

SOUND GOVERNANCE

SUSTAINABILITY PLAN PILLAR

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SOUND GOVERNANCE



Enel is constantly striving to strengthen its Governance system, which aligns with national and international best practices. This system supports the Company's activities, as well as its relations with all stakeholders involved. The activities carried out in 2023 in line with the previous 2023-2025 Sustainability Plan, with the commitment to ensure continuous improvement of the Governance system, are listed below.

TARGETS	2023 RESULTS	SDGs
BOARD OF DIRECTORS AND TOP MANAGEMENT		
Diversity Policy Monitoring the implementation of the Board of Directors' Diversity Policy	The composition of the Board of Directors appointed by the Meeting of May 10, 2023 is entirely consistent with the objectives set out in the Diversity Policy for the various types of diversity. In any case, it is worth noting that all the Directors elected at this Meeting are in their first year in office at Enel and therefore there is no balanced distribution of tenure within the current Board of Directors. However, following their appointment, an intensive induction program on the Enel Group's main business areas and corporate governance was implemented to provide the incumbent Directors with the necessary know-how to perform their duties as effectively as possible.	
Recommendations and best practices Continual alignment with international recommendations and best practices for corporate governance	Alignment with international best practices on corporate governance, and with the recommendations of leading proxy advisors and institutions. Full compliance with the Italian Corporate Governance Code. Participation in the corporate governance roadshow, which provides an opportunity to discuss requests from institutional investors and proxy advisors.	
Induction plan Structured induction plan for Directors and Statutory Auditors during their term in office, including with regard to sustainability issues	Induction activities were carried out in 2023 to ensure that Directors and Statutory Auditors have adequate knowledge of the Enel Group's corporate governance, as well as the sectors in which it operates, market trends and the regulatory framework of reference. Further induction activities have also been planned for early 2024, including in relation to sustainability issues.	
Engagement Monitoring the implementation and possible updating of Enel SpA's Engagement Policy and supporting the Investor Relations unit in engagement activities with institutional investors and proxy advisors on corporate governance issues	Enel SpA's Engagement Policy has been properly implemented. The Corporate Affairs unit has regularly supported the Investor Relations unit in engagement activities with institutional investors on corporate governance issues. The Corporate Affairs unit carried out engagement activities with proxy advisors on corporate governance issues.	

Goals



New



Redefined



Outdated

Progress



Not in line



In line





Achieved

N.A. = not applicable, target not included in the 2023-2025 Sustainability Plan

TARGETS

2023 RESULTS

SDGs

<p>Board review Board review carried out with the support of an independent consultant</p>	<p>Board review activities began in November 2023 and ended in February 2024.</p>	
<p>Share Ownership Guidelines Monitoring of the implementation of the Share Ownership Guidelines, which apply to Chief Executive Officer and executives with strategic responsibilities, regarding the minimum level of ownership of Enel shares they must achieve within a given timeframe from their appointment and must maintain during their term in office</p>	<p>Following an in-depth analysis of national and international best practices and at the proposal of the Nomination and Compensation Committee, in March 2023 the Board of Directors adopted the "Share Ownership Guidelines" which set out the minimum level of ownership of Enel shares that the Chief Executive Officer and executives with strategic responsibilities must achieve and maintain over time, thereby strengthening the alignment of their interests with those of all shareholders over the long term. The "Share Ownership Guidelines" came into effect on May 10, 2023, after the approval of the 2023 remuneration policy by the Enel Shareholders' Meeting, and are now fully in place.</p>	

DOUBLE MATERIALITY

SUSTAINABILITY PLAN PILLAR

SUSTAINABLE DEVELOPMENT GOALS (SDGs)







MATERIAL TOPICS:

- Business conduct and ethics

SOUND GOVERNANCE



ORGANIZATIONAL MODEL AND COMPLIANCE PROGRAM

<p>Anti-corruption certification ISO 37001 anti-corruption certification maintained for the main Italian companies, extended also to the Group's foreign companies</p>	<p>100% retention of ISO 37001 certifications acquired by Group companies.</p>	
<p>Compliance Program Ongoing improvement of Compliance Programs/Models for the prevention of criminal risks</p>	<p>Enel's Global Compliance Program is continuing to be adopted by Group companies, particularly newly acquired or established companies. In 2023, a new policy was published on the protection of whistleblowers, as well as a new organizational procedure setting out the principles on the management of the stewardship model.</p> <p>Ongoing updates to the criminal risk prevention models for Enel Group companies.</p>	
<p>Training on ethical issues Online training on ethical issues (e.g., Model 231, Anti-corruption Management System, Enel Global Compliance Program)</p>	<p>Online training on ethical issues was extended to all employees of the Group's Italian and foreign companies. A comprehensive review and update of training on anti-corruption issues was conducted in 2023. Additional training on criminal risk prevention models was also provided.</p>	
<p>International sanctions risk prevention program Ongoing improvement of the sanctions risk prevention process</p>	<p>Ongoing monitoring of the regulatory environment and updates to the international sanctions risk prevention process to ensure full compliance with the relevant regulations.</p>	

SOUND GOVERNANCE

| 2-1 | 2-9 | 2-12 | 2-17 | 2-29 |

44%

PERCENTAGE OF WOMEN ON ENEL SPA'S BOARD OF DIRECTORS

44% in 2022  0%

7

ENEL SPA'S BOARD OF DIRECTORS MEETINGS CONCERNING SUSTAINABILITY

12 in 2022  -41.7%

207

REPORTS CONCERNING THE CODE OF ETHICS

172 in 2022  +20.3%

41

VIOLATIONS OF THE CODE OF ETHICS

29 in 2022  +41.4%

7

DATA BREACHES

7 in 2022  0%

Enel is a Company listed since 1999 on the Euronext Milan stock exchange and managed by Borsa Italiana SpA, with one of the highest number of shareholders of any Italian company. Notably, the **shareholder structure at December 31, 2023** was as follows: **(i) 58.6% institutional investors; (ii) 17.8% retail investors; (iii) 23.6% Ministry of the Economy and Finance.**

Enel's corporate structure includes the main international investment funds, insurance companies, pension funds and ethical funds, thanks also to the adoption, by the Company and the Group, of the best international practices on transparency and corporate governance. Moreover, at the date of this Sustainability Report, the Enel Group includes a further 11 companies issuing shares listed on the Brazilian, Chilean, Peruvian, Spanish, and US stock exchanges.



Policy for managing the dialog with institutional investors and with all shareholders and bondholders

Enel considers it to be in its specific interest, as well as a duty toward the market, to ensure **a constant and open relationship that is based on the mutual understanding of the roles with all shareholders and bondholders, as well as with the institutional investors and their representative associations** in order to increase the relative level of understanding regarding the activities performed by the Company and the Group. In this context, Enel maintains dialog with counterparties based on principles of fairness and transparency, in compliance with EU and national regulations on market abuse, as well as in line with international best practices. This engagement activity has led to the positive result, over recent years, of a significant increase in participation of the institutional investors in the Shareholders' Meetings.

In order to regulate the methods for developing this dialog, in March 2021 the Board of Directors adopted a specific Policy, (i.e., **"Engagement Policy"**), acting on a proposal of the Chairman made in agreement with the Chief Executive Officer, which clarified to a large extent the practices already followed by Enel and whose use takes into account the applicable best practices adopted by the institutional investors and reflected in the stewardship codes.

This Engagement Policy, which was applied consistently during 2023, also identifies the corporate structures that, in line with the practices established by Enel from the moment their shares were listed on the stock exchange, are responsible for the dialog activities, and specifically with: (i) a specific Investor Relations unit which is part of the Administration, Finance and Control Function, which interacts on a continuous basis with the institutional investors (as well as with the financial analysts and the rating agencies); as well as (ii) a specific area in the Corporate Affairs unit, which is in turn part of the

Legal, Corporate, Regulatory and Antitrust Affairs Function, which interacts on a continuous basis with the retail shareholders and bondholders, providing them with all useful explanations regarding the respective issues of interest.

The information provided to Enel's institutional investors and all their shareholders and bondholders by the above-indicated organizational structures – as well as by any other duly authorized Company member – complies with the criteria of truthfulness, clarity, coherence, completeness and symmetry of information; the information is also supplied in a timely manner and in compliance with what is required by the regulation adopted by Enel regarding the processing of corporate information.

In particular, the Investor Relations structures are, for example, responsible for the following: (i) preparing Enel's equity story and organizing meetings between the Company's Top Management and the financial community; (ii) managing relationships with ratings agencies and with the fixed income investors; (iii) managing relationships with institutional investors and financial analysts; (iv) coordinating the management of relationships with the institutional investors who have an interest in the listed share capital controlled by Enel; (v) preparing market analyses and reports concerning Enel shares, also monitoring the consensus of the financial analysts; (vi) supporting the External Relations Function, in coordination with the Corporate Affairs unit, with the definition of Enel's price sensitive press releases, as well as developing and updating the content dedicated to investors on the Company website.

For more details, refer to the Report on Corporate Governance and Ownership Structure for 2023. Also, Enel's website (www.enel.com, "Investors" section) provides access to economic, financial, environmental, social and governance information and updated data and documents of particular interest, providing a multidisciplinary and integrated vision.

In 2023, Enel continued its commitment as patron of the United Nations Global Compact (UNGC) initiative on **Transformational Governance** ("TG"), aimed at exploring new decision-making models to support sustainable investments.

As part of this initiative, the TG Corporate Toolkit has been drawn up, which consists of:

a. a Self Assessment Tool;

b. three Issue Briefs: (i) Transformational Governance & the Role of the Corporate Board and Executive Leadership; (ii) Transformational Governance & Responsible Governmental Engagement; (iii) Investing in Transformational Governance;

c. a Report: "Transformational Governance Think Lab: Insights from the engaging the legal function".

Corporate governance model

| 2-9 | 2-10 | 2-11 | 2-12 | 2-13 | 2-14 |

Enel's corporate governance system complies with the principles contained in the Italian Corporate Governance Code published on January 31, 2020⁽¹⁾ (the "Corporate Governance code"), to which the Company adheres as a "large company"⁽²⁾ with "non-concentrated ownership," and is also inspired by the international best practices. The corporate governance system adopted by Enel is oriented toward the goal of sustainable success, given that it is aimed at creating value for shareholders over the long term, aware of the importance from an environmental and social point of view of the Enel Group's operating activities and the consequent need to proceed with

adequate consideration of all the interests of the relevant stakeholders.



For a detailed illustration of Enel's corporate governance, please refer to the **Report on Corporate Governance and Ownership Structure for 2023**, which is available on the Company's website (www.enel.com); please also refer to the **specific section of this Sustainability Report** for an illustration of the governance of sustainability and the management of climate change.

Board of Directors

| 2-9 | 2-10 | 2-11 | 2-12 | 2-13 | 2-14 | 2-16 | 2-17 | 2-18 | 3-3 | 405-1 |

The Board of Directors in office was **appointed by the Ordinary Shareholders' Meeting of May 10, 2023** and consists of nine members.

Enel applies **diversity criteria**, also in relation to gender, in the composition of the Board of Directors, in line with the priority goal of ensuring adequate competence and professionalism of its members. Specifically, in January 2018 the Board of Directors, acting on a proposal of the Corporate Governance and Sustainability Committee and the Nomination and Compensation Committee, and in implementation of what is required by the Consolidated Law on Finance, approved a **diversity policy** that describes the optimal characteristics of the Board's composition to ensure it can fulfil its duties as effectively as possible, making decisions that can tangibly benefit from the contribution of a plurality of different qualified members able to examine the issues under discussion from diverse perspectives. The Board of Directors, whose term expires with the approval of the financial statements for the 2022 financial year, in providing shareholders with its **guidance on the optimal size and composition of the Board of Directors**, with a view to its renewal by the Ordinary Shareholders' Meeting of May 10, 2023, expressly took into account the criteria set out in the diversity policy. The composition of the Board of Directors appointed by the above-mentioned Shareholders' Meeting fully respects the objectives set out in the said policy for the

various types of diversity.

