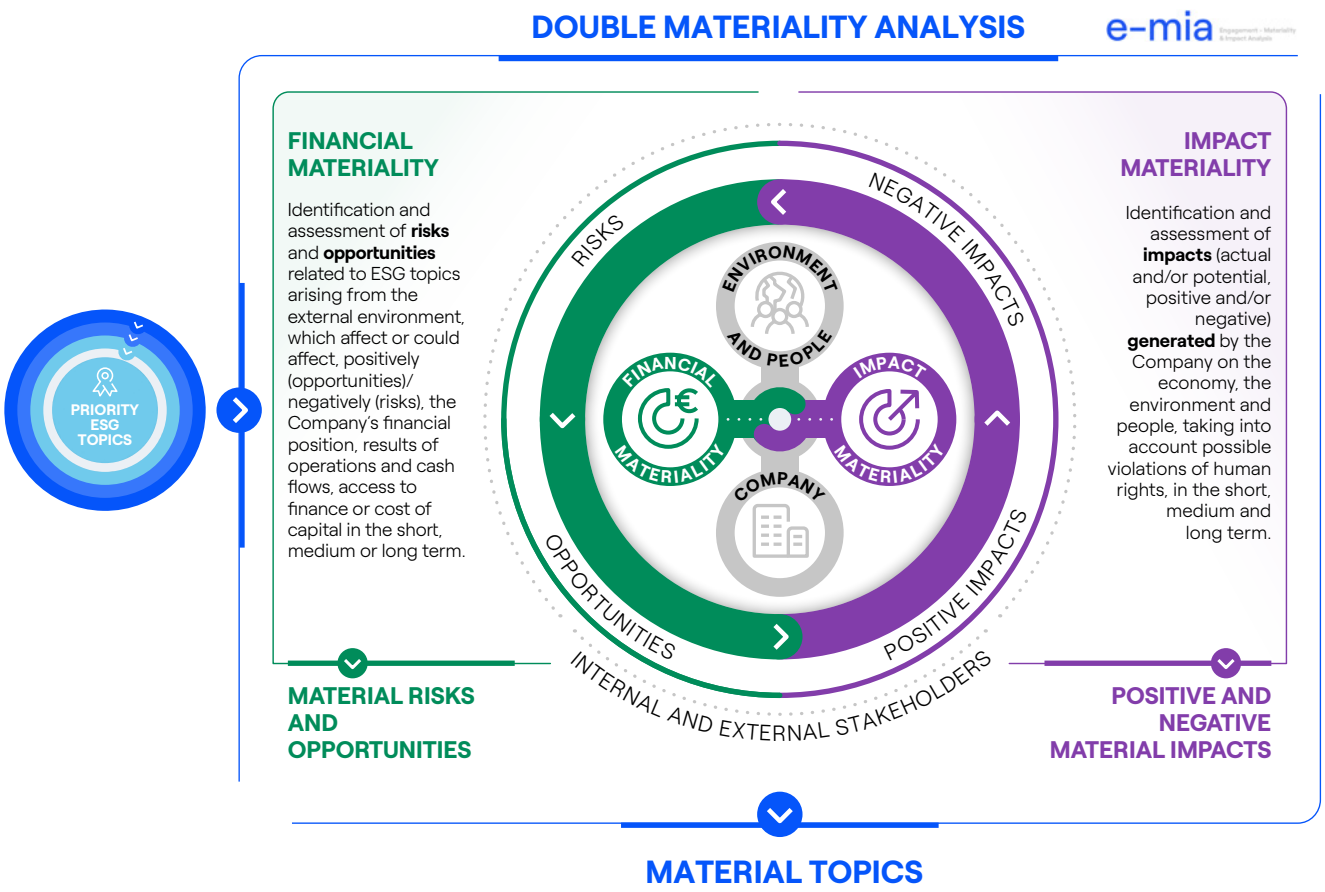
Double materiality

3-1 | 3-2 | 3-3



Identification of potentially material IROs

Enel **identifies potentially material impacts, risks and opportunities (IROs)** related to sustainability issues, taking into account the main standards, including GRI's Universal Standards and the sustainability reporting standards issued by EFRAG (see the list of sustainability issues in ESRS 1, paragraph AR16), as well as the outcome of the human rights due diligence perceived risk assessment[3] and the activities described above that contribute to understanding the context in which the Company operates (ESG megatrend analysis and priorities provided by external stakeholders). In addition, the Company's internal stakeholders contribute to the process of defining IROs, since, through their own activities, they manage the relationship with external stakeholders, knowing the potential impacts, risks and opportunities which might affect them or the organization.

Therefore, the external context in which the Group operates, including the Company's business activities and relationships, is taken into account in the identification of impacts, while the definition of risks and opportunities considers how these may arise from the impacts generated by the Company, *i.e.*, the existence of dependencies on natural and social resources as sources of potential positive and/or negative financial effects.

The list of **potentially material IROs** related to ESG topics (approximately 180 IROs were mapped in 2023) is considered the basis for internal stakeholder assessment, with the aim of determining the **material impacts, risks and opportunities** from which the corresponding **material topics** are derived.

(3) For additional details, see the chapter "Managing human rights".

Evaluation of IROs

Potentially material IROs relating to sustainability issues were subjected to assessment by internal and external stakeholders relevant to the Group, involving a total of 16 countries, to determine material impacts – the so-called impact materiality – and material risks and opportunities – the so-called financial materiality.
The methodology applied is outlined below.

a) Impact materiality

Impact materiality analysis consists of assessing the impacts generated by the Company on the economy, the environment and people, both negative (taking into account any human rights violations), and positive (evaluating the contribution to sustainable development). An ESG topic is therefore material, from the point of view of impact materiality, if it concerns material impacts (actual or potential, positive or negative) of the Company on people or the environment in the short, medium or long term.
Enel has been conducting the analysis of **impact materiality** since 2019 and over the years, taking into consideration the main reference standards available, such as those defined by GRI and EFRAG, it has strengthened the methodology adopted.
In particular, potentially material generated impacts were assessed on the basis of the following characteristics:

- negative (potential and/or actual):
  - scale: how severe the impact is or could be;
  - scope: how widespread the impact is or could be;
  - irremediable character: how difficult it is or could be to counteract or repair the resulting damage;
  - the likelihood in case of potential impact[4];
- positive (potential and/or actual):
  - scale: how the impact can or could have positive effects;
  - scope: how widespread the impact is or could be;
  - the likelihood in case of potential impact.

On the basis of the characteristics described above, a workflow of questions was developed in the proprietary e-mia system to guide internal stakeholders, involved in the process, in the assessment of their own impacts. These evaluations make it possible to define a final score for each impact (expressed as a percentage from 1 to 100). On the scores thus obtained, the appropriate quanti-qualitative thresholds are applied to define the material impacts (see section "Material topics").

b) Financial materiality

Financial materiality analysis consists in identifying and assessing risks and opportunities related to ESG topics arising from the external environment, which affect or could affect, positively (opportunity)/negatively (risk), the Company's financial position, results of operations and cash flows, access to finance or cost of capital in the short, medium or long term.
Such information is particularly relevant for investors (so-called "primary users") because, if omitted, misrepresented or obscured, it could reasonably influence their investment choices and decisions.
Enel already conducted the financial materiality assessment in 2022 and in 2023, taking into consideration the changes introduced by the main European standard of reference available issued by EFRAG, it has strengthened the methodology adopted. Furthermore, financial materiality was also developed considering the relevance of ESG topics according to the SASB Standard in relation to Enel's primary area of reference: "Electric Utilities & Power Generators Sector".
In particular, potentially material risks and opportunities were assessed on the basis of the following characteristics:

- potential magnitude of financial effects;
- likelihood of occurrence.

