For further details, see the

"Data protection" paragraph in the chapter "Sound governance".

#### **Innovation**

Enel has a global network of Innovation Hubs and Labs to expand its vision, promoting innovation and sustainability. The Hubs are located in some of the Group's key innovation ecosystems, such as the United States and Europe. They manage a network of relationships with all stakeholders involved in innovation activities, serving as the main source of scouting for startups and SMEs, and fostering financially, environmentally and socially sustainable

solutions. The Labs make it possible for start-ups to work alongside the technicians and experts of Enel's Business Lines in order to develop and test solutions in the most fertile environment possible.

For further details, see the chapter "Innovation".

## **Specific salient issues**

# Forced labor in the supply chain: the solar sector experience

Since 2013, Enel's commitment against the use of any kind of forced or compulsory labor, as well as all forms of slavery and human trafficking, has been formally defined in Principle 2.1.1 Rejection of forced or compulsory labor and child labor of the Human Rights Policy.

Enel is committed to contributing to the achievement of ambitious climate targets, which implies the need to strengthen and digitalize network infrastructures to enable electrification and efficient use of energy, electrify end uses as much as possible by promoting the active involvement of customers, while supporting such electrification with a massive deployment of renewable energy generation. Photovoltaic (PV) technology is key to enabling the energy transition in the European Union (EU) and around the world, and Enel believes that the EU needs to

have a supply chain of this strategic technology within its borders. The project being implemented to increase the production capacity of 3Sun, the Catania gigafactory for the production of Enel Green Power's photovoltaic cells and modules, from the current approximately 200 megawatts (MW) to 3 gigawatts (GW) is pursuing this aim.

Additionally, Enel's internal supplier qualification and contracting processes include rigorous technical, financial, legal, environmental, health and safety, human rights and ethical integrity requirements that are consistently applied across all markets. Enel supports suppliers in adopting a traceability system to collect information on the supply chain and making on-site visits to companies involved in it. Finally, Enel participates in several initiatives to improve transparency throughout the supply chain by collaborating with other utilities, suppliers and industry associations, including Solar Power Europe.

## **Access to remedy**

2-25 2-26 411-1

Enel continuously monitors whether stakeholders are affected by our company's business operations, and if any impact is identified, we put in place remedial actions.

Access to the remedy is ensured through grievance mechanisms that allow people, inside or outside the company, to flag that there is an issue and to seek a meaningful response:

- a whistleblowing channel, available to internal and external stakeholders, accessible:
  - online or via a toll-free number, as stated on the Enel Code of Ethics web page;
  - by addressing a letter to: Enel SpA Funzione Audit -Codice Etico. Via Dalmazia, 15 - 00198 Roma, Italy.

Whistleblowing reports are handled in accordance with a specific process detailed in the "Handling of anonymous and non-anonymous reports" policy, also illustrated in point 3.1 "Stakeholders grievance" of the Human Rights

- Policy. For further information and details on stakeholder grievances, see the "Values and pillars of corporate ethics" paragraph of the "Sound governance" chapter;
- several processes and tools available to the communities in the influence area of our operations.
   People who wish to contact Enel can do so through local channels, such as the Group's local team or a specific person, toll-free numbers, or, in the case of isolated rural communities, a local leader available to periodically collect any complaints;
- customer complaint or information channels (via email, website, toll-free number).
   Customer reports are managed through dedicated channels and analyzed by a specific working group so that the most suitable actions are taken, both at the complaint management stage and, above all, in pre-

venting the underlying causes.

## Remedy in legacy projects

3-3 | 413-2 | EU22 DMA (former EU20)

Below is an illustration of the impacts<sup>(5)</sup> of some legacy projects.

#### **CHILE**



1 thermal coal-fired power plant | decommissioned in 2022 | actual impact Plant name: **Bocamina II** | Location: Coronel region of Bío Bío | Size: 350 MW



1 hydro power plant | in operation | actual impact Plant name: **Ralco** | Location: Alto Bío Bío | Size: c. 700 MW

## CHILE | BOCAMINA II

#### Actual adverse impact

Land management and relocation.

#### **Affected stakeholders**

Families living in the area surrounding Bocamina's II unit which was adjacent to the first unit.

