

Efficiency and effectiveness

The Group's strategic actions will be guided by financial balance. Between 2024 and 2026, the Group expects to increase its cash generation, with total cash flows funds from operations (FFO) equal to about €43.8 billion, which are expected to fully meet cash requirements for net investments and dividends.

Compared with the cost baseline for 2022, the Group expects to achieve an overall cost reduction of approximately €1.2 billion in 2026, of which about €1 billion in efficiency gains achieved by reorganizing business processes, rationalizing organization, optimizing mix between insourcing

and outsourcing as well as adopting standards and using better technologies to be adapted depending on the country involved. Further savings of about €0.2 billion are expected in regulated businesses.

These initiatives are also supported by the divestment plan, which has been partly redefined to focus on a portfolio rotation guided by asset value. The implementation of the divestment plan is expected to have a positive impact on net financial debt estimated at about €11.5 billion between 2023 and 2024.

Financial and environmental sustainability

The generation of cash flow, rationalization of costs and optimization of processes is expected to boost the Group's creditworthiness.

Over the next three years, the Group plans to reduce the average cost of gross borrowing by 20 basis points, despite the high interest rate environment, to about 3.8% in 2026, down from 4.0% at the end of 2023, mainly thanks to centralized refinancing.

On the environmental sustainability front, the Group intends to continue to reduce its direct and indirect green-

house gas emissions, in line with the Paris Agreement and with the 1.5 °C scenario, as certified by the Science Based Targets initiative (SBTi). Specifically, the Group confirms its objective of closing all remaining coal plants by 2027, subject to authorization from the competent authorities. As regards the conversion of coal plants, the Group will evaluate the best technologies available, based on the requirements indicated by transmission grid operators. The Group confirms its ambition to achieve zero emissions in all scopes by 2040.

Financial targets

Group ordinary EBITDA is expected to increase from €22 billion in 2023 to between €23.6 billion and €24.3 billion in 2026. Group ordinary profit is expected to increase from €6.5 billion in 2023 to between €7.1 billion and €7.3 billion in 2026.

The Group confirms its simple and attractive dividend policy with a minimum fixed DPS of €0.43 for the period 2024–2026, with a potential increase up to a payout of 70% of ordinary profit if cash neutrality is achieved. Cash neutrality is achieved if FFO fully finance the Group's net investments and dividends beyond the minimum fixed DPS.

Financial targets

Profit growth	2023	2024	2026
Ordinary EBITDA (€ billions)	22.0	22.1–22.8	23.6–24.3
Ordinary profit (€ billions)	6.5	6.6–6.8	7.1–7.3
Value creation			
DPS (€/share)	0.43	0.43 ⁽¹⁾	0.43 ⁽¹⁾
		Increase in DPS up to a payout of 70% ordinary profit if cash neutrality is achieved ⁽²⁾	

(1) Minimum DPS.

(2) Cash neutrality is achieved if funds from operations (FFO) fully cover Group net investment plus dividends in excess of the fixed minimum dividend.

Climate change strategy

Overall framework and policies

Climate change is the world's primary challenge of our century. In a climate such as this, and as a global player in the energy market, Enel is on the front lines playing an active role in guiding the global energy transition towards zero emissions as a mitigating lever and working to determine the best ways to adapt to the changes that are inevitable to varying degrees of frequency and intensity. Therefore, the work Enel is doing to combat climate change represents one of the pillars of the Group's short- and long-term strategy.

Mitigation efforts include all those initiatives aimed at reducing the impact that the activities of the Group and our stakeholders have on climate change, and first and foremost those that aim to reduce the emission of greenhouse gases.

Adaptations, on the other hand, include all actions that Enel implements to make assets more resilient, to increase our ability to react to extreme weather events, and to con-

ceive business models and other strategic options targeting various needs in this constantly changing climate.

In each of these two areas, the challenges present opportunities that we will seize through Group strategy. Here at Enel, adapting to climate change also means exploring new business opportunities to come out of the changing landscape, developing new technologies, and creating value from the capabilities acquired. The mitigation of climate change also involves investing in research into innovative technologies that will enable an economy that is green by design or that, for example, improve performance and circularity.

The experience we gain and our study of possible climate scenarios that have been seen above also play a crucial role in guiding both areas of action. As we will discuss in the section related to climate change risks and opportunities, the Group has also established internal policies for the assessment and management of these challenges.