On the basis of the characteristics described above, a workflow of questions was developed in the proprietary e-mia system to guide internal stakeholders, involved in the process, in the assessment of risks/opportunities within their remit. These evaluations make it possible to define a final score for each risk/opportunity (expressed as a percentage from 1 to 100). On the scores thus obtained, the appropriate quanti-qualitative thresholds are applied to define the material risks/opportunities (see section "Material topics").

(4) For potential impacts, the likelihood is considered together with the severity of the impacts. However, in the case of potential negative impacts on human rights, as specified in ESRS 1, paragraph 45, severity prevails over likelihood in identifying material topics.

Material topics

3-1 | 3-2 | 3-3

The double materiality analysis allows the Company to identify material environmental, social and governance topics that are significant from an impact materiality perspective, a financial materiality perspective or both (see tables below). In order to assess the materiality of impacts, risks and opportunities, and thus material ESG topics, appropriate quanti-qualitative thresholds are applied to the final values obtained from the assessment of all potential material IROs. The EFRAG guidelines, as they stand, do not mention how the threshold should be applied, leaving it up to companies to decide how to apply a "judgement" metric that allows them to define material impacts, risks and opportunities. Enel has chosen to apply a threshold that ensures a fair and equitable representation of IROs, favoring maximum transparency especially on the most sensitive topics for the sector to which the Company belongs.
In support of this approach, Enel has also applied the "judgement" criterion, referred to in the regulations, according to which the materiality of IROs is also defined on the basis of facts and circumstances specific to the Company.
The identification of material ESG topics allows the Company to focus on defining the best way to manage both negative generated impacts and risks, as well as the enhancement of opportunities. Therefore, if the double materiality analysis guides the identification of the material topics, the priority topics direct the Company's further efforts to pursue the strategic choices.

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI	SUSTAINABILITY PLAN
ENVIRONMENTAL – CLIMATE CHANGE	**Mitigation: reducing direct GHG emissions (Scope 1)**	• Renewable capacity development (solar, wind, biomass, geothermal, mini-hydro) • Coal phase-out • Gas phase-out	• GRI 303: Water and effluents • GRI 304: Biodiversity • GRI 305: Emissions • GRI 305-1: Direct greenhouse gas (GHG) emissions (Scope 1) • GRI 305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3) • EU1: Installed capacity, broken down by primary energy source and regulatory regime • DMA EU (former EU6): Management approach to ensure energy availability and reliability in the short and long term • EU12: Transmission and distribution losses as a percentage of total energy • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • EU28: Frequency of power outages • EU29: Average duration of power outage	• Zero emissions ambition
	Reducing GHG emissions of services and products to customers	• Reducing CO_2 emissions due to new technologies and solutions for homes and condominiums • Reducing CO_2 emissions due to new technologies and solutions for cities • Reducing CO_2 emissions due to new technologies and solutions for industries • Reducing CO_2 emissions due to e-mobility		
	Adapting to climate change	• Adapting to extreme weather		
ENVIRONMENTAL – GOVERNANCE AND ADVOCACY FOR NATURE AND CLIMATE	**Governance and advocacy for nature**	• Certified environmental management system • Environmental policies	• GRI 2-22: Statement on sustainable development strategy • GRI 2-23: Policy commitments • GRI 2-24: Embedding policy commitments • GRI 2-27: Compliance with laws and regulations	• Nature • Zero emissions ambition
	Governance and advocacy for climate	• Climate policy		
ENVIRONMENTAL – PRESERVATION OF BIODIVERSITY AND ECOSYSTEMS	**Protecting biodiversity**	• Conservation and promotion of the local natural heritage	• GRI 304: Biodiversity	• Nature
	Mitigation of impacts on natural heritage	• Optimizing dependencies and opportunities of impacts on ecosystem services • Optimizing dependencies and opportunities of impacts of ongoing operations on biodiversity • Noise management and mitigation • Managing and mitigating visual impact		
	Soil management	• Reducing land use • Restoring degraded soils		

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI	SUSTAINABILITY PLAN
ENVIRONMENTAL				
AIR, WATER AND SOIL QUALITY	**Pollution reduction**	• Reducing emissions into the air (excluding CO_2) • Protection, monitoring and remediation of soil, subsoil and groundwater • Discharge management	• GRI 303-4: Water discharge • GRI 304: Biodiversity • GRI 305-6: Emissions of ozone-depleting substances (ODS) • GRI 305-7: Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other relevant air emissions	• Nature • Zero emissions ambition
CIRCULAR ECONOMY	**New life cycles**	• Reuse • Regeneration • Recycling	• GRI 301-2: Recycled input materials used • GRI 306-4: Waste not sent to landfill	• Circular economy
WASTE	**Non-hazardous waste**	• Non-hazardous waste from operations and maintenance (O&M) • Non-hazardous waste from construction activities	• GRI 306: Waste • GRI 306-3: Waste generated • GRI 306-4: Waste not sent to landfill • GRI 306-5: Waste sent to landfill	• Nature
	Hazardous waste	• Hazardous waste from operations and maintenance (O&M) • Hazardous waste from construction activities		
WATER RESOURCES MANAGEMENT	**Responsible use of water**	• Treatment, recycling and use of wastewater • Reducing water consumption • Managing water resource availability	• GRI 303-3: Water withdrawal • GRI 303-4: Water discharge • GRI 303-5: Water consumption	• Nature
GOVERNANCE				
BUSINESS CONDUCT AND ETHICS	**Tax transparency**	• Tax transparency	• GRI 2-22: Statement on sustainable development strategy • GRI 2-23: Policy commitments • GRI 2-24: Embedding policy commitments • GRI 205-1: Operations assessed to determine corruption risks • GRI 205-2: Communication and training on anti-corruption regulations and procedures • GRI 205-3: Confirmed incidents of corruption and measures taken • GRI 206-1: Legal actions relating to anticompetitive behavior, trust activities and monopolistic practices • GRI 207-1: Approach to taxes • GRI 207-2: Tax governance, control and risk management • GRI 415-1: Political contributions	• Sound governance
	Legal disputes	• Legal proceedings		
SOCIAL				
CUSTOMER CENTRICITY	**Solutions dedicated to customer needs**	• Affordability of tariffs and flexibility of payments • Availability of energy-efficient products and services	• GRI 417-1: Labeling requirements and product and service information • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • DMA EU (former EU24): Practices to address language, cultural, low-literacy, and disability-related barriers, access to and safe use of electricity, and customer support services	• Customers
	Quality of customer relations	• Customer awareness of efficient and sustainable energy use • Effective and fair relationship with customers		
ENGAGING LOCAL AND GLOBAL COMMUNITIES	**Listening to communities**	• Dialogue, sharing and engagement in common objectives • Dispute management and grievance mechanisms	• GRI 203-1: Investment in infrastructure and services supported • GRI 413: Local communities • GRI 413-1: Operations with local community engagement • DMA EU (former EU19): Stakeholder engagement in decision-making on energy planning and infrastructure development • EU22: Number of people physically or economically displaced and compensation, broken down by project type • DMA EU (former EU20): Approach to managing the impacts of displacement • EU25: Number of injuries and deaths among the public involving company assets, including legal rulings, settlements, and pending illness lawsuits	• Communities
	Supporting the social and economic development of communities	• Employment development in the areas of presence • Supporting families and local services		