#### Context

The plant was part of the coal-fired thermoelectric complex of Bocamina, whose first unit (128 MW) shut down at the beginning of 2021. The second unit (350 MW), shut down at the end of September 2022, was built in an area characterized by high urbanization and social vulnerability that generated impacts on the housing units around the construction site. With such closures, after the one involving the Tarapacá plant in 2019, Enel has become the first power company in the country to stop using coal for its generation operations, 18 years ahead of the original 2040 goal set within Chile's 2019 National Decarbonization Plan.

#### Remedies identified

Engagement with the community has led to the development and the implementation of a broad series of initiatives for the social, economic and entrepreneurial development of the affected community, as well as an ambitious revegetation project to transform the 10-hectare area of the plant's ash landfill, which will no longer be used, into a native forest. Furthermore, in line with the principles of the circular economy, various alternatives are being studied to reuse the facility's assets in order to provide new life to the site and create development opportunities for the area. In 2017, an in-depth analysis was carried out, with the support of a company with considerable experience in the field, to review how the original relocation process was carried out with the purpose of remediating any gap vs international existing standard. Among the gaps that emerged as more evident are the inequality and partiality of the agreements previously reached both with the persons concerned and with local authorities, as well as the misalignment with international standards on resettlement. The new plan, which aims to resolve these gaps, involves around 1,400 families, most of them identified as vulnerable groups by the Ministry of Social Development's classification.

#### Key lines of work

- **a.** Preservation of the social and human capital of the communities:
  - i. remedy construction defects of some of the new homes which were identified thanks to a joint technical committee involving Enel, the affected community and the Center of Investigation and Technologies of Construction (CITEC) - Universidad del Bío Bío;
  - ii. quantifying and compensate the impacts on the quality of life of families affected by construction defects and the impact associated with 12 churches

- that were not involved in the relocation process;
- iii. finance the reconstruction of the historic school of Coronel, "Rosa Medel", as agreed with the municipality and the community;
- iv. requalify new and pre-existing areas adjacent to the site:
  - building 12 community headquarters in various new neighborhoods;
  - painting of a 3,500 square meter mural one of the largest in Chile - along the external perimeter of the Bocamina power plant, through the narration of the history of Coronel and its inhabitants (involving dozens of neighborhoods and organizations);
- v. just transition agreement with the Municipality of Coronel, through which the local government will be able to invest in strengthening health and education services, along with completing the construction of a new school and park.
- b. Socio-economic development:
  - support to artisanal fishing in the form of dedicated loans (defined jointly with the local fishing community);
  - ii. support to local businesses in the form of dedicated funding.

#### Grievance

In line with the United Nations Guiding Principles on business and human rights, both physical and online grievance channels have been made available to the community. Once received, reports are handled internally through a dedicated process. Over 135 reports were received during 2023. By the end of the reference period, 88% had been taken up<sup>(6)</sup>.

For general details see the website https://www.enel.cl/en/sustainability/creating-shared-value/bocamina.html.

## The CHILE I RALCO

#### Actual adverse impact

Land management and relocation.

#### Affected stakeholders

Families who live on indigenous land.

#### Context

The area of Alto Bío Bío where the plants are located records a historical setting of the indigenous Pehuenche populations whose presence in the area of influence of the plant amounts to approximately 3,000 people, equivalent to 800 families spread across 11 communitiesThe construction of the Ralco plant led to the flooding of almost 3,500 hectares of indigenous land, and involved the relocation of 81 families (about

400 people) who moved to the territories of the indigenous communities of Ayin Mapu and El Barco, located respectively in the municipalities of Santa Bárbara and Alto Bío Bío.

To support this relocation, Enel has ensured, for 10 years, social services, housing and a plan of continuity assistance (PAC) to affected families, addressing historical issues and establishing a permanent dialogue with all communities in the area.