The Board of Directors held 15 meetings in 2023, of which 6 addressed climate-related matters, reflected in the strategies and related implementation methods.

Following the appointment of the Board of Directors decided on by the Ordinary Shareholders' Meeting of May 10, 2023 and taking into account the renewal of the entire Board, the Company organized a special **induction program** aimed at providing the Directors with adequate information of the Group's business sectors, as well as its corporate dynamics and their evolution, market trends, and the legal framework; also the Statutory Auditors participated in this program. During 2023, several induction sessions were held that covered the corporate governance of the Company and the Group, the structure and operation of the electricity system in general, as well as in-depth analyses of the Group's Business Lines (*i.e.*, Enel Green Power and Thermal Generation, Global Energy and Commodity Management and Chief Pricing Officer, Enel Grids, Enel X Global Retail) and the Staff People and Organization Function. Finally, an induction session dedicated to climate change was held in February 2024.

The **maximum number of offices** that the members of the Board of Directors can hold on the Board of Directors or governing bodies of other companies of a relevant size is regulated by a specific corporate policy, which was last updated in 2020 in order to adapt the contents to

(1) It is available on the Borsa Italiana website (at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>).

(2) The Corporate Governance Code defines a "large company" as any company whose capitalization exceeded 1 billion euros on the last trading day of each of the previous three calendar years, as well as "company with concentrated ownership" as any company in which one or more shareholders participating in a shareholders' agreement have, directly or indirectly (through subsidiaries, trustees or intermediaries), the majority of the votes exercisable at the Ordinary Shareholders' Meeting.

the relevant best practices prepared by the main proxy advisors and relevant institutional investors.

In order to regulate the way in which the Company engages with institutional investors and with all shareholders and bondholders, in March 2021 the Board of Directors adopted a specific policy (*i.e.*, “**Engagement Policy**”), acting on a proposal of the Chairman formulated in agreement with the Chief Executive Officer, which clarified to a large extent the practices already followed by Enel and whose use takes into account the applicable best practices adopted by the institutional investors and reflected in the “stewardship” codes. In this regard, during 2023, the Company maintained an ongoing dialog with institutional investors, also with reference to certain profiles concerning sustainability, with a particular focus on climate change.

In relation to the topic of succession plans for executive directors, in September 2016 the Board of Directors, acting on a proposal of the Nomination and Compensation Committee made in agreement with the Corporate Governance and Sustainability Committee, shared the contents of a specific “**contingency plan**” aimed at regulating the steps to be taken to assure proper management of the Company in case the Chief Executive Officer ceas-

es to hold office before the end of their ordinary term (defined as “crisis management” cases).

Finally, at the end of 2023 and during the first months of 2024, with the assistance of an independent consultant, the Board of Directors carried out an assessment of the size, composition, and functioning of the Board itself and its Committees (*i.e.*, “**board review**”), in line with international best practice in corporate governance assimilated in the Corporate Governance Code. The board review was conducted also in accordance with the peer-to-peer review method, *i.e.*, through assessment not merely of the operation of the body considered globally, but also of the style and contents of the contribution provided by each of its members, and was extended to the Board of Statutory Auditors. In the context of the board review, the Directors’ questionnaires and interviews also concerned the implementation of the principles of sustainability in the strategies and business model of the Company and the Group, together with the attention devoted by the Board of Directors to sustainability (especially the energy transition and its impacts). The results of the board review are provided in Enel’s Report on Corporate Governance and Ownership Structure for the 2023 financial year.

Enel’s governance model for sustainability

| 2-9 |

Enel’s organizational and corporate governance model ensures that sustainability issues are appropriately taken into consideration in all relevant Company decision-making processes, by defining specific tasks and responsibilities for the main corporate governance bodies.

The **Board of Directors** plays a central role in corporate governance as the body vested with powers related to the strategic, organizational and control policies of the Company and Group, and pursues the sustainable success of the same. In this context, the Board of Directors takes into account the need to pursue sustainable success particularly: (i) when defining Company and Group strategies; (ii) when drawing up the remuneration policy for the Chief Executive Officer/General Manager and Key management personnel, defining specific sustainability objectives the achievement of which is linked to a significant component of the variable pay; and (iii) with regard to the Company’s Internal Control and Risk Management System (“SCIGR”), aimed at the effective and efficient identification, measurement, management and monitoring of the main corporate risks, including those of an ESG nature.

The Board of Directors has also established internal board committees with the power to investigate, propose and advise, in order to ensure an adequate internal division of

its functions, as well as a related parties committee. In particular, the following committees have been established:

- **Corporate Governance and Sustainability Committee**, which among other things assists the Board of Directors on sustainability issues, including issues relating to climate change and the dynamics of the Company’s interaction with all stakeholders. More specifically, with regard to sustainability issues, the Committee examines: (i) the guidelines of the Sustainability Plan and the materiality matrix – which identifies the priority issues for stakeholders in light of the Enel Group’s industrial strategies – periodically assessing achievement of the objectives defined in the Plan itself; (ii) the way in which the sustainability policy is implemented; (iii) the general outline and structure of the content in the Non-Financial Statement referred to in Legislative Decree 254/2016 and the Sustainability Report, as well as the completeness and transparency of the information contained therein and its consistency with the principles laid down by the reporting standard used. In 2023, it addressed sustainability issues in 6 of the 7 meetings held;
- **Control and Risk Committee**, which is tasked, among other things, with supporting the assessments and decisions of the Board of Directors relating to the SCIGR,

also with regard to risks that may be relevant from a sustainability perspective, and to the approval of periodic financial and non-financial reports. During 2023 it dealt with sustainability issues in 9 of the 14 meetings held;

- **Nomination and Compensation Committee**, which is tasked, among other things, with supporting the Board of Directors in its assessments and decisions relating to the size and optimal composition of the Board itself and its Committees, as well as the remuneration of Directors and Key management personnel. In this regard, the remuneration policy for 2023 provides for specific sustainability targets the achievement of which is linked to a significant component of the variable pay of the Chief Executive Officer/General Manager;
- **Related Parties Committee**, which performs the tasks required by the CONSOB regulations and by the specific Enel procedure governing transactions with related parties.

Furthermore, in line with the power structure currently in force within the Company:

- the **Chairman** of the Board of Directors acts as a link between the executive and non-executive directors and is responsible for ensuring the effective operation of the board; he also plays a **proactive role in the process of approving and monitoring corporate and sustainability strategies**;
- the **Chief Executive Officer** is primarily responsible for the management of the Company and acts as the director in charge of the establishment and maintenance

of the SCIGR. Also, in exercising the powers granted, **he has defined a sustainable business model** by identifying a strategy aimed at guiding the energy transition to a low carbon model;

- responsibility for sustainability-related activities is entrusted to a specific business unit called “**Sustainability**”, located within the “Enel Grids and Innovability” Function, which plays a role guidance and coordination at Group level with regard to both sustainability management processes and activities in Countries, Business Lines and Holding Company Staff Functions.

With specific reference to **governance for the management of climate change**, see the “Zero emissions ambition and just transition” chapter of this document, while with regard to the management of issues related to the **protection of natural capital**, see the “Roadmap towards natural capital conservation” chapter.

Furthermore, the Group CEO chairs the **Cyber Security Committee**, which consists of the Chief Information Security Officer (CISO) and the Group’s front line, the purpose of which is to approve the IT security strategy and periodically check the progress of its implementation.



For more information on the activities carried out by the corporate bodies, please refer to the **Enel Report on Corporate Governance and Ownership Structure**, available at www.enel.com, “**Governance**” section.

Remuneration policy

| 2-18 | 2-19 | 2-20 | 2-21 |

Enel’s remuneration policy for 2023, which was adopted by the Board of Directors acting on a proposal of the Nomination and Compensation Committee and approved by the Shareholders’ Meeting of May 10, 2023, was defined in consideration of (i) the recommendations contained in the Italian Corporate Governance Code, published on January 31, 2020; (ii) the national and international best practices; (iii) the information that emerged from the favorable vote of the Shareholders’ Meeting of May 19, 2022 on the remuneration policy for 2022; (iv) the results of the engagement activities regarding corporate governance carried out by the Company between January and February 2023 with the main proxy advisors and some relevant institutional investors with an interest in Enel capital; (v) the results of a benchmark analysis regarding the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and the Non-Executive Directors of Enel for 2022, which was prepared by the independent consultant Mercer.

The purpose of this policy is to (i) promote Enel’s sustainable success, which is based on the creation of long-term value to the benefit of its shareholders, taking into due consideration the interests of the other relevant stakeholders, in order to encourage reaching the strategic goals; (ii) attract, retain and motivate people with the skills and professionalism required for the delicate managerial tasks assigned to them, in consideration of the compensation and work conditions of the Company and Enel Group employees; as well as (iii) promote the Company mission and values.

The remuneration policy for 2023 sets out the following compensation for the Chief Executive Officer/General Manager and for Key management personnel (referred to as DRS – Dirigenti con Responsabilità Strategiche):

- **a fixed component**;
- **a short-term variable component (MBO)**, to be paid based on the achievement of specific performance targets. Specifically:

- for the Chief Executive Officer/General Manager, the 2023 MBO is based on the following annual performance targets:
 - Ordinary consolidated net income;
 - Funds from operations/Consolidated net financial debt;
 - Commercial complaints at Group level, accompanied by the gateway objectives represented by: (i) System Average Interruption Duration Index – SAIDI and (ii) commercial complaints on the free commodity market in Italy;
 - Index of frequency of injuries at work, accompanied by the gateway objectives represented by fatalities;
- for the DRS, the respective MBO identify the annual objectives and specific objectives correlated to the Strategic Plan and identified together with the Administration, Finance and Control Function and by the People and Organization Function;
- **a long-term variable component** linked to participation in specific multi-annual incentive plans. In particular, for 2023 this component is linked to participation in the Long-Term Incentive Plan destined for the management of Enel SpA and/or of its subsidiaries pursuant to article 2359 of the Italian Civil Code (“LTI Plan 2023”), which sets out the following three-year performance objectives:
 - average Enel TSR (Total Shareholders Return) vs average Euro Stoxx Utilities – UEM index TSR in the three-year period 2023-2025;
 - cumulative ROIC (Return on Invested Capital) – WACC (Weighted Average Cost of Capital) in the three-year period 2023-2025;
 - Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO_{2eq}/kWh) to 2025, accompanied by the gateway objective represented by Scope 1 GHG emissions Intensity relating to Power Generation (gCO_{2eq}/kWh) to 2025;
 - percentage of women in the Top Management succession plans at the end of 2025.

The 2023 LTI Plan also requires any premium accrued to be represented by a share component, to which – based on the level of achievement of the various targets – **a monetary component can be added.** In particular, with respect to the total incentive accrued, the LTI Plan 2023 provides that: (i) for Enel’s Chief Executive Officer/General Manager, up to 150% of the base value, the incentive is paid in full in Enel shares; (ii) for the first carry-overs of Enel’s Chief Executive Officer/General Manager, including DRS, up to 100% of the base value, the incentive is paid in full in Enel shares; (iii) for other recipients, other than those indicated in points (i) and (ii), up to 65% of the base value, the incentive is paid in full in Enel shares. The LTI Plan 2023 provides that the shares to be disbursed pursuant to the latter will be purchased in advance by Enel and/or its subsidiaries. In addition, the disbursement of a significant portion of the long-term variable remuneration component (70% of the total) is deferred to the second subsequent financial year with respect to the three-years of reference for the objectives of the 2023 LTI Plan (i.e., “deferred payment”).