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI	SUSTAINABILITY PLAN
SOCIAL				
HEALTH AND SAFETY	**Worker health**	• Promoting worker health	• GRI 403: Occupational health and safety • GRI 410: Safety practices	• Occupational health and safety
	Worker health and safety	• Managing and monitoring worker safety • Promoting a safety culture among workers • Care for the mental and physical safety of workers		
	Health and safety of workers of contractors operating on Enel sites	• Managing and monitoring contractor safety • Promoting a culture of safety among workers of contractors who operate at Enel sites		
SUSTAINABLE SUPPLY CHAIN	**Contract execution**	• Promoting respect for just and favorable working conditions and non-discrimination in relations with suppliers and contractors	• GRI 204: Procurement practices • GRI 204-1: Proportion of expenses paid to local suppliers • GRI 308: Supplier Environmental Assessment • GRI 308-1: New suppliers selected using environmental criteria • GRI 407-1: Activities and suppliers where the right to freedom of association and collective bargaining may be at risk • GRI 414: Supplier Social Assessment • GRI 414-1: New suppliers selected using social criteria • GRI 414-2: Negative social impacts in the supply chain and actions taken	• Suppliers
	Qualification of suppliers and contracting firms	• Qualification of suppliers and contracting firms based on occupational health and safety, human rights, and environmental impact criteria		
	Tendering of suppliers and contracting firms	• Preparing calls for tenders aimed at promoting sustainable practices		
CROSS				
DIGITAL TRANS-FORMATION	**Cyber security**	• Strategy and management models for cyber security • Cyber security culture	• The material topic is not currently covered by a specific GRI	• Digitalization
ECONOMIC VALUE CREATION	**Capital balance and soundness**	• Capital structure balance	• GRI 201: Economic performance • GRI 201-1: Direct economic value generated and distributed • GRI 2-6: Activities, value chain and other business relationships	• Zero emissions ambition • Business drivers
	Long-term value creation strategy	• Business Ownership model		
	Long-term value distribution strategy	• Operating costs of the business (including payments to suppliers) • Community investments		
ELECTRIFICATION OF USES	**E-mobility**	• Development of Vehicle-Grid Integration • Deployment of infrastructures for e-mobility • Public e-mobility	• The material topic is not currently covered by a specific GRI	• Electrification of uses
RESILIENT GRIDS	**Operational management of grids**	• Grid maintenance	• DMA EU12: Transmission and distribution losses as a percentage of total energy • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • EU28: Frequency of power outages • EU29: Average duration of power outage	• A safer, more resilient and digitalized power grid

POSITIVE MATERIAL IMPACTS

MATERIAL IMPACT	TYPE	DURATION[1]	IMPACT MANAGEMENT
Adopting a tax strategy (set of principles and guidelines based on values of transparency and legality) by Group companies to ensure fair, responsible and transparent tax contributions	Actual		The tax strategy was approved by the Enel SpA Board of Directors in 2017 and its implementation is mandatory for all Group companies. Its implementation is further ensured by a dedicated organizational policy. The tax strategy, its principles and the results of their application are published in a dedicated section of Enel's website, as well as in several corporate reports (*e.g.*, the Tax Transparency Report).
Increase in investments/financial resources to support the energy transition and low-carbon technologies	Actual		The Enel Group is pursuing a strategy with investments allocated efficiently by focusing on key infrastructure for grid development, with the aim of improving quality and resilience, and making the most of technological developments and opportunities for generation from renewable sources. The goal is to pursue value creation by addressing the challenges of climate change, promoting electrification of consumption, and improving end-customer management.
Mitigating climate change by reducing absolute greenhouse gas emissions from the thermoelectric phase-out	Actual		Enel has made a commitment to complete the decarbonization process of its entire value chain by 2040, in line with the goals of the Paris Agreement (COP 21) to limit the average global temperature increase to 1.5 °C. To this end, Enel has constructed a roadmap that includes mid-term targets to 2030 (compared to the 2017 base year levels) certified by the Science Based Targets initiative (SBTi) in line with the 1.5 °C pathway: in particular, the Company has committed to 100% renewable energy generation by 2040 with an intermediate target of at least 80% of installed renewable capacity by 2030 and coal phase-out by 2027.
Contribution to reducing health problems in local communities through coordination with local health authorities	Actual		Managing relations with communities and other stakeholders is a key factor in all Enel Group activities for establishing strong and lasting relationships with communities, including local, indigenous and tribal peoples, through broad, inclusive and ongoing dialogue based on clear phases of stakeholder engagement, and in line with the relevant international standards (such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises). This approach is integrated into the business. In fact, the Enel Group pursues the economic and social development of the context in which it operates through numerous sustainability projects, generating an increasing number of beneficiaries. This includes the projects carried out with local health authorities to ensure and improve the state of well-being and health of the context in which Enel operates.
Promoting the electrification of cities through the availability of e-mobility infrastructure and technology	Actual		For the Enel Group, the electrification of transport is one of the keys to decarbonizing consumption, using digitalization as an accelerator for the development of increasingly innovative, flexible and integrated services. In this context, e-mobility plays a fundamental role as demonstrated by the constant spread of new services and products, such as charging points for electric vehicles throughout the country.

(1) Duration: Short term Medium term Long term

(2) "-" is reported where the material topic is not currently covered by a specific GRI

ESG priority topics for stakeholders

IRO related to human rights

VALUE CHAIN	MAIN STAKEHOLDERS INVOLVED	MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
	Communities	**Business conduct and ethics**	Tax transparency	Tax transparency	• GRI 207-1: Approach to taxes • GRI 207-2: Tax governance, control and risk management
	Communities	**Economic value creation**	Long-term value creation strategy	Business Ownership model	• GRI 201: Economic performance • GRI 2-6: Activities, value chain and other business relationships
	Planet	**Climate change**	Mitigation: reducing direct GHG emissions (Scope 1)	Coal phase-out Gas phase-out	• GRI 305-1: Direct greenhouse gas (GHG) emissions (Scope 1)
	Communities	**Engaging local and global communities**	Supporting the social and economic development of communities	Supporting families and local services	• GRI 203-1: Investment in infrastructure and services supported • GRI 413: Local communities • EU25: Number of injuries and deaths among the public involving company assets, including legal rulings, settlements, and pending illness lawsuits
	Customers	**Electrification of uses**	E-mobility	Development of Vehicle-Grid Integration Deployment of infrastructures for e-mobility Public e-mobility	–[2]

Impact generated directly by its own activities

Impact generated not directly by its own activities but caused by its own business relationships