#### Remedies identified

The engagement of the local community led to the establishment of improvement plans regarding:

a. Education for children and young people in the area of influence:

- i. access to and permanence in formal education considering that the average number of years of schooling in the area is 6.5 years, well below the number of years of compulsory education in Chile. The initiative involved awarding scholarships to cover school fees, room and board and study materials. In 2023, more than 640 students benefited from the program, 60% of them women and 95% belonging to the Pehuenche indigenous community;
- ii. transport support, access to technology, and scholarships for secondary and higher education;
- iii. involvement of intercultural Pehuenche assistants in the teaching process;
- iv. construction of the Quepuca Ralco school(7).
- **b.** Economic development to support the self-dependence of local communities:
  - i. improvement of production plants and equipment;
  - ii. skills enhancement through training in areas such as agriculture and tourism.
- c. Cultural identity programs: measures to support indigenous communities in developing cultural initiatives aimed at promoting, consolidating and sustaining cultural practice, such as traditional ceremonies, language preservation, dissemination of culture and others. These include the start of

- construction work on the Quepuca Ralco Indigenous Cemetery and the Memorial Monument. The related planning was done jointly with the communities that will use these spaces.
- d. Risk reduction initiatives for emergency situations: agreement with the Municipality of Alto Biobío to address the multidimensional housing poverty of the local population and reduce risks in emergency situations by improving the skills and training of vulnerable groups, so as to improve their capacity to react to emergencies linked to volcanic eruptions and forest fires.
- e. Access to energy: collaboration with the Municipality of Alto Biobío for the maintenance of 120 photovoltaic panels belonging to families residing in the area, in order to allow them to access clean and sustainable energy.

#### Grievance

In line with the United Nations Guiding Principles on business and human rights, both physical and online grievance channels have been made available to the community. Once received, reports are handled internally through a dedicated process. 28 reports were received in 2023, all of which were taken up.

#### **COLOMBIA**



1 hydro power plant | in operation | actual impact

Plant name: El Quimbo | Location: department of Huila | Size: 400 MW

## The COLOMBIA | EL QUIMBO

#### Actual adverse impact

Land management and relocation.

#### Affected stakeholders

People and families with productive or commercial activities in the area of influence of the plant.

#### Context

The plant is located in the Department of La Huila, and its construction has contributed to greater energy security and stability of the Colombian electricity system, as well as promoting economic growth of municipalities in the area of influence, in line with the development goals set by the Department of La Huila.

#### Remedies identified

Community engagement began at the end of 2014 and led to the development and adoption of a multi-year plan that includes a wide range of initiatives mainly divided into:

- a. Environmental management:
  - i. awareness raising campaigns;
  - ii. preservation of biodiversity and nature: restoration of >11,000 hectares of tropical dry forest.

For further details, see the chapter



"Roadmap towards natural capital conservation".

<sup>(7)</sup> The School is awaiting official recognition by the Ministry of Education. This will allow it to become fully operational, together with the boarding school and the space made available for the local community.

#### b. Socio-economic development:

Activities focused on providing support with technical issues related to production processes and how to improve their efficiency. Over the last 10 years, more than 30 projects have been carried out in the Municipalities of Altamira, Tesalia, Paicol, Garzón, Gigante and El Agrado, involving an investment of more than 2 million euros and over 15,000 families in the Department of La Huila. The most significant cooperation agreements relate to the implementation of agricultural production plans agreed with around 90 families relocated to Garzón, Altamira, El Agrado and Gigante. With an investment of over 800,000 euros, the beneficiaries have improved and increased the production and marketing of various foods such as corn, wheat, lemons, milk, cocoa, tomatoes and a wide range of fruits, including products for their own consumption. Below are some examples of the main agreements reached in 2023.

#### Municipality of Garzón

## Planting of 100 hectares of coffee jointly with plantains

The project aims at getting coffee varieties that are resistant to rust and produce higher yields, and is intended for 100 farmers who will receive coffee seedlings, fertilizers and agricultural equipment. In addition, technical, social and environmental monitoring will be carried out to guarantee the sustainability of their crops and increase coffee production. Enel will cover approximately 40% of the total investment (approximately 250,000 euros).

## Optimization of the local marketplace meat module electrical appliances

The project aims at revamping the electricity networks built more than 20 years ago and will benefit over 70 traders. Enel will cover approximately 80% of the total investment (over 110,000 euros).

#### **Municipality of Tesalia**

#### Installation of sugarcane molasses processing plant

This initiative will benefit small and medium-sized sugarcane growers, with the construction of a sugarcane molasses processing plant and the planting of 15 hectares of new sugarcane, with the aim of increasing panela manufacturing and improving the living conditions of families. Enel will cover more than 80% of the total investment (over 65,000 euros).