For more information on the contents of the 2023 remuneration policy, refer to the **Report on the Enel remuneration policy for 2023 and on the compensation paid in 2022**, available on the Company website (www.enel.com).

Finally, the table below presents for 2019, 2020, 2021, 2022 and 2023 the ratio between the total remuneration accrued both by the Chief Executive Officer/General Manager of Enel in office until the Shareholders’ Meeting of May 10, 2023, and by the Chief Executive Officer/General Manager of Enel appointed by the said Meeting and the average gross annual remuneration of Group employees (i.e., “**pay ratio**”). This report is indicated, for complete disclosure, also in reference to only the fixed component of the remunerations in question.

	2023	2022	2021	2020	2019
Pay Ratio – Ratio between the total remuneration of the CEO/GM of Enel in office until May 10, 2023 and the average annual gross remuneration of Group employees ⁽¹⁾	25x (11x fixed remuneration)	62x (32x fixed remuneration)	92x (34x fixed remuneration)	145x (35x fixed remuneration)	142x (36x fixed remuneration)
Pay Ratio – Ratio between the total remuneration of the CEO/GM of Enel in office since May 12, 2023 and the average annual gross remuneration of Group employees	43x (20x fixed remuneration)	N.A.	N.A.	N.A.	N.A.

(1) In order to make the figures for the financial years 2023, 2022, 2021, 2020 and 2019 comparable, the figures for 2022 to 2019 have been restated by applying the 2023 exchange rate to remuneration.

The Enel Group risk governance model

| 2-12 | 2-15 | 2-23 | 3-3 | 201-2 |

When performing its industrial and commercial activities, the Enel Group is exposed to risks that could influence its economic and financial results if they are not effectively monitored, managed and mitigated.

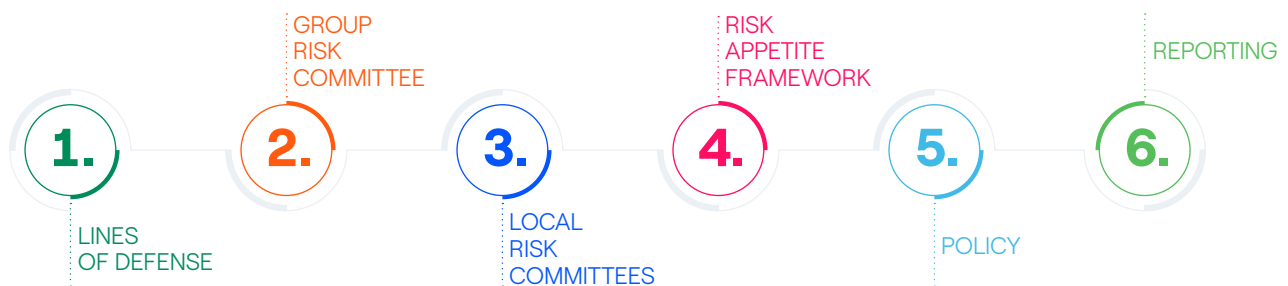
In this regard, in compliance with the architecture of the Internal Control and Risk Management System ("ICRMS")⁽³⁾

adopted by Enel, the Group has also implemented a risk governance model based on certain "pillars" as set out below, as well as a homogeneous taxonomy of risks (so-called "risk catalog") that facilitates management and organic representation.

The "pillars" of risk governance

Enel has adopted a reference framework concerning risk governance that is expressed in detail through specific management, monitoring, control and reporting measures for each of the identified risk categories.

The Group's risk governance model is in line with national and international best practices in risk management and is based on the following pillars:



1. Lines of defense. The Group adopts measures that are structured according to three lines of defense for the risk management, monitoring and control activities, in compliance with the segregation of roles in the main scopes in relation to the relevant risks.

2. Group Risk Committee. This body, which is established on a managerial level and chaired by the Chief Executive Officer, is responsible for activities related to the strategic direction and supervision of risk management through:

- the analysis of the main exposures and the main risk topics for the Group;
- the adoption of specific risk policies applicable to Group companies in order to identify the roles and responsibilities for the risk management, monitoring and control processes, in compliance with the principle of organizational separation between the structures responsible for management and those responsible for the monitoring and control of risks;
- the approval of specific operating limits, authorizing, where necessary and suitable, operational deroga-

tions in the case of specific circumstances or requirements;

- the definition of risk response strategies.

The Group Risk Committee generally meets four times a year and can also be convoked, if considered necessary, by the Chief Executive Officer and by the manager of the Risk Control unit, which is part of the Administration, Finance and Control Function.

3. Integrated and wide-spread system of local risk committees. The presence of specific local risk committees, according to the main Global Business Lines and Countries and Regions of the Group and chaired by the respective senior managers, guarantees a suitable control of the risks most relevant on a local level. The coordination of these committees with the Group Risk Committee facilitates the opportunity for sharing information and mitigation strategies regarding the most relevant exposures with the Group's Top Management, as well as for implementing on a local level the guidelines and strategies defined on a Group level.

(3) More details can be found in the Report on Corporate Governance and Ownership Structure (www.enel.com, "Investors" section), as well as in the ICRMS guidelines available in the "Governance" section.

4. **Risk Appetite Framework (“RAF”).** The Risk Appetite Framework represents the framework of reference for determining the appetite for risk and is an integrated and formalized system of elements that make it possible to define and apply a unique approach to the management, measurement and control of each risk. The RAF is summarized in the Risk Appetite Statement, a document that briefly describes the identified risk strategies and the indicators and/or limits applicable to each risk.
5. **Risk policies.** The allocation of responsibilities, the coordination mechanisms and the main control activities are represented in specific policies and organizational documents defined according to specific approval procedures that involve the directly involved Company structures.
6. **Reporting.** Specific and regular information flows on risk exposures and metrics, expressed on the level of the Group and the single Global Business Lines or Countries and Regions, allow Top Management and

Enel’s corporate bodies to have an integrated vision of the Group’s main exposures to risk, both current and future.

7. **ENEL Group Risk Landscape®.** Based on risk governance and according to the international Risk Management standards ISO 31000:2018, the Group constantly monitors risks thanks to a process supported by a data visualization tool (e-Risk Landscape®). This system collects and organizes contributions from the Group’s various Countries and Regions and Business Lines, categorizing them according to the definition of the risk catalog adopted by the Group. The monitoring and control process involves the assignment of metrics based on the probability of occurrence of risk events (likelihood) and the extent of potential economic and financial impact, providing the Group’s Top Management with a dynamically updated view of the Group’s risk profile and management and mitigation actions. These dimensions, modulated by means of representative grids, give an indication of the level of individual risks.

The Group’s “risk catalog”

Enel has a “risk catalog” that represents the reference point on a Group level and for all the Company structures involved in the risk management and monitoring processes. Adoption of a common language facilitates mapping and organic representation of risks within the Group, thus permitting the identification of the main type of risks that influence Company processes and of the roles of the organizational units involved in their management.

With the scope of the above-mentioned “risk catalog”, the types of risk are grouped into macro-categories, which include, as shown below, the strategic, financial and operational risks, risks of (non) compliance, risks related to governance and culture as well as digital technology.



The main ESG-related risks

Due to the nature of its business and its geographical distribution, the Group is exposed to different types of ESG risk (environmental, social, and governance), identified within the reference framework of risk categories adopted by Enel. In the risk identification and assessment stage, the “Precautionary Principle”⁽⁴⁾ was applied, particularly in relation to risks relating to the environment, health, and safety. For each type of risk, specific actions have been identified to

mitigate effects and ensure correct management. Enel also applies this principle to risk management, especially with regard to the development and introduction of new products/technologies, planning of operating assets and the development and construction of new plants/assets. The following is a **description of the main ESG-related risks** and the actions intended to mitigate their effects and assure their correct management.

(4) Rio Declaration on Environment and Development (Rio de Janeiro, June 3-14, 1992), Principle 15.



MACROECONOMIC AND GEOPOLITICAL TRENDS

LEGISLATIVE AND REGULATORY DEVELOPMENT

COMPETITIVE LANDSCAPE

RISK DEFINITION

Risk of ineffective identification, evaluation and monitoring of the economic-financial, political and global social trends, as well as changes to monetary, tax and commercial policies.

The risk of adverse legislative and regulatory developments and/or ineffective identification, evaluation, management and monitoring of legislative and regulatory changes in terms of communication of the new obligations for compliance, advocacy activities and internal gap analyses. Risk of an insufficient systematic process for the evaluation of regulatory exposures deriving from new strategic and business initiatives.

Risk of ineffective identification, evaluation and monitoring of evolving market trends that can have an impact on competitive positioning in markets, growth and Group profitability.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

The strong internationalization of the Group – located in various regions, including South America, North America and Africa – makes Enel obligated to consider and assess the so-called “Country risk”, which consists of risks of a macroeconomic and financial, institutional and social nature and those associated with the energy sector, which could cause a significant effect on income flows and the value of company assets if they occur.

The Group also operates in regulated markets and changes in the operating rules of the various systems, as well as the associated requirements and obligations, influence the Group’s trend of operations and results.

The analysis of the competitive landscape and the consequent risks associated with market trends are significant elements of the analysis of the context in which the Group operates and defines its business ambitions.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

Enel has adopted a quantitative Open Country Risk assessment model that is able to monitor the risk of the Countries within its own scope. The Open Country Risk model aims to go beyond the more conventional definition of Country risk focused on the ability of a government to repay its issued debt, to offer a broader view of the risk factors that can impact a country. Specifically, the model is divided into four risk components: economic, institutional and political, social and energy factors.

Legislative and regulatory developments are constantly monitored, such as the periodic review of the regulations in the distribution sector and the processes of liberalization of the electricity markets, with particular attention to the acceleration expected in Italy, and to the expectations of evolution in Latin America. In relation to risks that may arise from these changes, relations were intensified with local government and regulatory bodies, adopting an approach based on transparency, collaboration and proactiveness in addressing and removing sources of instability of the legislative and regulatory framework.

The risks associated with market trends are also mitigated by the periodic monitoring of competitors’ comparative industrial and financial performance.

Assessment is carried out through a framework aimed at (i) identifying the most relevant competitors and peers, (ii) analyzing their results, the main business drivers, strategic and industrial objectives, and (iii) understanding their current and prospective positioning.

The process of identifying the relevant companies is periodically updated to ensure timeliness in the collection of information, KPIs and signaling elements useful for the Group’s positioning and strategic planning activities.



See also what stated in the **Integrated Annual Report**.



CLIMATE CHANGE

RISK DEFINITION

Risk of ineffective identification, evaluation and monitoring of the risks related to climate change – caused by acute or chronic climatic events (physical risk) and the effects of regulatory, technological and market trends deriving from the transition toward a low carbon emissions economy (transition risk) – by means of strategic and operative initiatives for adaptation to and mitigation of climate risks.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

The physical risks arising from climate change can be classified as acute (or extreme events) or chronic: the former are linked to extremely intense weather-climatic conditions, while the latter refer to gradual and enduring changes in climatic conditions.

Extreme events may expose the Group to potential unavailability of assets and infrastructure, service restoration costs, inconvenience for customers, etc. **Chronic changes** in climatic conditions, on the other hand, may expose the Group to other physical risks or opportunities (depending on the geographical location): for example, structural changes in rainfall or wind patterns could impact the Group's business in generation terms, while structural temperature changes can impact electricity demand.