MATERIAL IMPACT	TYPE	DURATION[1]	IMPACT MANAGEMENT
Commitment to reducing air pollutant emissions (other than CO_2) through ongoing monitoring and improvement programs to prevent accidental events and uncontrolled dispersion	Actual		The Group has set significant reduction targets for 2030 for specific pollutants emitted into the atmosphere, in line with the Group's SB-Ti-certified process of reducing GHG emissions to complete the process of decarbonization and coal phase-out. For the Enel Group, reducing the environmental impacts associated with plant operation is a strategic objective, which it pursues through the application of the best technologies available and best international practices. Emission measurements are carried out in compliance with each Country's regulatory framework and, in the majority of large plants, a measurement system is used that can assess compliance with the limits in real time. Its reliability is guaranteed by accredited certifying entities and through assessments carried out by inspection authorities.
Commitment to biodiversity through initiatives to protect and restore habitats and natural capital, particularly in protected areas and with respect for threatened species, and adopting location and design criteria to guarantee No Net Deforestation, No Go in natural UNESCO World Heritage sites and no net loss of biodiversity	Actual		In environmental and natural ecosystems, Enel is implementing suitable actions to protect, restore, and conserve biodiversity, in species and natural habitats, respecting the principle of mitigation hierarchy (avoid, minimize, restore, and compensate), as well as suitable terrestrial, marine, and river monitoring activities to check the effectiveness of the measures taken. In this context, the Group recognizes that protecting the environment and natural resources, combating climate change and contributing to sustainable economic development are strategic factors in the planning, operation and development of its activities. This commitment is enshrined in the Group's Biodiversity Policy. Enel plays an active part in the international debate with stakeholders and in the networks with the most influence in natural and biodiversity issues (such as Business for Nature, Taskforce on Nature-related Financial Disclosures, World Business Council for Sustainable Development and Science Based Targets for Nature). Enel implements programs and plans for the prevention, mitigation and recovery of impacts on ecosystems and natural habitats at all critical and/or significant sites for all its assets.
Commitment to waste management through circularity improvement programs and over-compliance goals to reduce waste generation with a view to life cycles	Actual		The Enel Group applies the principles of the circular economy throughout the life cycle of assets: from the design stages, including by engaging the supply chain, through to utilization and end-of-life management, with the aim of maximizing asset and material recovery (through recycling or reuse for example). Enel pursues the goal of generating economic value from its business activities by reducing the use of raw materials and fuels. To monitor this circularity objective, Enel has developed a KPI "Economic CirculAbility", which takes the Group's overall EBITDA (in euros) and compares it with the amount of resources consumed, both fuel and raw materials, throughout the value chain by the various business activities (expressed in tons). Enel has committed to doubling its performance in relation to this KPI by 2030 compared to 2020, *i.e.*, to halve the amount of resources consumed compared to the EBITDA generated.

(1) Duration: Short term Medium term Long term

(2) "–" is reported where the material topic is not currently covered by a specific GRI

ESG priority topics for stakeholders

IRO related to human rights

VALUE CHAIN	MAIN STAKEHOLDERS INVOLVED	MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
	Planet	**Air, water and soil quality**	Reducing pollution	Reducing emissions into the air (excluding CO_2)	• GRI 305-6: Emissions of ozone-depleting substances (ODS) • GRI 305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other relevant air emissions
	Planet	**Preservation of biodiversity and ecosystems**	Protecting biodiversity	Conservation and promotion of the local natural heritage	• GRI 304: Biodiversity
	Planet	**Circular economy**	New life cycles	Reuse Regeneration Recycling	• GRI 301-2: Recycled input materials used • GRI 306-4: Waste not sent to landfill

 Impact generated directly by its own activities

 Impact generated not directly by its own activities but caused by its own business relationships

NEGATIVE MATERIAL IMPACTS

MATERIAL IMPACT	TYPE	DURATION[1]	IMPACT MANAGEMENT
Procurement of goods and services from activities tied to potential human rights violations (*e.g.*, exploitation of unskilled and low-paid workers)	Actual		Supplier services must adopt best practices according to the highest standards of sustainability, as well as ensure the necessary quality standards. Therefore, partner selection and contract execution are subject to analysis and monitoring activities throughout the entire procurement process. The supplier qualification system includes distinct pathways, which combine the risk level identified and Countries qualified for, with a sustainability assessment on health and safety, environment and human rights, along with a reputational check. The bidding process also includes "sustainability requirements and Ks" to be monitored throughout the contract period. The Terms of Contract also require compliance with relevant legislation and regulations, and adherence by suppliers to the principles Enel has committed to in the Human Rights Policy, Code of Ethics, Zero Tolerance of Corruption Plan, and global compliance programs.
Increased environmental impacts due to delays in adopting bureaucratic procedures for the installation, maintenance, and repair of energy-efficient products and services	Actual		Enel also facilitates the electrification process by providing products and services that support customers in the energy transition. To achieve this goal, authorizations are often required from the relevant authorities. As such, bureaucratic delays have occurred (*e.g.*, due to waiting for new regulations, or lack of knowledge by operators on the correct process, etc.), which Enel manages by continually monitoring the paperwork and providing timely information to customers.
Increase in the number of vulnerable customers and energy poverty due to an increase in the price of electricity	Actual		The Enel Group aims to continue supporting citizens to improve and maintain access to electricity in the most deprived areas and in underserved populations. All the countries in which the Group operates in fact provide forms of support, often linked to state initiatives, which make it easier for certain sections of the population to pay electricity and gas bills, thus allowing equal access to energy. In fact, the Group is also committed to a "fair for all" energy transition by offering innovative and inclusive services for customers with vulnerable conditions (*e.g.*, due to age, disability, economic status, etc.), in line with the Human Rights Policy. Moreover, the Enel Group is committed to going above and beyond the support provided by country legislation, such as the so-called "social bonus" enacted in Italy and Spain (which helps vulnerable customers with the payment of electricity and gas costs). Initiatives are also dedicated to providing information on support opportunities for vulnerable groups in society, as well as projects to provide concrete support.

(1) Duration: Short term Medium term Long term

ESG priority topics for stakeholders

IRO related to human rights

VALUE CHAIN	MAIN STAKEHOLDERS INVOLVED	MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
	Suppliers	**Sustainable supply chain**	Contract execution	Promoting respect for just and favorable working conditions and non-discrimination in relations with suppliers and contractors	• GRI 414-1: New suppliers selected using social criteria • GRI 407-1: Activities and suppliers where the right to freedom of association and collective bargaining may be at risk
	Planet Customers	**Climate change**	Reducing GHG emissions of services and products to customers	Reducing CO_2 emissions due to new technologies and solutions for homes and condominiums Reducing CO_2 emissions due to new technologies and solutions for cities Reducing CO_2 emissions due to new technologies and solutions for industries Reducing CO_2 emissions due to e-mobility	• GRI 305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3)
	Customers	**Customer centricity**	Solutions dedicated to customer needs	Affordability of tariffs and flexibility of payments	• GRI 417-1: Labeling requirements and product and service information • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • DMA EU (former EU24): Practices to address language, cultural, low-literacy, and disability-related barriers, access to and safe use of electricity, and customer support services

Impact generated directly by its own activities

Impact generated not directly by its own activities but caused by its own business relationships