Our zero-emissions ambition

Being among the first signatories of the "Business Ambition for 1.5 °C" campaign promoted by the United Nations and other organizations, the Enel Group has publicly declared its commitment to developing a business model in line with the goals of the Paris Agreement (COP 21) to limit the average global temperature increase to 1.5 °C.

Enel's commitment to combating climate change reached another historical milestone in 2022, with the Group defining a decarbonization roadmap covering both direct and indirect emissions throughout the Group's value chain. This roadmap includes four targets certified by the Science Based Targets initiative (SBTi) to be in line with limiting global warming to 1.5 °C.

Enel's new certified targets come on the back of our ambition declared in 2021, when we moved up our commitment to achieving zero emissions by 10 years, from 2050 to 2040.

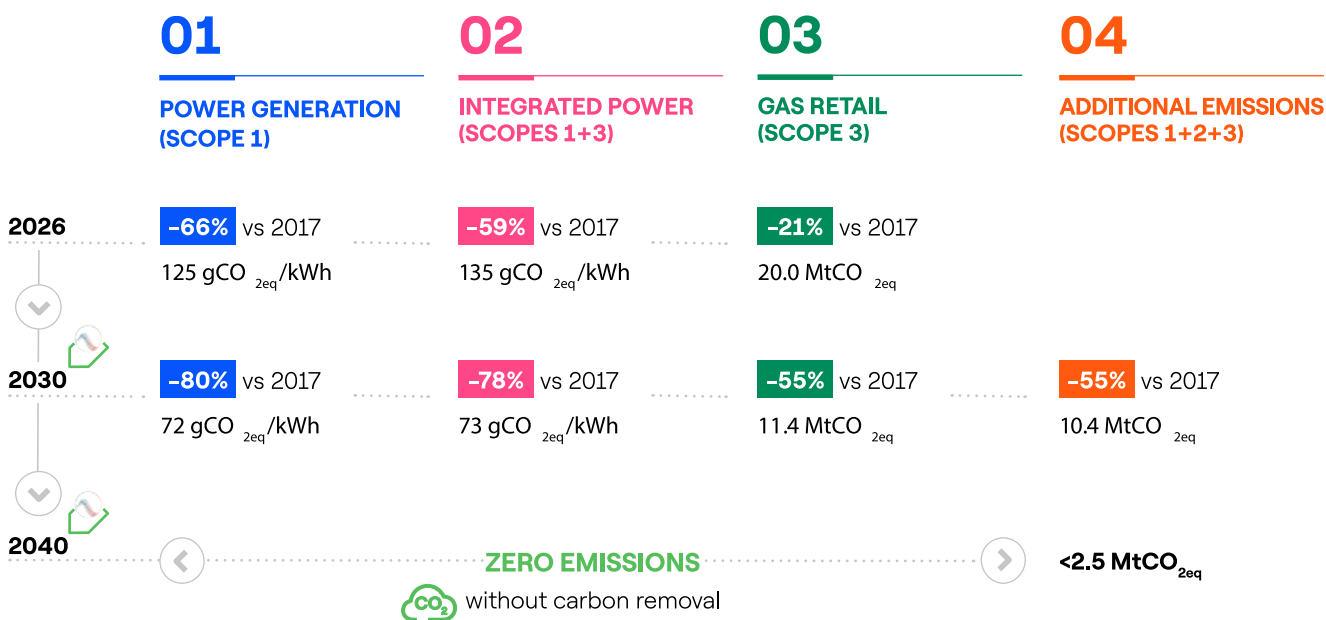
Enel's ambition goes beyond the SBTi certified targets and aims to pave the way to becoming a zero-emission organization by 2040. Our certified roadmap currently calls for reducing all direct and indirect greenhouse-gas (GHG) emissions by about 99% from 2017 levels by 2040 throughout our value chain, which is well above the overall threshold set by international standards (of 90%). The

Group also aims to reduce all emissions by 100% with a view to overcoming, over the short to medium term, all exogenous factors, such as the development of new technological solutions for the supply chain over a wide scale or the implementation of certain market-based and political strategies. Enel actively collaborates with vendors, customers and policymakers to promote solutions and accelerate necessary actions.