#### Improvement of livestock farming infrastructure

The project aims to improve livestock farming infrastructure and health conditions for cattle, as well as to increase milk production, with the supply of silage or concentrated feed, for greater sustainability and profitability of farming, in order to improve the economic prospects of the agricultural companies involved, all belonging to the ASOGATE, ASOGAPAC and FOGAGRO associations. Enel will cover more than 80% of the total investment of over 90,000 euros, with the Municipality of Tesalia and the associations covering the rest.

#### Strengthening of the cocoa production chain

The initiative concerns the supply of specific machinery and fertilizers, with the aim of increasing cocoa production by 75%. Enel will cover 80% of the total investment of over 80,000 euros.

#### City of Paicol-Huila

#### **Livestock farming development**

This project, which will benefit 94 farmers, aims to contribute to the development of livestock farming the region, improving milk production rates and the genetic quality of the livestock. The total investment is approximately 140,000 euros, 30% of which will be covered by Enel.

#### Strengthening cocoa production

This is a project that began some time ago and involves the United States Agency for International Development (USAID), the Luker Foundation, Luker Chocolate, the Saldarriaga Concha Foundation and EAFIT University, and aims to strengthen cocoa production by training producers, carrying out environmental assessments to support production, support the cultivation of cocoa plants (through all stages of development), assist with fight against parasites and diseases. At the end of 2022, activities began to extend the program to a greater number of growers and an event was organized in the second half of 2023 to promote the initiative. Training was successfully provided to nearly 400 local producers. Furthermore, over 4,000 cocoa trees were planted in the municipalities of El Agrado, Pital, Gigante and Garzon, and over 21,000 in the municipalities of Hobo and Algeciras. Finally, a weekly monitoring system has been set up in over 20 farms to detect the presence of crop parasites and diseases, which has shown a significant improvement in their health.

#### Grievance

In accordance with the provisions of the United Nations Guiding Principles on business and human rights, both physical and online grievance channels have been made available to the community. Once received, reports are handled internally through a dedicated process. During 2023, over 600 reports were received with requests for information and/or clarifications on the progress of the actions agreed in connection with obtaining the environmental license, all of which were taken up.

#### Other relevant information

Some local inhabitants/fishers have started "acciones de grupo" and "acciones populares", which are currently pending, declaring that the revenues from their businesses have been reduced as a result of the construction of the power plant and alleging that the activities of filling the Quimbo dam have had an impact on downstream fishing and the respective environment. For more details, see the paragraph related to El Quimbo, in the section "Contingent assets and liabilities" of the 2023 Integrated Annual Report.

Furthermore, during 2023, Enel received a letter from the United Nations Special Rapporteurs<sup>(8)</sup>, as part of the communication procedure of the Special Procedures of the

United Nations Human Rights Council, requesting information relating to:

- the impact of the El Quimbo project on the stakeholders in the area of influence and on their right to a "healthy environment and food" and the reporting channels made available to them;
- the Group due diligence process;
- measures to remedy the "potential negative impacts on human rights and the environment" caused by the project in the surrounding areas of the Magdalena and Suaza rivers.

Enel answered all the questions (the full text of the reply can be found on the United Nations website) describing its overall approach to human rights in business practices.

## Other projects

#### WINDPESHI (La Guajira)



1 wind power plant | currently suspended | Size: 200 MW

#### Context

The plant, whose construction is currently suspended, would have contributed to diversifying the country's energy mix.

#### State of development

On May 24, 2023, Enel announced the suspension of the construction of Windpeshi for an indefinite period of time. This circumstance mainly implies the interruption of all the construction works other than those that are strictly necessary for the fulfillment of the project's social and environmental commitments.

The decision was made by the Board of Directors of Enel Colombia given the impossibility of guaranteeing the construction pace of the project.

The decision, as stated in the specific press release from Enel Colombia dated May 24, 2023, "was taken after careful analyses and feasibility studies which led to the conclusion that it is not possible for the Company to continue with the construction of Windpeshi", as "projects must be sustainable not only socially but also economically, and their success depends on collaboration between businesses, institutions and communities" (9). The Group will however continue to engage with communities and all relevant stakeholders to address the implications of this decision.

To go into more detail, in addition to the resources used to carry out the commitments made during the prior consultation, more than 7.1 billion Colombian pesos have been invested in projects relating to quality education, access to water and economical progress.