MATERIAL IMPACT	TYPE	DURATION[1]	IMPACT MANAGEMENT
Lack of consultation process for initiating new projects, causing community opposition	Actual		Relationship management with communities and other stakeholders is a key factor of all Group activities. The Enel Group aims to establish strong and lasting community relations, including local communities and indigenous and tribal peoples, through broad, inclusive and ongoing dialogue based on clear phases of stakeholder engagement, and in line with relevant international standards (such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises). This approach is integrated into the business. In fact, the Enel Group involves the local communities in which it operates right from the early stages of development of its business projects. Thanks to its direct presence in local areas, Enel raises awareness in communities by sharing the mutual benefits of initiatives and informing them about climate change issues and the impact of energy transition, and setting shared sustainability goals. To strengthen the integration of these principles, internal organizational documents are also being reviewed with a view to ongoing improvement.
Negative environmental damage (*e.g.*, depletion of natural water resources resulting in the decay of related ecosystem services, pollution and/or deterioration of water and soil) due to inadequate water management (*e.g.*, excessive water withdrawals for the resource regeneration capacity and ecosystem needs, particularly in water-stressed areas, uncontrolled discharges or leaks of wastewater, effluents with an excessive heat load or pollutants)	Potential		Adopting ISO 14001-certified Environmental Management Systems within the Group ensures the presence of structured policies and procedures for identifying and managing environmental risks and opportunities associated with all business activities (including Enel's Human Rights Policy, which contains a specific principle relating to the environment (2.2.1)). Enel constantly monitors all electricity generation sites located in areas at risk of water scarcity (water stress areas) to ensure efficient use of water resources. Mapping of production sites in water-stressed areas is done in line with the criteria of GRI 303 (2018) referring to the conditions of "(baseline) Water Stress". With the aim of identifying technological solutions to reduce consumption, special attention is paid to assets in areas of high water stress. The risk of water scarcity is also mitigated by the growth in generation from renewable sources, such as wind and solar, which are not essentially dependent on the availability of water for their operation.
Environmental damage (soil sealing, noise pollution, loss of habitat and biodiversity, reduction of biodiversity ecosystem services) due to inadequate protection of biodiversity and natural capital (*e.g.*, land occupation, transformation of natural habitat, interaction with protected species and/or protected areas due to construction, operation, or decommissioning of assets)	Potential		In environmental and natural ecosystems, the Enel Group is implementing suitable actions in order to protect, restore and conserve biodiversity, in species and natural habitats, respecting the principle of mitigation hierarchy (avoid, minimize, restore and compensate), as well as suitable terrestrial, marine and river monitoring activities to check the effectiveness of the measures taken. In this context, the Group acknowledges that protecting the environment and natural resources, combating climate change and contributing to sustainable economic development are strategic factors in the planning, operation and development of its activities. This commitment is enshrined in the Group's Biodiversity Policy and Human Rights Policy, which includes a specific principle relating to the environment (2.2.1). Enel plays an active part in the international debate with stakeholders and in the networks with the most influence in natural and biodiversity issues (such as Business for Nature, Taskforce on Nature-related Financial Disclosures, World Business Council for Sustainable Development and Science Based Targets for Nature). Enel implements prevention, mitigation and recovery programs and plans for the impact on ecosystems and natural habitats in all critical and/or significant sites for all its assets.
Damages related to environmental degradation (environmental pollution, reduction of ecosystem services) due to improper waste management (*e.g.*, dispersal or abandonment of waste, violation of laws)	Potential		The Enel Group works constantly to mitigate and reduce the potential environmental impact of the waste management activities generated by its operations. To this end, Enel has established global and Country-level targets, which translate into action plans at individual plant and territorial unit level, with the aim of reducing the waste generated by its operations, be it direct or contracted. Moreover, by adopting Group Guidelines on Waste Management and using Integrated Management Systems throughout the Company with dedicated operating procedures, as well as local active monitoring and control tools such as ECoS (Extra Checking on Site) inspections, Enel aims to ensure constant oversight and improvement in waste management and in the prevention of accidental events that may cause damage to the environment.

(1) Duration: Short term Medium term Long term

ESG priority topics for stakeholders

IRO related to human rights

VALUE CHAIN	MAIN STAKEHOLDERS INVOLVED	MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
	Communities	**Engaging local and global communities**	Listening to communities	Dialogue, sharing and engagement in common objectives	• GRI 413-1: Operations with local community engagement • DMA EU (former EU19): Stakeholder engagement in decision-making on energy planning and infrastructure development
	Planet	**Water resources management**	Responsible use of water	Treatment, recycling and reuse of wastewater Reducing water consumption Managing water resource availability	• GRI 303-4: Water discharge • GRI 303-5: Water consumption
	Planet	**Preservation of biodiversity and ecosystems**	Mitigation of impacts on natural heritage Soil management	Optimizing dependencies and opportunities of impacts of ongoing operations on biodiversity Noise management and mitigation Managing and mitigating visual impact Reducing land use	• GRI 304: Biodiversity
	Planet	**Waste**	Non-hazardous waste Hazardous waste	Non-hazardous waste from operations and maintenance (O&M) Non-hazardous waste from construction activities Hazardous waste from construction activities Hazardous waste from operations and maintenance (O&M)	• GRI 306: Waste

Impact generated directly by its own activities

Impact generated not directly by its own activities but caused by its own business relationships

POTENTIAL MATERIAL OPPORTUNITIES

MATERIAL OPPORTUNITY	DURATION[1]	OPPORTUNITY MANAGEMENT
Improving company reputation by working with sustainability-compliant suppliers		In addition to ensuring the necessary quality standards, the partners are required to commit to best practices on human rights and the impacts of their activities, including working conditions, occupational health and safety, environmental responsibility, and respect for privacy by design and by default. They are also an integral part of development and awareness programs: each person must feel that they are responsible for their own health and safety as well as for the health and safety of others. In terms of specific actions, Enel ensures that its procurement processes are based on criteria that promote sustainable development, as well as the principles of free competition, equal treatment, non-discrimination, transparency and rotation over and above compliance with local legislation. Specifically, the General Terms and Conditions of Contract require compliance with relevant current legislation and regulations, and for suppliers to sign up to the principles to which Enel has committed in the Human Rights Policy, Code of Ethics, Zero Tolerance of Corruption Plan, and global compliance programs. In terms of environmental impact, in 2019 Enel embarked on a path of supply chain decarbonization, which has already produced visible results.
Decreased disputes and complaints thanks to listening to and engaging the local communities in the areas where the Company operates		Thanks to ongoing systematic dialogue and community engagement through its local structures, the Enel Group aims to create and maintain stable and long-term relationships, including through socio-economic development projects.
Anticipating changes in national and international environment legislation and standards by adopting an over-compliance strategy to take on the role of a global environmental best performer with respect to the most stringent regulatory compliance requirements		Enel plays an active and leadership role in international meetings and in the discussion and application of new national and international standards regarding environmental issues in order to align and anticipate their organizational implications. A structured control plan – combined with actions and improvement objectives inspired by the best environmental and social practices, with requirements higher than those of simple environmental regulatory compliance – mitigates the risk of impacts on the environment, legal disputes and misalignment with the benchmark international standards underpinning best practices.
Presence of regulations and incentives aimed at promoting sustainable projects and investments for social and economic development in the areas where the Company operates		Enel conducts advocacy activities both directly and through industry associations to accelerate the pace of the energy transition and stimulate the adoption of regulations that promote sustainable investments, such as grid upgrades and digitalization, renewable energy development, storage, and end-use electrification.
Higher revenues thanks to shifts in consumer behavior towards more sustainable, electrified and digitalized solutions		In line with the objectives of the Paris Agreement and the framework outlined by the European Community, Enel wishes to support customers in the electrification process through offers that increasingly meet their needs. With this in mind, it is more and more important for the various customer groups to gain awareness of how their consumption and purchasing behavior can contribute to achieving sustainability goals. Therefore, the Enel Group provides specific customer groups (B2C, B2B, B2G) with tools and materials to supply information about their consumption, how to reduce it, and what the opportunities are when shifting toward greater sustainability.