With regard to the **energy transition process towards a more sustainable model** with a progressive electrification and reduction in CO₂ emissions in line with the Group's decarbonization strategy, there are risks, but above all opportunities, tied to both the changing regulatory context and the technological and electrification trends, and resulting market developments, with potential effects also on commodity and energy prices.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

The Group is committed to the **continuous improvement of the environmental impact** of its activities. In this context, the Group has brought forward its public commitment by 10 years, from 2050 to 2040, to complete the decarbonization process of its entire value chain, including its own direct and indirect emissions (so-called "Net Zero").

Along its path to complete decarbonization, Enel has created a roadmap that has medium-term objectives by 2030 with respect to the levels of the year of reference 2017, certified by the Science Based Targets initiative (SBTi) in line with the 1.5 °C pathway. In particular, the Company is committing to reducing: (i) 80% of direct greenhouse gas emissions connected to power generation per kWh, in line with the 1.5 °C pathway, as already certified by the Science Based Targets initiative (SBTi), (ii) 78% of the emissions connected to electricity sales per kWh, (iii) 55% of the absolute emissions connected to the retail sale of gas and (iv) 55% of the other absolute direct and indirect emissions. The Group's strategic actions make it possible to mitigate the potential risks and exploit the opportunities associated with transition variables. In this context, capital employment is centered on decarbonization through the development of assets for generation from renewable sources, on enabling infrastructure linked to the development of networks, and on the implementation of platform models, fully exploiting technological and digital evolution which will favor consumption electrification and the development of new services for end customers.

Furthermore, **Enel participates in the entire electricity value chain** and has a **diversified activities portfolio**, both in terms of generation technologies and the Countries and Regions in which it operates, mitigating climate change risks and their implications in terms of economic and financial impacts.

The management of weather and climate phenomena adopts the best **strategies for prevention, protection and increasing resilience**. For example, the Group uses weather forecasts, procedures for the management of adverse events and monitoring and analysis activities that provide for the definition of actions to protect and increase resilience, both for existing assets and for those under construction. Also, best practices are implemented in relation to physical events to ensure prompt recovery of operating conditions following adverse events.

In terms of insurance risk assessment activities, the Group manages loss prevention global programs for property and liability risks, aimed at covering losses relating to damages to assets, business interruptions and damages to third parties. Such activities also include the assessment of the main exposures linked to natural events and, together with prevention and resilience enhancement measures, contribute to optimizing the insurance strategy. The Group develops short, medium and long-term scenarios in the energy and macro-economic financial spheres in order to support its strategic and industrial planning activities, investments assessment, scenario planning activities and activities related to extraordinary transactions.

All these activities, together with the integration of climate and transition scenarios and the development of an energy model at country level, enables a **prompt assessment of the risks and opportunities relating to climate change**. This approach makes it possible to intercept effects on variables such as electricity demand, the system energy mix and consumption electrification. In addition, the Group's policies define guidelines for the assessment of risks and opportunities relating to climate change.



See also the chapter "**Zero emissions ambition and just transition**" of this document.



STAKEHOLDER ENGAGEMENT

RISK DEFINITION

Risk of ineffective engagement of key stakeholders in relation to the strategic positioning of Enel regarding sustainability and financial objectives, due to the lack of understanding, anticipation, or orientation of their expectations, which may not be completely integrated into the Group's business strategy and sustainability planning processes, with a negative impact on its reputation and competitiveness.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

The risk of **ineffective engagement of key stakeholders** in relation to the strategic positioning of Enel, due to the lack of understanding, anticipation, or orientation of their expectations, could cause incomplete integration of such expectations within the Company's business strategy and sustainability planning processes, with a potential negative impact on its reputation and competitiveness.

Enel currently operates in a vast geographical area, conducting business activities that call for the **development of infrastructure in local areas**, which can provoke criticism or potential disputes with communities in some cases. Such conditions could lead to delays in the execution of projects for new sites and impacts on operational continuity.

At December 31, 2023, **socially responsible (SRI)** funds constituted approximately 175% of the share capital (up on the 14.9% at December 31, 2022), while PRI (Principles for Responsible Investment) signatory investors represent 42.8% of the share capital (vs 42.1% at December 31, 2022). Possible incorrect or incomplete disclosure by Enel of the results obtained, and likewise ineffective communications to the financial community of its strategy, which aims to create value for customers, society, and the environment, could have significant negative impacts on the assessment of Enel's shares and bonds.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

Engaging communities and understanding the different contexts in which the Group operates is therefore essential to develop a sustainable business that minimizes impacts while promoting inclusive and equitable growth in the local area.

The management of relations with the communities in which Enel operates is an enabling factor for all sustainability activities and is achieved by integrating the needs of local communities into the development of its business activities, from the growth of renewables to the digitalization of grids and the electrification of uses.

Aware that the Group's activities can have a direct and indirect influence on the communities in which it operates, Enel adopts a **model of shared value creation** with them along the entire value chain, which integrates social as well as environmental sustainability criteria into the various processes from the early stages of development, moving towards circularity solutions, technological innovation, and harmonious integration with the territory. This model is in line with the main international standards of reference (such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises), which underpin Enel's commitment to human rights in business practices.



See also the chapter "[Engaging communities](#)" of this document.



CYBER SECURITY

RISK DEFINITION

Risk of cyber attacks and theft of sensitive or massive Company and customer data, due to a lack of network, operating system and database security.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

The speed of technological development, which brings an **endless stream of new challenges, the frequency and intensity of the ever increasing number of cyber attacks**, as well as the tendency to strike critical infrastructure and strategic industrial sectors, highlight a risk that can cause normal business operations to grind to a halt in extreme cases. Cyber attacks have changed dramatically in recent years: the number has grown exponentially, as has their level of complexity and impact. Within the scope of the Group, the management of the cyber risk results, among other aspects, from the numerous contexts in which it operates (data, industry, and people), in addition to the intrinsic complexity and interconnection of digital resources which, over the years, have been increasingly integrated into the Group's routine operating processes. In this context, it is clear that cyber risk must be managed without hesitation and in an integrated manner. In a nutshell, technological transformation would be unthinkable without paying careful attention to cyber security issues.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

To oversee cyber risk, the Group has defined the **Cyber Security operating model** and a related process framework. Specifically, the operating model defines roles and responsibilities for the implementation of the framework's processes, providing for an *ad hoc* unit, whose responsibility is entrusted to the CISO (Head of Cyber Security) and integrated into a matrix also aimed at the Group's business areas. In addition, the Group has designed and adopted a holistic framework of processes aimed at management of cyber security issues, applicable across the board to the Information Technology (IT), Operational Technology (OT) and Internet of Things (IoT) sectors. The framework defines a governance model based on the commitment of Top Management, the global strategic approach, the involvement of all business areas, as well as the units engaged in the design and implementation of the IT, OT and IoT systems to act as a solid basis for the complete fusion of technologies, processes, and people. The framework is based on two essential principles, *i.e.*, the "risk-based approach" and "cyber security by design". The former establishes that risk assessment is the prerequisite for strategic decisions and for the secure development and maintenance of all assets of the business organization; the latter ensures the adoption of cyber security principles from the outset and throughout the entire life cycle of solutions, services, and infrastructures in all areas, *i.e.*, IT, OT, and IoT. In applying this framework, the cyber risk management method has been established. It is also applicable to all IT, OT and IoT environments and includes the phases required to carry out a risk analysis and define the related mitigation plan, in line with the stated cyber security goals. To balance the advantages obtained by the operation and use of IT/OT/IoT systems with the risk that can potentially derive from them, well-informed, risk-based decisions are of fundamental importance.

Enel has also set up a **Cyber Emergency Readiness Team (CERT)** to respond to and proactively manage possible cyber security incidents.

To measure the possible impacts of cyber risk in economic and financial terms, Enel has developed the "Cyber Value-at-Risk" ("Enel Group Cyber V@R[®]") methodology, which is currently evolving, to calculate Value-at-Risk in different attack scenarios.



See also the chapters "[Digitalization](#)" and "[Innovation](#)" of this document.



DIGITALIZATION, IT EFFECTIVENESS, AND SERVICE CONTINUITY

RISK DEFINITION

Risk of the ineffective management of company processes and higher operating costs due to a lack of digitalization in terms of coverage of work flows, system integration and adoption of new technologies.

Risk of ineffective IT system support for business processes and operating assets.

Risk of exposure of IT/OT systems to service interruptions and data loss.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

The Group is carrying out a **complete digital transformation** of the management of the entire energy value chain, developing new business models and digitalizing its business processes, integrating the systems and adopting new technologies. One result of this digital transformation is that the Group is increasingly exposed to risks relating to the operations of IT systems integrated across the Company, with impacts on processes and operating assets that could lead to the exposure of IT and OT systems to service interruptions or data losses.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

Control of such risks is guaranteed by a series of internal measures developed by the Group to oversee the digital transformation. In particular, an **internal control system** has been set up, which introduces control points along the entire IT value chain, enabling the Group to prevent the emergence of risks relating to such issues as the creation of services that do not meet business needs, the failure to implement adequate security measures and service interruptions. The internal control system oversees both the activities performed in-house and those outsourced to external associates and service providers. Enel is also promoting the **dissemination of digital culture and skills** within the Group, so as to guide the digital transformation successfully and minimize the associated risks.



See also the chapter "[Digitalization](#)" of this document.



ENVIRONMENT

RISK DEFINITION

Risk that inadequate work operations or machinery can have a negative impact on the quality of the environment and the involved ecosystems.

Risk of infringement of international, national or local laws and regulations.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

Over the last few years, there has been a growing awareness within society of the risks arising from **development models that involve impacts on the environment and ecosystems, with a particular emphasis on global warming and the increasing exploitation and degradation of water resources**. These impacts have led to increased concern for the quality of the environment and the health of ecosystems, with a growing awareness of the associated risks.

The analysis of the environmental risks associated with Enel's activities was conducted using an integrated and multifunctional approach, based on the results of the **materiality analysis for impacts and dependencies**. The assessment made it possible to identify the main operational and economic-financial risks resulting from the potential environmental and social impacts associated with the various activities and technologies, including the impact related to land occupation and ecosystem transformation, the depletion of natural resources, including the impact related to water scarcity conditions, and the pollution of environmental matrices.

In addition to operational risks, **reputational and transitional risks** were also assessed, resulting from possible changes in the regulatory, technological, or market framework and the associated opportunities.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

Enel is committed to the prevention and minimization of environmental impacts and risks in every activity and throughout the entire life cycle of projects. The adoption of **ISO 14001-certified Environmental Management Systems** within the Group also ensures the presence of structured policies and procedures to identify and manage the environmental risks and opportunities. A structured control plan combined with actions and improvement objectives inspired by the best environmental practices mitigates the potential impacts on the environmental matrix and consequently reputational damage and legal disputes. Enel has also taken multiple actions to achieve the challenging environmental improvement goals, concerning e.g., atmospheric emissions, waste produced, water withdrawal, especially in high water stress areas, and impacts on habitats and species.

The impact in high water stress areas is mitigated directly by Enel's development strategy based on the growth of generation from renewable sources, which do not essentially depend on the availability of water for their operation, and by the adoption of advanced solutions to reduce consumption in traditional combustion plants.

With regard to ecosystems, Enel adopts **measures to protect and conserve biodiversity and natural habitats**, following the mitigation hierarchy (avoiding, reducing, remedying, and compensating) and monitoring the effectiveness of actions. In particular, collaboration with local river basin management authorities favors the most effective shared strategies for the sustainable management of hydroelectric generation assets.

Enel also actively participates in the international debate on nature and biodiversity with stakeholders and the networks with the most influence on the topic, such as Business for Nature, Taskforce on Nature-related Financial Disclosures, World Business Council for Sustainable Development and Science Based Targets for Nature.



See also the chapter "**Roadmap towards natural capital conservation**" of this document.



HEALTH AND SAFETY

RISK DEFINITION

Risk that inadequate work environments, structures, machinery and operations can have a negative impact on the health and safety conditions of employees and other involved stakeholders.