#### Stakeholder engagement

The community in the area of influence where the plant would be built is made up of indigenous populations residing in the Municipalities of Maicao and Uribia, belonging to the Department of La Guajira. This area is characterized by a significant presence of indigenous communities, which represent 20% of the total population of Colombia. In addition to Enel's commitment to listening to and proactively engaging with local communities, with particular attention to the most vulnerable communities, such as indigenous and tribal populations in line with ILO Convention no. 169<sup>(10)</sup>, the national law provides that prior consultation of indigenous populations must take place according to a specific process.

Such process involves the directorate of the Ministry of the Interior national prior consultation authority, that is responsible for determining whether a community is subject (or not) to prior consultation, and that guides, directs and coordinates the exercise of the right to preliminary

<sup>(8)</sup> Special Rapporteur on the Situation of Human Rights Defenders; Chair-rapporteur of the Working Group on Human Rights and Transnational Corporations and Other Business Enterprises; Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy and Sustainable Environment; Special Rapporteur on the Promotion and Protection of the Right to Freedom of Opinion and Expression.

<sup>(9)</sup> Enel Colombia press release: https://www.enel.com.co/es/prensa/news/d202305-suspension-indefinida-windpeshi.html.

<sup>(10)</sup> Principle 2.2.4 "Respect for the rights of indigenous and tribal peoples", Enel Human Rights Policy 2021.

consultation, through appropriate procedures, ensuring the participation of the communities through their representative institutions. All in compliance with the reference regulatory framework.

The Ministry of the Interior also acts as a third party at meetings held with the communities, which are documented through minutes signed by the Company, the Ministry and the community representatives. The Ministry of the Interior is also in charge of setting up follow-up meetings during which it goes through the list of planned actions to verify progress according to the schedule agreed during consultation.

Documentation about progress on the projects agreed with the communities, planning and prioritization of resources, yearly update of the population census of the certified communities are a fundamental and transparent way to make sure rights of communities are respected.

#### Key lines of work

Below is a summary of the actions taken before the suspension:

- a. Socio-economic development:
  - i. access to drinking water:
    - two public basins were built to provide drinking water to communities in the area of influence;

- a non-functioning aqueduct was repaired, which allowed water to be supplied to communities along the road to Windpeshi. Both actions benefited 3,000 people belonging to the indigenous Wayuu population;
- ii. education:
  - agreement signed with SENA (Servicio Nacional de Aprendizaje) to provide technical training and certify the level of skill achieved by participants. Actions concerned job training on basic construction works and support to entrepreneurship development through marketing, sales and handicraft courses aimed at empowering communities to develop their own business;
  - joint project with Artesanías de Colombia in the Wayuu territory regarding traditional artisan weaving practices. The training activities involved 560 people, including 270 through the agreement with SENA and 290 through the joint project with Artesanías de Colombia.

#### Other

An agreement was also reached with the University of La Guajira for the drafting of an intercultural manual, an essential instrument for understanding the dynamics and specific aspects of the ethnic communities.

#### Midelt, Boujdour and Essaouira



3 wind power plants | 2 in operation and 1 under construction Sizes: 210 MW, 300 MW and 270 MW

#### Context

In March 2016, a consortium between Enel Green Power and the Moroccan company Nareva, in partnership with the supplier Siemens Renewable Energy, was awarded the project for the development, construction, and management of wind plants.

The energy produced by the wind farm will be sold to ONEE that will use this energy for the benefit of all final users, including the local population.

#### State of development

In operation: Midelt, 210 MW wind farm located approximately 20 km from the center of Midelt and Boujdour, 300 MW wind farm located approximately 180 km south of the port of Laayoune (Port of Marsa). Under construction: Essaouira, 270 MW wind farm located approximately 28 km from the city of Essaouira.

#### Midelt

#### Stakeholder engagement

- 2015: preliminary analysis of the social, economic and environmental context ("SEECA") to identify the relevant socio-economic issues and the specific needs of local communities;
- 2019: environmental and social impact assessment (Environmental Social Impact Assessment ESIA);
- 2020: new SEECA and consultation.