(1) Duration: Short term Medium term Long term

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
Sustainable supply chain	Qualification of suppliers and contracting firms Tendering of suppliers and contracting firms	Qualification of suppliers and contracting firms based on occupational health and safety, human rights, and environmental impact criteria Preparing calls for tenders aimed at promoting sustainable practices	• GRI 204-1: Proportion of expenses paid to local suppliers • GRI 308-1: New suppliers selected using environmental criteria • GRI 414-1: New suppliers selected using social criteria • GRI 414-2: Negative social impacts in the supply chain and actions taken
Engaging local and global communities	Listening to communities	Dispute management and grievance mechanisms	• GRI 413-1: Operations with local community engagement • EU22: Number of people physically or economically displaced and compensation, broken down by project type • DMA EU (former EU20): Approach to managing the impacts of displacement
Governance and advocacy for nature and climate	Governance and advocacy for nature Governance and advocacy for climate	Environmental policies Climate policy	• GRI 2-27: Compliance with laws and regulations
Economic value creation	Long-term value distribution strategy	Community investments	• GRI 201-1: Direct economic value generated and distributed
Customer centricity SASB	Quality of customer relations	Customer awareness of efficient and sustainable use of energy	• GRI 417-1: Labeling requirements and product and service information • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service

ESG priority topics for stakeholders

IRO related to human rights

SASB Material topic from a financial point of view for SASB (Sustainability Accounting Standards Board)

POTENTIAL MATERIAL RISKS

MATERIAL RISK	DURATION[1]	RISK MANAGEMENT
Inadequate management of cyber security systems by the organization to avoid reputational, legal, and economic damage due to cyber attacks, which result in the loss of sensitive data of employees, customers, and suppliers		The Enel Group has established and implemented an operating model and Process Framework for integrated cyber security risk management. The Framework is based on two essential principles: the "risk-based approach" and "cyber security by design". The first requires cyber risk assessment to be a prerequisite for strategic decisions and for the development and secure maintenance of all assets of the organization (*e.g.*, people, infrastructure, platforms, and technology solutions). The second, cyber security by design, ensures that cyber security principles are adopted from the outset and throughout the entire lifecycle of solutions, services and infrastructure in all areas: IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things). This approach is essential in an environment marked by the widespread implementation of digital tools and solutions, which are fundamental to enhancing the entire system but which also continually present new challenges. Therefore, although the Enel Group is strongly committed to measures to strengthen the "Cyber Security Posture", there is an awareness that cyber risk is strongly characterized and influenced by exogenous, unpredictable factors, such as cyber attacks, which are increasingly frequent and sophisticated and which could negatively affect business operations, even with defensive processes and technologies.
Increased production costs due to excessive volatility or rising costs of raw materials		Enel carries out monitoring and forecasting activities to simulate and test business initiatives under different price scenarios. Moreover, to manage price risk, Enel adopts hedging strategies and strategically manages suppliers in order to be proactive negotiators.
Higher costs due to fluctuations in interest rates and monetary exchange rates, as well as rising inflation		The macroeconomic landscape has changed rapidly, with prolonged periods of elevated interest rates, diminished economic growth prospects, and a swiftly rising cost of capital. In light of these exogenous factors, the Enel Group is focusing on flexibility and resilience, cost efficiency, and competitiveness.
Lower revenues due to poor customer retention and satisfaction due to low quality service delivery		Enel has implemented several tools to measure customer satisfaction, including transactional, relational, and in-app surveys. After analyzing the results, concrete actions are put in place based on customer feedback, which aim to resolve critical issues and boost satisfaction and loyalty over time. "Close the loop" is one example of an initiative that investigates the causes of negative feedback on customer satisfaction surveys so as to resolve any dissatisfaction and prevent further issues in the future.
Inadequate initiatives from institutions to help accelerate the energy transition (including excessive bureaucracy), which results in uncertainty and slowdowns for the Company's investment in renewable and low-carbon technologies		Energy transition trends are not the same in all countries. With regard to the spread of renewable energy sources, the penetration of electric vehicles and the adoption of green hydrogen, there are often poor or ineffective support mechanisms along with unsuitable market structures. The Enel Group's strategic development guidelines were drawn up taking into consideration the evolving external environment, the regulatory and normative framework, and the competitive landscape. At the same time, Enel takes a transparent, collaborative and proactive approach to institutions and local regulators in order to promote initiatives and regulations that support the energy transition.
Lower revenues due to low uptake of energy-efficient products and services as a result of the absence or inadequacy of the regulatory framework of incentives and regulations		For Enel, the regulatory framework of incentives and regulations is crucial to achieving the goals of the Paris Agreement and the European Community, which tie in with its own business objectives for decarbonizing customers. Achieving these goals requires a clear and favorable regulatory framework, which provides incentives for the installation of renewable energy generation equipment, private charging stations, products for energy efficiency, and thermal insulation, while any shortcomings could put their achievement at risk.

(1) Duration: Short term Medium term Long term

(2) "–" is reported where the material topic is not currently covered by a specific GRI

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
Digital transformation SASB	Cyber security	Strategy and management models for cyber security Cyber security culture	–[2]
Economic value creation	Long-term value distribution strategy	Operating costs of the business (including payments to suppliers)	• GRI 201-1: Direct economic value generated and distributed
Economic value creation	Capital balance and soundness	Capital structure balance	• GRI 201-1: Direct economic value generated and distributed
Customer centricity SASB	Quality of customer relations	Effective and fair relationship with customers	• GRI 417-1: Labeling requirements and product and service information • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • DMA EU (former EU24): Practices to address language, cultural, low-literacy, and disability-related barriers, access to and safe use of electricity, and customer support services
Climate change SASB	Mitigation: reducing direct GHG emissions (Scope 1)	Renewable capacity development (solar, wind, biomass, geothermal, mini-hydro)	• GRI 305-1: Direct greenhouse gas (GHG) emissions (Scope 1) • EU1: Installed capacity, broken down by primary energy source and regulatory regime
Customer centricity SASB	Solutions dedicated to customer needs	Availability of energy-efficient products and services	• GRI 417-1: Labeling requirements and product and service information

ESG priority topics for stakeholders

IRO related to human rights

SASB Material topic from a financial point of view for SASB (Sustainability Accounting Standards Board)

MATERIAL RISK	DURATION[1]	RISK MANAGEMENT
Reputational damage due to a failure in the Company's supply chain to respect workers' rights		Since 2013, the commitment against the use of any kind of forced or compulsory labor, as well as all forms of slavery and human trafficking, has been formally defined in Principle 2.1.1 Rejection of forced or compulsory labor and child labor of the Human Rights Policy. For this reason, the Group is also asking its suppliers to commit to best practices on human rights and the impacts of their activities, including working conditions, occupational health and safety, environmental responsibility, and respect for privacy by design and by default. The selection of the best suppliers and the execution of contracts according to the highest standards of sustainability are guaranteed by the analysis and monitoring of the entire procurement process: • during the qualification stage, potential suppliers are assessed according to criteria related to human rights (including occupational health and safety) and the impact of their activities on the environment; • during the tender stage, there are specific mandatory sustainability requirements and reward factors (sustainability K) to help promote responsible practices at a systemic level; • throughout the term of the contract, Enel monitors compliance with the requirements and reward factors (Supplier Performance Management).
Increase in extreme weather events (*e.g.*, cyclones, droughts, floods, storms, heat waves and fires) due to climate change, resulting in damage or reduced efficiency of power generation and distribution plants and their supporting infrastructure, causing capacity to be downgraded, operations temporarily stopped or shut down completely		Enel implements procedures, policies, and interventions to manage adverse events, both to boost the resilience of the infrastructure and the business and to improve its ability to quickly restore plant and grid operating conditions. Enel has produced a catalog of adaptation actions that aim to enhance the resilience of assets and their ability to respond to the possible effects of climate change. This catalog is updated cyclically as needed and as analyses and solutions are refined, and currently includes more than one hundred actions. Such as asset monitoring, weather forecasting and weather alerts, and assessing the effects of different climate change scenarios. Based on this information, adaptation plans are implemented to boost resilience, both for existing assets and for those under construction.
Stricter and more stringent legislation on the performance of activities, products and/or services to reduce the environmental impact on nature and local communities, resulting in increased costs (*e.g.*, fines, loss of licenses and/or revenues or blocked assets)		To prevent potential risks from regulatory factors and changing legislation, the Enel Group maintains intensive relationships with national and EU institutional bodies and major international associations. Enel is proactive in removing/reducing all potential elements that could compromise its positive environmental and social impact. With this in mind, Enel actively is supporting the work of the European Commission in the adoption of the Action Plan "Towards Zero Pollution Ambition for air, water and soil – Building a Healthier Planet for Healthier People", by actively participating in the review process and promoting the adoption of zero-emission technologies that generate benefits both globally, in terms of GHG reduction, and locally, in terms of air pollution reduction. Furthermore, Enel actively supports the development of new technologies, such as electrification based on renewable energy, to support other sectors and uses of energy, such as the transport sector or heating and cooling in buildings. Lastly, in line with EU strategies for the restoration of degraded soils, Enel is promoting a circular approach to the management of the areas occupied by reusing and redeveloping brownfield sites, and by repowering and extending the life of wind farms to limit land use. Enel supports this process also through participation with Eurelectric on the Zero Pollution Stakeholder Platform.
Lack of skilled labor among members of the community in which the Company operates		The Enel Group promotes training programs dedicated to the local communities in which it operates, as well as training projects developed with local institutions for socio-economic development. Enel supports reskilling/upskilling, technical training, job orientation, provisions of school supplies and scholarships.
Regulatory changes that could have a negative impact on distribution activities or the operation of the electricity system, leading to a decrease in the remuneration of regulated activities		The Enel Group conducts significant monitoring activities and undertakes the coordination and advocacy actions needed to reduce the risk associated with regulatory changes that could affect the remuneration of regulated activities.
Possible reputational impact due to high electricity tariffs in times of crisis		Unforeseen international events and geopolitical uncertainty – as has been the case in recent years – can have a major impact on the supply of raw materials needed for power generation and, in turn, on customers' electricity tariffs. Given that the reasons for such increases may not be completely clear to all customers, which may compromise the Company's reputation, Enel is continuing to pursue its close relations customers, especially those in vulnerable conditions, by providing information so that customers can take advantage of the relief available to them and be informed of the reasons for the increase. Moreover, where possible, the Company offers customer-specific solutions to mitigate the cost impact.