Risk of infringement of international, national or local health and safety regulations.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

Generating a strong and sustainable safety culture, shared by all members of the organization, is a strategic goal. Enel is therefore committed to defining increasingly healthy and safe processes, conditions and working environments for its employees, for the companies that collaborate with it, for its customers and for the third-party communities with which it interacts on a daily basis, including by promoting dedicated training courses.

The main health and safety risks to which Enel's people and contractors are exposed are related to the operating assets carried out at the Group's sites and assets. These risks can vary, or even change, depending on economic and social trends, as well as the introduction of digitalization into processes and operational activities. Another type of risks related to health and safety are those due to non-compliance with the laws and regulations in force, which have an impact on people's health and safety, and which can lead to administrative or judicial sanctions, and therefore to economic, financial, and reputational impacts on the Enel Group.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

Each of the Group's Business Lines has its own **Health and Safety Management System in compliance with the international standard UNI ISO 45001**, which also takes into account the rigor in the selection and management of contractors and suppliers. The Management System is based on the identification of hazards, the qualitative and quantitative assessment of the risks, including economic-financial and reputational risks, the planning and implementation of the preventive and protective measures, the check of the effectiveness of these measures and any corrective actions. These systems make it possible to ensure regulatory compliance, to verify the effectiveness of processes and related remedial actions and, finally, to ensure the diffusion and dissemination of a "risk-based" approach, as well as a robust organizational and individual culture on more general health and safety issues. The key document for these systems is the Group's Health and Safety Policy, shared with the Board of Directors and signed by the Chief Executive Officer, which sets out the guiding principles, strategic objectives, approach and guidelines, and priorities for action to continuously improve performance in the field of health and safety at work.

From an operational point of view, **health and safety risks are assessed specifically at each site or Company asset on the basis of the activities carried out by workers and external environmental conditions**. This assessment makes it possible to identify prevention and protection measures for safety in the workplace and to plan their implementation, improvement and control, in order to verify their effectiveness and efficiency. At Group level, the analysis of the events of the last three years shows that, in relation to probability of occurrence, mechanical risks (falls, knocks, crushing and cuts) are the most common, while in terms of potential associated impact, electrical risks are those with the most severe consequences, *i.e.*, fatalities, life change, and HiPo (High Potential, which differ from fatalities, and life-changing only relating to the consequences for the worker but not in terms of dynamics).

Constant monitoring of behavior and compliance with procedures and methods of working in the field aimed at the proper management of risks to health and safety at work by both internal staff and contractors is ensured at Enel by a process of inspections, managed both by internal staff and by certified companies, which is aimed at identifying situations at risk (non-compliance) and the relevant plans containing remedial actions, including training courses, coaching, and dissemination of safety culture.

With regard to **contractors**, Enel's approach is to consider them as partners with whom to share the key principles of health and safety for its workers, who are therefore considered on an equal footing with internal employees in the application of these principles and in the attention to occupational health and safety issues. Therefore, safety is integrated into the procurement processes and the performance of the companies is monitored both in the preventive phase, through the qualification system, and in the execution phase of the contract, through numerous control processes and tools such as the Contractor Assessment (analyses performed on contractors during the qualification phase or in cases where critical issues or low scores emerge in the evaluation of indicators) or the Evaluation Groups (periodic cross-functional meetings, distributed across all Global Business Lines and Countries and Regions, to assess the security performance of suppliers and decide on consequence management actions).

In addition to procedural and operational aspects, another important driver in the proper management of health and safety risks is related to **training, awareness and information activities for people**. In order to promote the growth of technical skills and a culture of safety, supporting change processes, and responding in a timely manner to the needs that emerge from the business, the Enel Group has adopted a structured training management process, which aims to transform knowledge into skills and therefore into behavior.

In addition, Enel systematically promotes the process of informing and raising awareness among staff through various company channels such as intranet news, information emails, newsletters, and magazines, periodically carrying out surveys to collect feedback from colleagues on the improvement of processes or communication initiatives aimed at raising awareness among all workers on compliance with safety procedures and carving out moments of collective reflection on the dynamics and causes that have resulted in severe injuries or fatalities.

Finally, Enel is also constantly engaged in external discussions with top international players operating in the energy sector and beyond, through participation in intercompany roundtables set up, with a view to continuous improvement, to share best practices in the field of health and safety, in terms of both operational processes and innovative initiatives.



See also the chapter "**Health and safety of people**" of this document.



CUSTOMER NEEDS AND SATISFACTION

RISK DEFINITION

Risk of the failure to reach customer expectations and requirements in terms of the quality, accessibility, sustainability and innovation of Group products and services.

Increase in the number of vulnerable customers and energy poverty due to an increase in the price of electricity.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

The leadership of a company like Enel necessarily passes through customer care and attention to quality service, aspects that refer not only to the supply of electricity and/or natural gas, but also and above all to the intangible aspects of the service perceived by the customer.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

The Company is constantly committed to **maximizing value for customers**:

- responding in a comprehensive, effective and structured manner to the needs of customers, starting from listening to them and identifying their needs, taking into account the target audience and its geographical and social context;
- using analytics to understand habits, expectations and consumption styles, and therefore developing products and services that are increasingly customized and responsive to their needs;
- through continuous improvement, increasing the efficiency and effectiveness of process management and focusing on digitalization;
- increasing their awareness of their consumption, to identify the most convenient offers and to be able to choose ways to increase their energy efficiency;
- accompanying them toward electrification.

In addition, Enel disseminates **innovative and inclusive products and services** for all customers, including those in vulnerable conditions (e.g., due to age, disability, and economic vulnerability).

The Group regularly monitors the rate of **customer satisfaction** in every country in which it operates through specific surveys and analysis of the received feedback.



See also the chapters "[Zero emissions ambition and just transition](#)" and "[Customer centricity](#)" of this document.



PROCUREMENT, LOGISTICS, AND SUPPLY CHAIN

RISK DEFINITION

Risk of ineffective procurement activities or contract management due to an inadequate definition of supplier requirements or their qualification process, frequent recourse to direct awards, deficiencies in scouting activities, insufficient monitoring of compliance with contractual obligations, failure to apply penalties.

REFERENCE SCENARIO AND DESCRIPTION OF RISK

Enel could be exposed to reputational, economic or financial risks following ineffective procurement activities along the entire process. Starting from the supplier qualification phase in which, for example, an analysis is not performed regarding environmental and social aspects (including work practices, such as refusal of forced or child labor, respect for diversity and non-discrimination, freedom of association and collective bargaining, fair and favorable working conditions); during the tender stage, not requiring specific sustainability requirements; during the entire contract period without correctly monitoring the requirements applied in the tender; in the case of excessive recourse to direct awards, and the failure to apply penalties.

MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS

Global Procurement contributes to creating a **resilient and sustainable supply chain**, urging thinking in terms of circular economy, encouraging innovation, sharing the Group's values and objectives with suppliers who, as such, become enablers to achieve Enel's targets. More specifically, in tenders it is possible to apply rewarding factors or mandatory requirements aimed at generating virtuous behavior on the part of suppliers. These include: 1) rewarding factors related to the measurement and reduction of suppliers' Carbon Footprint, which encourage them to undertake improvement paths; 2) rewarding factors related to social aspects, such as training and employment of people belonging to local communities and actions aimed at respecting gender diversity; 3) mandatory human rights requirement inherent in the mapping of the potential supply chain involved in the supply of strategic product categories.

From the perspective of the procurement process, the various units adopt the practice of **tenders**, guaranteeing the maximum competition and equal opportunity of access to all operators having the necessary technical, economic-financial, environmental, safety, human rights, legal and ethical characteristics. Procurement by direct award and without a competitive procedure can occur only in exceptional suitably motivated circumstances in compliance with the relevant statutory legislation. Moreover, the global supplier qualification system, the same one throughout the Group – even before the procurement process starts – checks begin that potential suppliers are in line with the strategic corporate vision and the adopted policies.


With regard to the risk governance system, Global Procurement is focused on the application of **metrics** that indicate the level of risk before and after the mitigation action, in order to implement precautionary actions to reduce uncertainty to a tolerable level or to mitigate any impacts in all business, technological and geographical areas. The effectiveness of risk management in the supply chain is monitored using specific indicators, including various factors such as the probability of insolvency, the concentration of contracts with individual suppliers or industrial groups, the supplier's dependence on Enel, the performance index for proper conduct during the tender, quality, punctuality and sustainability in the execution of the contract, Country risk, etc., for which thresholds are defined that guide the definition of the procurement, negotiation and award strategy of a tender, allowing informed choices of risk and potential benefit. In addition, through a specific contractual obligation, Global Procurement constantly monitors the performance of suppliers in order to identify any corrective actions.



See also the chapter "[Sustainable supply chain](#)" of this document.








BUSINESS INTERRUPTION

RISK DEFINITION	Risk of the partial or total interruption of company activities due to technical faults, malfunction of goods and systems, human error, sabotage, unavailability of raw and/or semi-processed materials or adverse climatic events.
REFERENCE SCENARIO AND DESCRIPTION OF RISK	Enel may be exposed to the risk of judicial or administrative sanctions, economic or financial losses, and reputational damage as a result of partial or total interruption of commercial operations and of electricity supplies to customers, caused by technical faults, malfunctions of assets and plants, human error, sabotage, unavailability of raw materials or adverse weather events, or infectious diseases with epidemic or pandemic potential that may limit the normal functioning of the Group's activities or of its supply chain.
MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS	<p>Enel has systems and mechanisms to guarantee a continuous and safe energy supply to the national electrical systems of the countries in which it operates. Enel is therefore constantly at work to develop and improve the efficiency of the transport and distribution network, in coordination with the other entities operating on the network infrastructure in various capacities. Enel carries out actions of network development, modernization, and maintenance on the infrastructure existing in all countries, with the primary aim of improving the quality of the service delivered and reducing the number and duration of outages. Enel also constantly takes operational efficiency and safety measures to guarantee correct functioning and availability of all its power plants. Lastly, the Group's assets are covered by adequate insurance mechanisms to protect the Company from potential negative economic consequences resulting from future and uncertain events.</p> <p>Enel implements adequate protocols, plans and actions to ensure the smooth running of its business activity worldwide or, if necessary, its rapid recovery in the event of service interruptions.</p> <p>Here are some examples of the actions taken:</p> <ul style="list-style-type: none"> during 2023, extremely intense wind storms were also recorded in urban areas in Brazil, causing branches and trees to fall. In response, Enel defined a so-called "Crash Program", which focuses on two main axes: <ul style="list-style-type: none"> to prepare the network for these conditions with an extraordinary pruning and cutting plan, in full agreement with the municipalities, and with optimized maintenance management on critical assets; to improve the ability to handle emergencies: both from an operational point of view, with constant monitoring of weather forecasts and the relevant adjustment of available resources, and in the management of information flows to all stakeholders; in recent years, in Italy, the weather phenomena with the greatest impact have been summer heat waves. In response, Enel's solution involves upgrading the existing grid with intrinsically resilient components and enhancing the degree of grid meshing. <p> See also the chapters "Sustainable supply chain" and "Customer centrality" of this document.</p>