#### **Key actions implemented**

- a. Environment (sustainable building site and during operation): assessment and mitigation of environmental impacts, including CO<sub>2</sub> emissions, waste and water, by means of:
  - photovoltaic mini-grid plus storage used to power basecamp, auxiliary services of the base camp and turbines erection;

- stand-alone PV modules used to power prefabricated buildings/containers and streetlights;
- utilization of energy efficient technology (LED lamps, solar water heating system) to reduce electricity consumption;
- · water recycling solution installed in all water systems;
- implementation of a biodiversity preservation plan aimed at protecting the local ecosystem, among which plantation of local trees and species nearby the building area.
- **b.** Health and safety at work: application of the highest standards, in line with Enel's usual practices.
- **c.** Socio-economic development (during construction and operation):
  - training and hiring of over 250 people for non-specialist jobs (during the construction phase), all from the Midelt community;
  - ii. maximized hiring of local small and medium-sized businesses for auxiliary services (including transportation, cleaning, catering, supply of materials, etc). This was aimed also at supporting the local economy particularly affected by the consequences of the pandemic:
  - **iii.** food basket provision to the most vulnerable local families.
- **d.** Promotion of education (also during the operational phase):
  - classes dedicated to approximately 1,400 beneficiaries of 6 local schools in Amersid & Mibladen rural communes, held by local volunteers that covered topics related to renewables and the operation of wind plants;
  - ii. setting up of a yearly scholarship granted to one university student coming from the community of Midelt;
  - iii. adoption of a sustainability and environmental education program called AKABAR AL MAARIFA to train professionals in Midelt schools and educate primary school children with the aim of:
    - developing ecological and social awareness, environmental sensitivity, behaviors and skills;
    - promoting active participation in community issues from early childhood, in order to build environmental citizenship from primary school;
    - introduce, in addition, an effective training and professional development program to equip teachers with the knowledge, values, skills and strategies necessary to implement the above environmental citizenship.
- e. Healthcare during the operational phase:
  - i. setting up of a health facility (caravan) made avail-

able to 1,400 students from neighboring schools for various types of specialist visits (general practitioners, dentists, ENT specialists, etc., and supply of glasses where necessary) to combat school dropout among students children caused by health problems.

#### **Boujdour**

#### Stakeholder engagement

- 2015: preliminary analysis of the social, economic and environmental context ("SEECA") to identify the relevant socio-economic issues and the specific needs of local communities, including the development of infrastructure, education, healthcare, poverty problems, social services and the protection of inherited cultural assets;
- 2019: environmental and social impact assessment (Environmental Social Impact Assessment - ESIA);
- 2020: human rights due diligence<sup>(11)</sup>, a new SEECA and consultation which involved vulnerable people groups self-identifying as Saharawi.

#### Main actions taken

- a. Environment (sustainable construction site and during operation): see the information already provided for Midelt.
- **b.** Occupational health and safety:
  - application of the highest standards, in line with Enel's usual practices.
- **c.** Socio-economic development (during construction and operation):
  - i. training and hiring of Saharawi people:
    - setting up a training center in the base camp during the construction phase with civil and electrical training aimed at bridging the local skills gap, thus creating the opportunity to use these skills in the future;
    - hiring of around 200 people for non-specialist jobs, >90% from the local Sahrawi community during the construction phase;
    - hiring of technical personnel for O&M management, turbine service provider and substation maintenance, security and cleaning services;
  - ii. maximized hiring of more than 100 local small and medium-sized businesses for auxiliary services (including transportation, cleaning, catering, supply of materials, etc.). This was also aimed at supporting the local economy particularly affected by the consequences of the pandemic;

<sup>(11)</sup> In line with the United Nations Guiding Principles on Business and Human Rights and in collaboration with an independent non-profit organization with international expertise in human rights and business.

- iii. ad hoc infrastructure for the needs of people and small local businesses in the area of influence of the project:
  - during civil works, new sections of road were built as well as requalifying existing ones (approximately 60 km). This activity allowed to reconnect main roads with grazing areas, thereby benefiting the pastoral communities in remote areas;
  - due to the newly available renewable electric energy generated by the Boujdour plant, the local electricity connection to the city of Boujdour is being reinforced;
- iv. support for local Sahrawi nomadic camel drivers through the provision of water tanks and cisterns;
- v. food basket provision to the most vulnerable local families.