(1) Duration: Short term Medium term Long term

(2) "–" is reported where the material topic is not currently covered by a specific GRI

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
Sustainable supply chain	Contract execution	Promoting respect for just and favorable working conditions and non-discrimination in relations with suppliers and contractors	• GRI 414: Supplier Social Assessment • GRI 407-1: Activities and suppliers where the right to freedom of association and collective bargaining may be at risk
Climate change  SASB	Adapting to climate change	Adapting to extreme weather	• GRI 303: Water and effluents • GRI 304: Biodiversity • GRI 305: Emissions • DMA EU (former EU6): Management approach to ensure energy availability and reliability in the short and long term • EU12: Transmission and distribution losses as a percentage of total energy • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • EU28: Frequency of power outages • EU29: Average duration of power outage
Governance and advocacy for nature and climate	Governance and advocacy for nature	Certified environmental management system Environmental policies	• GRI 2-22: Statement on sustainable development strategy • GRI 2-23: Policy commitments • GRI 2-24: Embedding policy commitments
Engaging local and global communities	Supporting the social and economic development of communities	Employment development in the areas of presence	• GRI 413-1: Operations with local community engagement
Economic value creation	Long-term value distribution strategy	Operating costs of the business (including payments to suppliers)	• GRI 201-1: Direct economic value generated and distributed
Customer centricity SASB	Solutions dedicated to customer needs	Affordability of tariffs and flexibility of payments	• GRI 417-1: Labeling requirements and product and service information • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service

 ESG priority topics for stakeholders

 IRO related to human rights

SASB Material topic from a financial point of view for SASB (Sustainability Accounting Standards Board)

MATERIAL RISK	DURATION[1]	RISK MANAGEMENT
Inadequate maintenance of distribution network infrastructure by third-party companies/ organizations, compromising the continuity of energy supply service		Enel, as a DSO (Distribution System Operator), follows the network code of the TSO (Transmission System Operator) that governs the countries in which it operates. Enel constantly invests in network development, renewal 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.
Economic/financial losses, administrative sanctions, court orders as a result of illegal or unlawful conduct and violations of international, national or local laws or regulations		When performing its 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. The Enel Group's system of internal control and risk management ("SCIGR") consists of the set of rules, procedures and organizational structures designed to identify, measure, manage and monitor the main business risks, in line with the Corporate Governance Code. The Group has also set up a risk governance model based on certain "pillars", as well as a homogeneous taxonomy of risks ("risk catalogue") to facilitate their management and organic representation (for further details, please refer to the "Report on corporate governance and ownership structure" approved by the Enel SpA Board of Directors on March 16, 2023).
Increased costs and reputational damage due to air pollution emissions (other than CO_2 emissions) as well as waste generation and water consumption caused by the delay in the coal phase-out process		Enel has made a commitment to complete the decarbonization process of its entire value chain by 2040, in line with the goals of the Paris Agreement (COP 21) to limit the average global temperature increase to 1.5 °C. To this end, Enel has constructed a roadmap that includes mid-term targets to 2030 (compared to the 2017 base year levels) certified by the Science Based Targets initiative (SBTi) in line with the 1.5 °C pathway: in particular, the Company has committed to 100% renewable energy generation by 2040 with an intermediate target of at least 80% of installed renewable capacity by 2030 and coal phase-out by 2027.
Increased costs and reputational damage from biodiversity loss and degradation of ecosystem services due to land occupation, habitat fragmentation, and/or air, soil, and water contamination during the construction and operation of generation and distribution assets		Enel's strategic approach to biodiversity conservation aligns with the Kunming-Montreal Global Biodiversity Framework, and commits to the goal of halting and reversing biodiversity loss by 2030. Specifically, Enel is committed to applying the principle of the mitigation hierarchy at all stages of the project, avoiding and reducing impacts on areas of high biodiversity value and on ecosystem services, by reducing deforestation and habitat transformation. Where it is not possible to avoid these impacts, Enel is committed to minimizing negative impacts by implementing rehabilitation and restoration measures, and as a last option, offsetting residual impacts.
Increased power generation costs due to water shortages caused by drought, increased water demand, and regulatory restrictions		Enel also pays close attention to aspects of water resource vulnerability, by mapping and constantly monitoring all production sites located in areas classified as at risk of water scarcity ("water stressed areas"), identifying and pursuing the most suitable plant and management solutions in each case. By developing meteo-climatic scenarios, particularly on the effects of climate change, and medium- and long-term demographic scenarios, variation in water resource availability and natural and anthropogenic water needs can be assessed by mapping producibility for the plants as well as the potential economic/ financial risk to the organization.
Increased site maintenance costs due to land degradation, causing instability and vulnerability of power plants and structural damage in terms of integrity and safety		Enel implements procedures, policies, and interventions to manage adverse events, both to boost the resilience of the infrastructure and the business and to improve its ability to quickly restore plant and grid operating conditions. In particular, actions are carried out on specific sites to monitor and manage this type of risk, such as: weather forecasts, with warning systems to protect people and assets; hydrological simulations; land surveys (including with drones); real-time remote monitoring of power generation facilities and vulnerabilities through digital GIS (Geographic Information System) systems and satellite measurements; specific activities to protect against soil erosion, such as matting – a soil stabilization solution that involves applying a mat or blanket of organic or synthetic material to the soil surface to protect from erosive forces. This promotes germination and facilitates the planting process.