PEOPLE AND ORGANIZATION

RISK DEFINITION	Risk of inadequate Group organizational structures or lack of internal skills due to the absence or inadequacy of training programs, inefficiency of incentive systems, inadequacy of the turnover planning process or inability to define effective processes of employee recruitment and retention policies.
REFERENCE SCENARIO AND DESCRIPTION OF RISK	<p>The profound social, economic, demographic, and cultural transformations we are experiencing, from energy transition to the digitalization and technological innovation processes, and the rapid spread of artificial intelligence, have a profound impact also on the world of work, renewing the paradigms, imposing significant cultural and organizational changes that require new professional profiles and skills.</p> <p>To face the change, it is mandatory to act in an inclusive manner, putting people at the center in relation to their social and work aspects, with tools suitable for facing this epochal transformation.</p> <p>Organizations are expected to be increasingly oriented toward new agile, flexible work and business models that are sustainable along the entire value chain. It is also essential to adopt policies that value diversity and the talents of everyone, with the awareness that the contribution of the individual represents an essential component for the creation of wide-spread and shared value.</p>
MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS	<p>Centrality of the person, constant listening, sharing, strengthening of the entrepreneurship of individuals, involvement are only some of the key words that guide the way of working and experiencing the Company.</p> <p>Thanks to an increasingly efficient, leaner organization and to operational simplification, the management of human capital and the centrality of people take on a fundamental role in implementing the Group's industrial strategy, as an enabling factor to which specific objectives are linked, the main ones including: constant development of skills and expertise, promotion of reskilling and upskilling programs for Enel people (continuous, customized, flexible, accessible and transversal) to enable each person to make change and be a protagonist with their own distinctive contribution to achieving better results supported by increasing personal satisfaction, understood as motivation and well-being; creation of workplace and performance appraisal models; the dissemination and rigorous assessment of the effects in all the countries in which the Group is present of the diversity and inclusion policy, as well as an inclusive organizational culture based on principles of non-discrimination and equal opportunities, key drivers to attract and retain talent.</p> <p>The Group is committed to strengthening the resilience and flexibility of its organizational models through organizational and procedural simplification and digitalization of processes, in order to enable the autonomy and responsibilities of the individuals and teams, strengthening the people empowerment processes and favoring the entrepreneurial approach that promotes people's talents, attitudes and aspirations. The hybrid work method and the promotion of internal mobility, which combines work on site and remote working in flexible proportions that take the needs of everyone into account, such as the use of innovative and flexible organizational models, are tools targeted toward sustaining this evolution of the organizational culture in terms of trust, proactive responsibility, and entrepreneurship.</p> <p> See also the chapter "Enel people" of this document.</p>

COMPLIANCE		<h2 style="color: green;">DATA PROTECTION</h2>
	<p>RISK DEFINITION</p> <p>Risk of violation of regulations on data protection and privacy.</p> <hr/> <p>REFERENCE SCENARIO AND DESCRIPTION OF RISK</p> <p>The Group has the largest customer based in the public utilities sector (over 70 million end users), with a current workforce of approximately 61,000 people; consequently, the Group's business model calls for management of an ever larger volume of personal data, to reach the financial and business results set down in the 2024-2026 Strategic Plan.</p> <p>This involves exposure to risks related to protection of personal data, which can take the form of a loss of confidentiality, integrity, and availability of the personal data of customers, employees, and others, resulting in the application of penalties in proportion to global sales, obstructing processes with consequent economic or financial losses and reputational damage.</p> <hr/> <p>MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS</p> <p>In order to manage and mitigate this risk, Enel has adopted a global personal data governance model by attributing privacy roles at all levels (including the appointment of Data Protection Officers, "DPOs", on the global and Country levels), and digital compliance tools to map applications and processes and manage significant risks concerning personal data protection in compliance with the specific nature of local sector legislation.</p> <p> See also the chapter "Sound governance" of this document.</p>	
COMPLIANCE		<h2 style="color: green;">OTHER COMPLIANCE RISKS</h2>
	<p>RISK DEFINITION</p> <p>Other compliance risks: compliance with antitrust and consumer rights, corruption, external disclosure. Compliance with financial regulations, conformity with tax regulations, conformity with other laws and regulations.</p> <hr/> <p>REFERENCE SCENARIO AND DESCRIPTION OF RISK</p> <p>Enel may be exposed to the risk of judicial measures, administrative sanctions, economic or financial losses and reputational damage as a result of:</p> <ul style="list-style-type: none"> • illegal or illicit conduct, including active and passive acts of corruption, perpetrated by personnel inside or outside the Group in order to secure an unjust benefit for themselves or for others; • infringement of international, national or local laws and regulations concerning: accounting, financial, or tax discipline, market disclosures, anti-trust and consumer rights issues or other applicable legislative provisions (e.g., rules concerning permitting or contracts, regulation of electricity markets, international sanctions, etc.). <hr/> <p>MITIGATION ACTIONS AND ASSOCIATED STRATEGIC GOALS</p> <p>Enel has adopted an Internal Control and Risk Management System expressed in company rules and procedures that all who work in Enel or on behalf of Enel are required to follow, by means of their respective contractual commitments. The Internal Control System also includes specific compliance programs, i.e.: the Code of Ethics, the Zero Tolerance of Corruption Plan ("ZTC Plan"), the Human Rights Policy, the Policy on international sanctions, the Enel Global Compliance Program ("EGCP"), the Model pursuant to Italian Legislative Decree 231/01 and other national compliance programs adopted by Group companies in accordance with their national legislation. Furthermore, to further pursue its commitment to fighting corruption, Enel voluntarily decided to certify its Anti-Bribery Management System (SGPC) in compliance with the requirements of international standard ISO 37001:2016 (international certification of anti-bribery management systems). This certification process has involved the Group's main subsidiaries.</p> <p>External staff, working for Enel Group company suppliers, undertake to comply with the ethical clauses set out in their respective contracts, which incorporate references to Enel's commitment in terms of business integrity in the pursuit of its activities.</p> <p>The ongoing monitoring of legislative and regulatory developments at the local, national and international levels is guaranteed by the operations of specific company Functions with competence in relation to these matters.</p> <p>The Sustainability Report, which represents the Consolidated Non-Financial Statement, is subjected to a limited review by KPMG and for a set of indicators, also providing reasonable assurance.</p> <p> See also the chapter "Sound governance" of this document.</p>	

In relation to the specific contexts pursuant to Italian Legislative Decree 254/16 concerning climate change, human rights, and the fight against corruption, please refer to the sections dedicated to these topics in this Sustainability Report.

The other types of risk to which the Enel Group is exposed are detailed in the "**Risk management**" section of the **Integrated Annual Report** available on the website (www.enel.com, "Investors" section).



Transparency in institutional processes

Enel constantly manages relations with institutions (local, national, European, and international) in line with the Enel Compliance Programs, providing complete and transparent information with the aim of placing institutional counterparts in the best possible position to make the decisions within the sphere of their competence. Enel also contributes to the consultation processes regarding political and legislative dossiers on energy and environmental issues. In the context of relations with European institutions, Enel actively contributes to every phase of the consultation process on political and legislative dossiers of corporate interest through careful monitoring and analysis (see also the chapter “Zero emissions ambition and just transition”). The Enel Group has been enrolled in the EU (European Union) voluntary transparency register since its creation in 2008. The register aims to provide citizens with a single and direct access point to information on who carries out activities aimed at influencing the EU decision-making process, the interests pursued, and the resources invested in these activities (<http://ec.europa.eu/transparencyregister/public/homePage.do>). In line with the provisions of the Code of Ethics, paragraph 3.26, Enel does not finance political parties, their representatives or candidates in Italy or abroad, nor does it sponsor conventions or events whose sole purpose is political propaganda. It refrains from any

direct or indirect pressure on politicians (for example, by granting the use of its facilities, accepting new recruit recommendations, or awarding consultancy contracts). Enel and its subsidiaries are present in various trade and employer associations whose role includes representing the positioning of its members in the regulatory processes inherent in the business activity. The annual contributions paid to the above-mentioned organizations in the form of membership fees in 2023 totaled approximately 11 million euros, compared to 9.6 million euros in 2022⁽⁵⁾. In particular, in 2023 the three largest contributions in terms of overall amount concerned AELEC (Asociación de Empresas de Energía Eléctrica) in Spain, Confindustria and Elettricità Futura in Italy⁽⁶⁾.

The institutional dialog with the trade and employer associations in which Enel and its subsidiaries took part in 2022 concerned the support of regulatory and consultation processes, including also the following main topics:

- **development of energy policies:** including, among other topics, the strategic outlook of the sector, energy efficiency, the growth of renewables, smart grid development and energy costs⁽⁷⁾;
- **increase of business competitiveness:** including, among other topics, tax regulation, labor law issues and environmental policies⁽⁸⁾.

(5) These amounts include the contributions paid by Enel SpA (including the main Italian companies) and by its foreign subsidiaries Endesa, Enel Américas and Enel Chile.

(6) Specifically: AELEC (formerly “UNESA”) 2 million euros; Confindustria 1.6 million euros; Elettricità Futura (formerly “Associazione Nazionale delle Imprese Elettriche”) 0.75 million euros.

(7) The 2023 contribution was 6.7 million euros.

(8) The 2023 contribution was 4.3 million euros.

Values and pillars of corporate ethics

2-15	2-16	2-23	2-26	3-3	205-1	205-2	205-3
405-1	406-1	408-1	409-1	412-1	412-2	413-1	415-1

A solid and dynamic ethical system, constantly oriented towards implementing best practices on the national and international levels is the foundational element of the Enel system of values underpinning the Company's operating assets, and of relations entertained with all its key stakeholders. A system based on compliance programs, includ-

ing the **Code of Ethics, Human Rights Policy, Zero Tolerance of Corruption Plan (ZTC Plan), Enel Global Compliance Program, the Model pursuant to Italian Legislative Decree 231/01**, plus any other national compliance models adopted by Group companies in accordance with local regulations.

Code of Ethics

In 2002, Enel adopted the Code of Ethics⁽⁹⁾, which expresses its commitments and ethical responsibilities in Company affairs and activities, regulating and harmonizing conduct according to standards based on the maximum transparency and integrity towards all stakeholders. The Code of Ethics is applicable to the entire Group, notwithstanding the cultural, social, and economic diversity between the various countries in which Enel operates. Enel also requires all its main suppliers

and partners to adopt conduct in line with the Code's general principles.

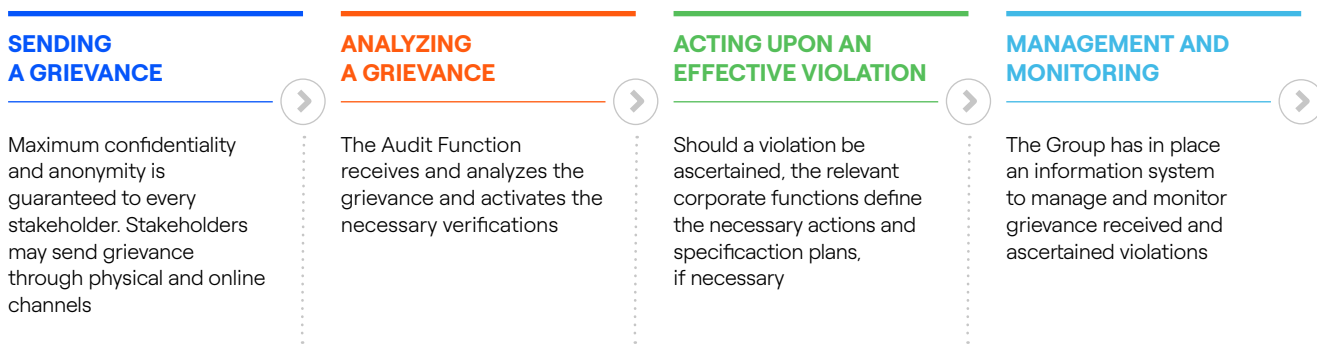
More information is available on the website: <https://www.enel.com/investors/sustainability/strategy-sustainable-progress/sound-governance/basic-principles/code-of-ethics>.



Whistleblowing channel and stakeholder reporting

Any violation (or suspected violation) of the Compliance Programs, or behaviors, acts or omissions that damage the integrity of the Company and constitute a significant wrongdoing under the applicable regulations regarding whistleblowing, may be reported (even anonymously) through a single Group-wide platform ("Ethics Point") at www.enel.ethicspoint.com⁽¹⁰⁾.