#### d. Promotion of education:

- i. education and vocational training programs designed to fight against primary school dropout, filling the mismatch between training and employment opportunities, providing knowledge about renewable energy. The initiatives involved approximately 1,000 beneficiaries of 11 local schools, and related specifically to:
  - entrepreneurship: workshops to introduce young people to entrepreneurial activities;
  - "It's My Business": promotion of the development of entrepreneurial skills of middle school students through gamification and contact with entrepreneurs known nationally and internationally;
  - business program: learning all the stages of setting up a business and participation of young high school students in various competitions, at local, national and regional (MENA) level;
  - lessons held by local volunteers from Nareva and Enel Green Power Morocco on topics related to renewables and the operation of wind plants;
  - establishment of an annual scholarship awarded to a university student from the Boujdour community.

#### e. Healthcare:

i. setting up of a medical facility (caravan) made available to 1,000 students coming from surrounding schools for specialist examinations of various types (general practitioners, dentists, ear, nose, and throat doctors, etc. plus provision of eyeglasses when needed) as a mean to fight children school dropout caused by health issues.

#### Essaouira

#### Stakeholder engagement

- 2015: preliminary analysis of the social, economic and environmental context ("SEECA") to identify the relevant socio-economic issues and the specific needs of local communities, including the development of infrastructure, education, healthcare, poverty problems, social services and the protection of cultural assets;
- 2021: Environmental Social Impact Assessment (ESIA).

#### Main actions taken

- **a.** *Environment*: please refer to Midelt and Boujdour description.
- **b.** Occupational health and safety: application of the highest standards, in line with Enel's customary practices.
- c. Socio-economic development (during construction):
  - training and hiring of employed for civil and electrical works;
  - ii. hiring of 332 people from the local community for non-specialist jobs;
  - iii. maximized the hiring of local small and medium-sized businesses for auxiliary services (including transport, cleaning, catering, supply of materials, etc.).
- d. Promotion of education and other services:
  - training dedicated to around 400 beneficiaries from local schools, held by local volunteers, who covered topics related to renewables and the safety measures used during the construction of wind plants;
  - ii. installation of safety fences for local schools near roads;
  - **iii.** restoration of a place to visit a local religious saint for the benefit of the local community.

#### Grievance

The management system for all three facilities has been defined in line with the United Nations Guiding Principles on Business and Human Rights.

Once received, reports are recorded, analyzed and classified from 1 to 3 (the rating takes into account repetition and severity; 1 is the lowest score, 3 the highest). The analysis allows a potential solution to be identified. Once the solution is agreed, the report is deemed to be completed. The communities have various channels available: on-site suggestion boxes, post and electronic mail, telephone, company staff present during site visits. The language

used is Arabic and, when a member of the community is not able to write and speaks a dialect, a translator is identified inside or outside the construction site.

In particular, the reports handled for all three projects concerned:

- request on using local labor from the community. Solution agreed: hired non-qualified workers as described at point c., i. of the main actions adopted in Midelt and Boujdour;
- request for using local SME's. Solution agreed: contractors, with the support of local stakeholders, launched a beauty contest to select local service pro-

viders from the city of Midelt as suppliers for the services and equipment needed as described at point c.,

ii. of the main actions adopted in Midelt and Boujdour. Furthermore, for **Essaouira** a request of repairing water pipes that were damaged was made. Solution agreed: the water pipe was repaired to ensure water supply continuity while starting the building of a brand new one The first request was satisfied (to guarantee the continuity of the water supply) and at the same time the construction of a new pipe began. For the second, contractors began irrigating the streets using recycled or sea-pumped water, to reduce dust raised during transportation.

#### Osage Wind (Osage County, Oklahoma, USA)



1 wind power plant | in operation | Size: 150 MW

In a case brought by the United States of America (as trustee of the Osage Nation) and the Osage Mineral Council against Enel Green Power North America, Enel Kansas LLC and Osage Wind LLC, on December 20, 2023, an order was issued by the Federal District Court of Northern Oklahoma providing for the future removal of the wind farm and the continuation of the judgment to determine damages. The proceedings are continuing in the first instance, and the opposing claims are contested in full; the

order, which is not final, will be appealed in the appropriate venues and at the appropriate time.

Osage Wind operates for the benefit of the local community providing funds for the Osage area schools every year. Furthermore, farmers, ranchers and other Osage landowners benefit from the rents accrued by leasing their private property as part of the project and the region benefits from clean, renewable energy that powers 50,000 homes.