(1) Duration:  Short term  Medium term  Long term

(2) "–" is reported where the material topic is not currently covered by a specific GRI

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
Resilient grids SASB	Operational management of grids	Grid maintenance	• DMA EU12: Transmission and distribution losses as a percentage of total energy • DMA EU (former EU23): Programs, including those in partnership with the government, to improve or maintain access to electricity and customer service • EU28: Frequency of power outages • EU29: Average duration of power outage
Business conduct and ethics	Legal disputes	Legal proceedings	• GRI 2-22: Statement on sustainable development strategy • GRI 2-23: Policy commitment • GRI 2-24: Embedding policy commitments • GRI 205-1: Operations assessed to determine corruption risks • GRI 205-2: Communication and training on anti-corruption regulations and procedures • GRI 205-3: Confirmed incidents of corruption and measures taken • GRI 206-1: Legal actions relating to anticompetitive behavior, trust activities and monopolistic practices • GRI 415-1: Political contributions
Air, water and soil quality SASB	Reducing pollution	Reducing emissions into the air (excluding CO_2)	• GRI 305-6: Emissions of ozone-depleting substances (ODS) • GRI 305-7: Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other relevant air emissions
Preservation of biodiversity and ecosystems	Mitigation of impacts on natural heritage Soil management	Optimizing dependencies and opportunities of impacts on ecosystem services Restoring degraded soils Reducing land use	• GRI 304: Biodiversity
Water resources management SASB	Responsible use of water	Managing water resource availability	• GRI 303-3: Water withdrawal
Air, water and soil quality SASB	Reducing pollution	Protection, monitoring and remediation of soil, subsoil and groundwater	• GRI 304: Biodiversity

ESG priority topics for stakeholders

IRO related to human rights

SASB Material topic from a financial point of view for SASB (Sustainability Accounting Standards Board)

MATERIAL RISK	DURATION[1]	RISK MANAGEMENT
Increased costs and reputational damage due to improper management of spills, violating environmental regulations		Enel is committed to the continuous application of the most advanced technologies available and best practices in order to prevent and minimize the potential environmental impacts of its activities, using international standards as a benchmark even where the required environmental protection is less stringent. Among the areas of prevention, the highest level of attention is paid to the protection, monitoring and remediation of soil, subsoil and groundwater in the areas where plants and generation and service facilities are present in all Countries. More generally, Enel adopts policies and operational procedures for timely management, communication and analysis of severe, significant and minor environmental emergencies and incidents, as well as potentially significant emergencies and near misses, in order to prevent and mitigate any possible impact by constantly improving its environmental performance.
Increased costs and reputational damage due to improper management of non-hazardous waste, violating environmental regulations		The Enel Group works constantly to mitigate and reduce the potential environmental impact of the waste management activities generated by its operations. To this end, Enel has established global and Country-level targets, which translate into action plans at individual plant and territorial unit level, with the aim of reducing the waste generated by its operations, be it direct or contracted. Moreover, by adopting Group Guidelines on Waste Management and using Integrated Management Systems throughout the Company with dedicated operating procedures, as well as local active monitoring and control tools such as ECoS (Extra Checking on Site) inspections, Enel aims to ensure constant oversight and improvement in waste management and in the prevention of accidental events that may cause damage to the environment.
Increased costs and reputational damage due to improper management of hazardous waste, violating environmental regulations		Enel has a long-established strategy to reduce hazardous waste from its operational processes, thanks to its selection of technological solutions and procurement of chemicals that can ensure the absence of hazardous elements in the final waste (as well as "substances of concern" and "of very high concern"). This strategy has meant that waste classified as hazardous currently makes up a marginal portion of the Group's total waste, which is mainly tied to coal-fired thermoelectric processes and will therefore be reduced to zero with the planned phase-out of the technology. In many cases, the hazardous classification is also due to the preventive and precautionary decision taken by Enel to classify as hazardous by origin even waste that could potentially prove hazardous as a result of anomalous or transitory operating conditions of the process of origin.
Increased costs, fines, reputational damage due to non-compliance with environmental regulations relating to water use and treatment		Enel's active leadership role in the development and application of national and international environmental reference standards enables the Company to avoid possible misalignments or violations by anticipating their organizational implications and adopting actions and improvement goals inspired by environmental and social best practices. The risk of possible environmental impacts, reputational damage or litigation relating to water use and treatment is therefore prevented and mitigated. The widespread adoption of ISO 14001-certified Environmental Management Systems within the Group also ensures the presence of operational and control policies and procedures dedicated to identifying and managing the environmental risks and opportunities associated with this resource. With the aim of identifying technological solutions to reduce water withdrawal and consumption, special attention is paid to assets in areas of high water stress. The risk of water scarcity is also mitigated by the strategy to increase generation from renewable sources, such as wind and solar, which are not essentially dependent on the availability of water for their operation.
Increase in the number of non-occupational diseases of workers and contractors, due to an inadequate health culture in the context in which the Company operates		The Enel Group supports various initiatives for its people to promote prevention and raise awareness of the importance of mental and physical health and well-being, such as: • the psychological listening and support service to provide workers with a personalized help program in an anonymous, free and confidential manner; • free flu vaccination campaigns to reduce the impact of influenza; • awareness campaigns on the importance of healthy eating and healthy lifestyles; • support with stopping smoking, and encouraging physical activity through short initiatives to be performed during working hours; • the option of preventive check-ups at either no cost or reduced cost for workers.
Increase in the number of workplace injuries to workers and contractors, due to an inadequate social and cultural context on health and safety issues		People's health, safety, and mental and physical well-being are the most valuable assets to be protected at all times of life, whether at work or at leisure. The Enel Group therefore promotes various culture and awareness initiatives, such as: • Group safety campaigns targeted at workers and contractors; • awareness campaigns on cross-cutting risks that impact workers' everyday work (*e.g.*, ergonomics, slips, etc.); • information and training on specific risks to workers (*e.g.*, falling from height, electrical risks, etc.); • training initiatives for workers on mindset change – safety culture; • safety meetings with suppliers to share best practices; • establishing the minimum contractual safety requirements (HSE Terms) during supplier qualification, contractor assessment, and consequence management; • establishing, monitoring and analyzing performance KPIs relating to worker and contractor safety to identify improvement actions (*e.g.*, improvement of work methods and equipment through technology/innovation, digitalization of processes, etc.).

(1) Duration: Short term Medium term Long term

(2) "–" is reported where the material topic is not currently covered by a specific GRI

MATERIAL TOPIC (1st LEVEL)	MATERIAL TOPIC (2nd LEVEL)	MATERIAL TOPIC (3rd LEVEL)	RELEVANT GRI
Air, water and soil quality SASB	Reducing pollution	Discharge management	• GRI 303-4: Water discharge
Waste SASB	Non-hazardous waste	Non-hazardous waste from operations and maintenance (O&M) Non-hazardous waste from construction activities	• GRI 306-3: Waste generated • GRI 306-4: Waste not sent to landfill • GRI 306-5: Waste sent to landfill
Waste SASB	Hazardous waste	Hazardous waste from operations and maintenance (O&M) Hazardous waste from construction activities	• GRI 306-3: Waste generated • GRI 306-4: Waste not sent to landfill • GRI 306-5: Waste sent to landfill
Water resources management SASB	Responsible use of water	Treatment, recycling and use of wastewater Reducing water consumption	• GRI 303-4: Water discharge
Health and safety SASB	Worker health	Promoting worker health	• GRI 403: Occupational health and safety • GRI 410: Safety practices
Health and safety SASB	Health and safety of workers of contractors operating on Enel sites	Promoting worker health Managing and monitoring worker safety Promoting a safety culture among workers Managing and monitoring contractor safety Promoting a culture of safety among workers of contractors who operate at Enel sites Care for the mental and physical safety of workers	• GRI 403: Occupational health and safety • GRI 410: Safety practices

ESG priority topics for stakeholders

IRO related to human rights

SASB Material topic from a financial point of view for SASB (Sustainability Accounting Standards Board)