Reports are handled according to a specific process set out in the "Handling of Reports (Whistleblowing)"⁽¹¹⁾ Policy and in Enel's Human Rights Policy, under 3.1 "Stakeholder reports", as summarized below.



(9) Last update: February 2021.

(10) The Ethics Channel can also be used to send reports regarding the Group's commitments regarding human rights.

(11) The "Handling of Reports (Whistleblowing)" policy was updated in 2023 to incorporate the new national legislation (Legislative Decree 24/2023) implementing European Directive (EU) 2019/1937 on the protection of persons who report violations of EU law.

The key elements of the mechanism are:

- protection of confidentiality;
- protection against any form of retaliation against the reporter and other persons protected by law;
- protection against unfounded allegations made with malice or gross negligence to harm or cause injury to individuals;
- uniformity of treatment at Group level, in accordance with Company policy and local regulations.

The Audit Function receives and reviews the reports in compliance with Company policy and local regulations.

If, as a result of the report, the Function establishes a violation of the principles contained in the Compliance Programs or that affects the integrity of the Company, the rel-

evant corporate structures shall implement the resulting measures in line with the applicable national regulations.

The Audit Function also reports violations that have emerged as a result of stakeholder reports:

- to the Control and Risk Committee, the Chairman of the Board of Directors and the Chief Executive Officer of Enel SpA, who determine whether to report the most significant cases to the Board of Directors;
- to the corporate bodies of direct and indirect subsidiaries for issues within their remit.

The table below shows the total number of reports received through the whistleblowing platform and the number of violations determined.

KPI	UM	2023	2022	2021	2023-2022	%
Reports received	no.	207	168	153	39	23.2
Violations related to incidents of⁽¹²⁾:	no.	41	34	44	7	20.6
Conflict of interest/corruption	no.	7	10	8	-3	-30.0
Misappropriation	no.	9	5	5	4	80%
Labor practices ⁽¹³⁾	no.	18	14	27	4	28.6%
Community and society	no.	-	-	1	-	-
Other reasons	no.	7	5	3	2	40%

In 2023, 207 reports were received, up 23.2% compared to 2022 (168), mostly in Latin American countries; the number of established violations also follows the same percentage trends on the total number of reports received compared to 2022. Specifically, the violations established refer to employee and/or supplier behavior that does not comply with policies for the protection of people or internal procedures relating to:

- “Conflict of interest/corruption” for the pursuit of personal interests or interests that harm the Company;
- “Labor practices”, connected to inappropriate behavior by individual employees that is detrimental to respect for diversity and non-discrimination and the

failure to comply with the internal procedures on health and safety issues, principles approved by the Group’s Human Rights Policy;

- “Fraud/misappropriation” to the detriment of the Company.

In addition to adopting disciplinary measures and/or sanctions against the responsible parties, training and awareness initiatives by Enel Group companies continued during the year to promote behaviors that align with the Code of Ethics and policies, including the events organized in the Latin American countries to disseminate a culture of integrity and ethics in the Company (“*semana etica*”).

(12) Of the 207 reports received in 2023, 25 are undergoing review. During the course of 2023, the review of reports received in 2022 was completed; the number of reports was therefore reclassified from 172 to 168, and the number of violations established for 2022 rose from 29 to 34. Of the five additional violations, one case was due to a conflict of interest established in Brazil, one case of embezzlement in Chile, and three cases related to labor practices (one in Italy and two in Chile).

(13) In 2023, 6 violations were recorded relating to cases of discrimination at the workplace, specifically 5 cases of harassment.

Human Rights Policy

Respect for human rights is a fundamental element for pursuing sustainable progress. Enel's business model is based on the generation of sustainable value, together with its internal and external stakeholders, and on constant innovation, the pursuit of excellence and respect for human rights throughout the value chain. This translates into 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 valued for their uniqueness, whether within the Company or along the value chain in which the Group operates. The main international standards of reference that inspire Enel's commitment are the United Nations "Protect, Respect and Remedy" framework set forth in the Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This commitment is also clearly reflected in the Group's Human Rights Policy, drawn up and adopted back in 2013. In 2021, this document was updated to take

into account the evolution of the international frameworks of reference and the corporate operational, organizational and management processes. The document strengthens and expands the commitments already present in other codes of conduct adopted by Enel, such as the Code of Ethics, the Zero Tolerance of Corruption Plan and global compliance models. The update was approved by the Board of Directors of Enel SpA, then adopted by the subsidiaries. Enel is committed to respecting these principles in every Country in which it operates, respecting local cultural, social and economic diversity and requiring that each stakeholder adopt conduct in line with these principles, paying particular attention to high-risk or conflict-affected contexts.



For more information, see the ["Managing human rights"](#) chapter.

Enel Global Compliance Program ("EGCP")

In September 2016, Enel approved the Global Compliance Program, targeted toward the foreign companies in the Group, which is a governance tool aimed at strengthening the Group's ethical and professional commitment to preventing offences committed internationally that might result in corporate criminal liability and reputational risks. The identification of the relevant types of offences in the Enel Global Compliance Program – which is associated

with the provision of behavioral standards and areas to be preventively monitored – is based on illicit conduct generally considered as such in most parts of the countries, such as, for example, offences of corruption, crimes against the public administration, fraudulent accounting, money laundering, offences committed in violation of the regulations on safety at work, environmental offences, etc.

Organizational and Management Model pursuant to Italian Legislative Decree 231/01

Italian Legislative Decree 231 of June 8, 2001 introduced a company administrative liability into the Italian legal system for certain types of offences committed by directors, managers, or employees in the interest of or for the benefit of the companies concerned. Already in 2002, Enel – the

first in Italy – adopted an Organizational and Management Model that meets the requirements of Legislative Decree 231/01 (Model 231). Since then, it has been constantly updated in line with the reference regulatory framework and current organizational context.

Active and passive fight against corruption

| 3-3 | 205-1 | 205-2 | 205-3 |

In compliance with the 10th Global Compact principle, according to which “companies are committed to combating corruption in all its forms, including extortion and bribery”, Enel intends to pursue its commitment to fighting corruption in all its forms – whether direct or indirect – by applying the principles expressed in the pillars of its Anti-Bribery Management System.

Enel’s Anti-Bribery Management System (ABMS) is based on the Group’s commitment to fighting corruption by applying the criteria of transparency and conduct as set out in the Zero Tolerance of Corruption Plan (ZTC Plan) and confirmed in the Anti-Bribery Policy adopted in compliance with international standard ISO 37001:2016 (on anti-bribery management systems).

Together with the ZTC Plan, the pillars underpinning the ABMS are:

- the Code of Ethics;
- Models to prevent the main criminal risks (for example, bribery in relations with government bodies and among private individuals, environmental offences, corporate offences and, for Italian companies, manslaughter, serious personal injury or grievous bodily harm committed in violation of the rules on the protection of occupational health and safety), as described by the applicable regulations on corporate responsibility in the various countries where the Group operates (e.g., Organizational Model 231 for Italian companies, the “Risk Prevention Model/Integrity Program” for Group companies in Spain and Latin America);
- the Enel Global Compliance Program (“EGCP”), which applies to the Group’s non-Italian companies and supplements any compliance programs they adopt in compliance with local regulations.

The mentioned governance measures (in relation to which further information can be found in the specific section of the website), together with the current body of procedures, outline an effective prevention system, which is an integral part of the Group’s Internal Control System.

In 2017 Enel SpA was among the first companies in the world to obtain **certification of the conformity of its Anti-Bribery Management system to international standard ISO 37001:2016** (“Anti-Bribery Management System”).

This certification was issued following an independent verification process, carried out by a primary accredited certification body, which was carried out in two separate phases, aimed primarily at certifying the adequacy of the design of the Enel Anti-Bribery Management System (in terms of governance, roles, and responsibilities, control procedures, etc.), and secondarily at assessing the level of application and effectiveness.

After Enel SpA obtained certification ISO 37001 for its anti-bribery management system, it gradually extended the 37001 certification plan to the Group’s main Italian and foreign subsidiaries, guaranteeing maintenance of the certifications already obtained.

In 2023 the Audit Function⁽¹⁴⁾ plan included an analysis of the suitability of the Internal Control System for the Anti-Bribery Management System of all Group Business Lines and Holding Company Staff Functions; the specific audit plans included checks to assess the risk and suitability of the design and operation of the controls, complementing the spot checks required by the Compliance Programs adopted by Group companies.

Based on the reports received through whistleblowing platform, 7 cases of “Corruption/Conflict of interest” for the pursuit of personal interests and/or to the detriment of the Company⁽¹⁵⁾ were established during the year; these involved internal staff and/or contractors and resulted in 9 measures: 5 disciplinary actions against Enel people (e.g., dismissal, sanctions) and 4 sanctions against contractors (e.g., exclusion from tender proceedings, fines).

Following the checks as part of Company operations, an additional 2 cases of “Corruption/Conflict of interest” for the pursuit of private interest were identified, resulting in the dismissal of 2 employees.

(14) Audits for the Anti-Bribery Management System ensure three-year coverage of the main corporate processes at risk.

(15) Of the 7 total cases of conflict of interest/corruption, 2 are tied to corruption issues, while the other 5 cases involve conflict of interest situations.

Data protection

3-3 | 418-1

Protection and processing of personal data are an important challenge for Enel in the era of digitalization and market globalization, and also a constant commitment to ensure continuous improvement of the service supplied to the customers. In fact, Enel recognizes that personal data, as an expression of an individual's personality and identity, must be treated with due care and guarantees, whether they concern customers, employees or suppliers, as also stated in the Group's Human Rights Policy and Code of Ethics.

To respond to this challenge in line with the provisions of the General Data Protection Regulation (EU 2016/679 – “**GDPR**”), in 2017 Enel set up a specific unit within the Legal Function (**Data Protection Office**) and appointed the data supervisors (“**Data Protection Officer**” – **DPO**). The DPOs are appointed based on their professional skills and knowledge, and their ability to carry out the assigned tasks in accordance with the principle of independence. The Data Protection Office is structured as follows:

- **Data Protection Governance:** a unit that monitors the evolution of data protection legislation and defines the Group's compliance. The office also carries out the role of DPO in countries in which the creation of a local Data Protection Office is not necessary;
- **Data Protection Staff Holding, Global Procurement and Information and Communication Technology:** a unit that promotes privacy by design from the phase of process planning at the global level and ensures consistent development at the national level;
- **Data Protection Global Business Lines and Global Customer Operations:** a unit that supports the Global Business Lines in compliance concerning data protection, and monitors the evolution of data protection certification mechanisms for products and services;
- **Country units:** units that monitor the evolution of regulations on a local level and support the local Business Lines as regards compliance related to data protection. In 2020 country units were set up in Latin America (Argentina, Brazil, Chile, Colombia, Peru), alongside the European area units already in place (Italy, Portugal, Romania, Spain).

The Enel Group has developed a global compliance program on personal data protection, founded on the principles of the main privacy regulations, including the GDPR, the Brazilian law *Lei Geral de Proteção de Dados Pessoais* (“**LGPD**”), the California Consumer Privacy Act (“**CCPA**”), as well as the local legislation of the countries in which the Group operates. This compliance program is translated into a global policy on personal data protection, which defines the privacy principles applicable to all Group companies. In particular, the Data Protection Office implements pro-

cesses and activities in compliance with the indications of legislation concerning personal data protection and is committed to: drawing up data protection agreements and clauses; planning data governance and corporate policies; providing consulting in line with the principles of privacy by design and by default; ensuring adequate risk management and monitoring the consistency of data protection policies within the organization; as well as performing periodic and regular training and awareness campaigns for personnel on the main data protection issues.

Furthermore, the Audit Function includes specific activities in their work programs targeted toward evaluating the Internal Control System on Data Protection Risk Management and on compliance with GDPR: analysis activities are planned in various geographical areas, also those not subject to GDPR, that aim to evaluate the safety measures in systems that contain personal data, commercially-sensitive data and employees data managed in HR processes. In order to guarantee full and effective protection of personal data, the Group has adopted a digital platform (Data Protection Platform), which is able to ensure digital compliance, through the use of the following tools, based on the size and complexity of Enel:

- **Processing register**, which integrates the registers of the data controller and the data processor on a single platform, guaranteeing the dynamic mapping of the processing activities and their life cycle, as well as the fulfilment of the obligations required by the regulation. For the Enel Group, this tool also represents an essential resource for designing and monitoring intra-group dynamics;
- **Privacy by Design**, which makes it possible to create every new project, from the beginning, in line with the principles regarding privacy;
- **DPIA (Data Protection Impact Assessment)**, which makes it possible not only to perform an evaluation of the effective risks for the freedom and rights of the data subjects and to monitor the current risk of each processing operation that is changed in light of the implementation of a remedy plan;
- **DTIA (Data Transfer Impact Assessment)**, which makes it possible to evaluate the transfer risk that accounts for the methods by means of which the data is transferred, as well as the regulatory aspects of the country where this data is transferred;
- **Data Breach Management**, which permits the structured and timely management of all possible incidents that involve multiple companies and countries, and the possibility to study these events in order to implement common prevention solutions;

- **Analytic**, that, with the definition of precise KPI, makes it possible to continuously analyze, compare and monitor the data and processes processed by the companies.

With specific reference to relationships with its suppliers, the Enel Group Code of Ethics and Human Rights Policy expressly require suppliers to have a clear commitment to respect the main obligations required by the applicable privacy regulation. Furthermore, a specific clause in the Group's General Contract Conditions extends the principles of the Enel privacy policies to all suppliers, requiring them to be committed to handing personal data in compliance with the obligations imposed by industry

Procedures started by competent supervisory authorities

With specific reference to **Italy**, on March 8, 2021, the data protection authority started a procedure, based on some reports from consumers, for the adoption of corrective measures and sanctions against the Servizio Elettrico Nazionale (SEN) for presumed violations of privacy regulations, in particular due to the performance of undesired phone calls and the wrongful provision of personal data (POD, supply address, tax code, etc.) to unauthorized parties for the promotional purposes of third parties. SEN has filed a defense brief disputing the charges. On April 26, 2021 a hearing was held with the data protection authority and a decision is pending. Furthermore, on January 18, 2022, the data protection authority issued an order against Enel Energia, imposing a fine for approximately 26 million euros on the company for asserted violations of the privacy regulations. In particular, the data protection authority criticized what it saw as the inadequacy of Enel Energia's surveillance and control activities for the internal data processing processes, within the scope of telemarketing activities, as well as the failed adoption of a comprehensive and effective action to contrast the undesired phone calls. The penalty, which also imposed a series of prescriptive measures, was disputed by Enel Energia on February 9, 2022 before the Civil Court of Rome which, with an order dated March 20, 2022, ordered the immediate suspension of its effects. In a ruling published on February 13, 2023, Enel Energia's appeal was upheld in its entirety and, accordingly, the sanction measure was cancelled. On January 13, 2024, the grounds for the decision were published, on the basis of which the data protection authority may consider a possible appeal of the ruling before the Court of Cassation.

Finally, on 14 July 2023 the data protection authority instituted proceedings against Enel Energia SpA, in relation to the system of monitoring and control over the work of external agencies that carry out sales activities

legislation. Therefore, Enel also undertakes to monitor all third-party companies that may be in a position to use customers' personal data, for example for the provision of sales services or customer satisfaction surveys.

In 2023, the Group's companies handled **15,067 communications concerning personal data protection from customers**, of which: (i) **913** in **Romania**, (ii) **6,256** in **Iberia**, (iii) **7,841** in **Italy** and (iv) **57** in **Latin America**.

Furthermore, the same companies collaborated with the national authorities, receiving **171 requests for information and clarifications**, of which: (i) **4** in **Romania**, (ii) **142** in **Iberia**, (iii) **6** in **Italy** and (iv) **19** in **Latin America**.

in a "door-to-door" manner, and/or by means of telemarketing and teleselling, and relating to conduct that can be traced back to a period of time ranging from 2015 to 2022. Enel Energia filed a defense brief disputing the charges, and a hearing was held with the data protection authority on October 4, 2023. At the conclusion of the inspection, on February 29, 2024 the data protection authority notified Enel Energia of the final measure by which it imposed a fine of 79,107,101 euros on the latter.

In 2023, based on complaints presented by the data subjects in **Spain**, the local data protection authority started 63 administrative proceedings against Endesa Energía SA, Endesa X Servicios SL, Edistribución Redes Digitales SL and Energía XXI Comercializadora de Referencia SL. Many of these proceedings have been dismissed and, in the majority of the cases, the events that triggered the complaints were resolved thanks to out-of-court settlements.

During 2023, Endesa Energía was subject to two fines, one in the amount of 56,000 euros and another of 6,100,000 euros. This latest sanction was related to a data security breach suffered on Endesa Energía's systems due to the publication of advertisements on Facebook that promoted the sale of access credentials to Endesa's applications. The aforementioned violation resulted in the fraudulent conclusion of contracts without the consent of the persons concerned. Therefore, Endesa Energía filed an administrative appeal against the measure issued by the data protection authority, before the National Supreme Court requesting the precautionary suspension of the sanction. The final decision of the Court is currently awaited.

In **Portugal**, in 2023, the local data protection authority initiated 75 proceedings against Endesa Energía SA – Sucursal Portugal as a result of sending direct market-

ing communications to data subjects without their valid prior consent. Endesa presented their defense against these proceedings and is currently waiting for the decision of the local data protection authority. With regard to prior proceedings related to marketing communications made in 2019, 2020 and 2021, for which Endesa has already presented its defense, in 2023 the data protection authority issued 3 rulings, for one of which it ordered the dismissal of the proceedings, while for the others it imposed sanctions with an overall value of 12,500 euros. Furthermore, it should be noted that one of the final decisions that led to the imposition of a fine (in the amount of 5,000 euros) was challenged by Endesa. In fact, the company was sanctioned for having made a direct marketing call without the consent of the data subject, but the number from which the call was made was not a number belonging to Endesa or one of its data controllers.

In addition, with reference to the second decision, a fine of 7,500 euros was imposed. In particular, Endesa had been accused of committing two administrative infringements, but the Comissão Nacional de Proteção de Dados ("CNPD") considered this to be a single administrative infringement, carried out on a continuous basis, and therefore decided to impose a single penalty.

Data breaches

Regarding data breaches, during 2023, seven violations of personal data were recorded within the scope of the Enel Group.

In particular, in **Italy**, the company Enel Energia SpA notified the data protection authority of a breach, which occurred in March 2023, concerning personal data on the company's Customer Relationship Management ("CRM"). Specifically, several SEPs (Spazio Enel Partner, *i.e.*, shops open to the public managed by external partners) reported to Enel Energia that they had been contacted on the landline number of their shop by people pretending to be Enel Energia operators and asking them to install a new app for security reasons, and to provide their Enel Energia CRM access credentials for this purpose. The latter immediately alerted all partners in its sales network, advising them to be very careful if they received similar communications and requests. However, some of the partners' operators had already followed up the fraudulent message and, in eight cases, credentials had been provided. These credentials were found to have been used by unknown persons to view the data of some 679 individuals, among whom customers, potential customers and customer referrals. However, further analysis by Enel Energia showed that no abnormal use of the personal data displayed had occurred.

In **Romania**, during July 2022, and following an investigation, the local data protection authority issued a penalty of 49,337 lei (10,000 euros) against Enel Energie Muntenia SA for violation of Article 32 of GDPR. The company has challenged this penalty and is still waiting for the final decision of the data protection authority.

In **Colombia**, in September 2023, the Colombian data protection authority notified Resolution No. 48205, through which it pronounced two administrative orders following four security incidents (occurring in 2021-2022) that could have compromised the personal information contained within Market/Enel X's databases. On the basis of the reported security incidents and the measures taken to manage them, the local data protection authority deemed it necessary to analyze not only the controls that the company had put in place, but also the security measures, which were necessary to determine the adequacy and effectiveness of the personal data protection standards and to check whether it was necessary to implement additional security measures to those already in place.

On December 4, 2023, Enel Colombia provided feedback on all the points raised. To date, however, the data protection authority has not ruled on them.

In **Romania**, during 2023 two data breaches were recorded. In particular, a limited amount of personal data was displayed in the private section of the e-Distribuție website. Through a link with a hidden object, some users of the website were able to access a limited set of data of other users. As far as is known, apart from the person who reported the vulnerability, no one else took advantage of it. Based on the investigations carried out by the Company, the data illegally accessed belonged to customers of e-Distribuție Muntenia and e-Distribuție Dobrogea. Since the person who reported the vulnerability also reported it to the DPA, notification of the incident was deemed appropriate, even though said incident was not considered serious and no impact on the individuals concerned was detected.

The vulnerability was fixed in less than 24 hours from the moment the owners became aware of it.

In **Spain**, during 2023, Edistribución Redes Digitales SL ("Edistribución") notified the Spanish data protection authority (AEPD) of two personal data breaches suffered by its customers.

The first, reported on January 23, 2023, concerns an accidental exposure of some Edistribución customer data on

the public repository “Github” by an engineer of a supplier of the company who used this repository temporarily in order to make a copy of the source code of the Exabeat application. The measures taken include resetting the credentials identified within the FTP server within the Exabeat application and analyzing the access logs to the FTP server. The above analysis showed that there was no evidence of access to any personal data processed by the FTP server.

On January 23, 2024, the AEPD dismissed the proceedings initiated as a result of the “Github” data breach, finding that Edistribución had acted diligently once it became aware of the security breach, demonstrating that the measures taken after the incident were adequate.

As for the second breach, it originated neither from a leak nor from an incident or unauthorized access to Edistribución’s systems.

In particular, an Internet forum was intercepted to publish the sale of data of “Endesa customers”, together with an Excel file published on Google Docs that contained, among various fields, one relating to the supply of the distribution company in which “Endesa Distribución Eléctrica SL” appeared. Once these data and those contained in Edistribución’s systems were analyzed, it emerged that the published data did not come from Edistribución itself. However, although Edistribución did not suffer any data breaches, it considered it appropriate to inform the AEPD, given the media impact of the incident.

In **Portugal**, in May 2023, the company Aon (one of Endesa’s data controllers that processes the personal data of its employees) was made aware of a zero-day vulnerability concerning a third-party provider’s application called “MOVEit Transfer”, which Aon was using for file sharing.

Upon learning of this vulnerability, Aon immediately launched an investigation, which established that an unauthorized third party had accessed the “MOVEit Transfer” application/server within Aon, and that the data contained in that application had been downloaded and exfiltrated. Among the breached data were those of Endesa employees with whom Aon was dealing. Given the type of personal data breached (first name, last name, e-mail, address, tax code, date of birth, international bank account number – N.B. not all IBANs of the data subjects were disclosed), Endesa notified the data breach to the Portuguese data protection authority and the various stakeholders.

In **Colombia**, the local data protection authority was notified of a personal data breach, consisting of a ransomware attack (of the “RansomHouse” type) affecting the websites and activities of an employee healthcare provider. Therefore, Enel Colombia intervened through containment actions, contract management monitoring, and multidisciplinary analyses in the areas of contract law, personal data, cyber security, and information security.