Enel's decarbonization roadmap is centered around promoting electrification solutions, accompanied by completing the full phase-out of fossil fuels and accelerating the development of renewables, as well as going digital and upgrading grids. Aware of the social impact that the decarbonization strategy entails, Enel supports the principles of a just transition, as defined in the Just Transition Guidelines of the International Labor Organization (ILO), which is expressed in terms of actions involving retraining, professional updating and self-learning for direct and indirect workers, providing support with a view to business diversification and greater resilience for the supply chain, job opportunities for communities in our area of influence and facilitating access to products and services for customers.

The decarbonization roadmap includes the following business milestones.

GHG EMISSIONS REDUCTION TARGETS CERTIFIED BY THE SBTi IN LINE WITH THE 1.5 °C SCENARIO



 Medium- and long-term targets certified by the SBTi in December 2022 in accordance with the Net Zero Standard and aligned with the 1.5 °C scenario

- By 2026, Enel will bring renewables to around 78% of total capacity, including batteries and all managed capacity (Ownership, Partnership, Stewardship). In order to accelerate the development of renewable energy, for the period 2024–2026 the Group will invest €12.1 billion, installing 13.4 GW of new installed renewables capacity (leveraging the support of third parties) and reaching 73 GW of installed renewables capacity by 2026, with zero-emissions generation accounting for about 86% of the total (including managed generation). In addition, progress in grid digitalization will increase the share of digital customers to 71%.
- By 2027, Enel expects to complete the full phase-out of all coal-fired plants, converting the sites to other

uses, taking account of the needs of the country system.

- By 2030, continuing the investment trend already undertaken in recent years in order to continue accelerating the energy transition, Enel will achieve a renewables capacity of about 85% of the total (including managed generation), bringing the share of zero-emissions generation to about 90% (including managed generation), with 100% of grid customers being fully digital.
- By 2040, generation will be 100% renewable, and the Group will have exited both gas-fueled generation and the retail sale of gas, with 100% of the electricity sold coming from renewable sources.







OUR ZERO-EMISSIONS AMBITION







Enel is committed to achieving zero emissions by 2040 and to developing a business model that is in line with the objectives of the Paris Agreement (COP 21) to limit the average increase in global temperatures







to 1.5 °C. For this reason, the Group has developed a decarbonization roadmap that covers both direct and indirect emissions throughout the value chain. The roadmap includes four targets certified by the Science Based Targets initiative (SBTi) in December 2022 to be in line with the Net Zero Standard.





GHG TARGET

Intensity of Scope 1 GHG emissions related to power generation

Primary business activity	Electricity generation		
Type of activity in value chain	Direct		
Stakeholders impacted or involved	<ul style="list-style-type: none"> • Customers and power consumers • Society and environment 		
Sources of covered GHG (GHG Protocol)⁽¹⁾	95% of Scope 1 GHG emissions ⁽²⁾		
Time frame	 Short term (2026)	 Medium term (2030)	 Long term (2040)
GHG target	125 gCO _{2eq} /kWh	72 gCO _{2eq} /kWh	0 gCO _{2eq} /kWh Zero emissions
% reduction on 2017 (SBTi baseline)	-66%	-80%	-100%
% reduction on 2023 (reporting year)	-22%	-55%	-100%
Climate scenario	 1.5 °C ⁽³⁾	 1.5 °C (SBTi certified)	 1.5 °C (SBTi certified)
Primary drivers and actions	<ul style="list-style-type: none"> • Gradual phase out of coal-fired capacity in 2024–2026, with planned closure of the Federico II and Torrevaldaliga Nord plants in Italy (with a total capacity of about 3.6 GW). • Invest €12.1 billion to accelerate the development of renewable energy by installing 13.4 GW of new renewables capacity (about 11.3 GW of which at the consolidated level) in 2024–2026, reaching 73 GW of renewables capacity (including BESS) by 2026. • Continue the process of decarbonizing electricity generation, with the proportion of renewables plants in the Enel asset portfolio reaching 78% in 2026, with zero-emissions generation amounting to 86% of the total, including consolidated and managed generation. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • Continue the process of decarbonizing electricity generation, with Group investments raising the proportion of renewables plants in the asset portfolio to about 85% in 2030, with zero-emissions generation amounting to 90% of the total, including consolidated and managed generation. • Exit from coal-fired generation, which is expected to take place by 2027 globally. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • Exit from the thermal electricity generation business, achieving a 100% renewable energy mix. • No use of carbon-removal technologies to achieve the target.
Results and main actions in 2023	<p>KPI achievement in 2023: 160 gCO_{2eq}/kWh</p> <ul style="list-style-type: none"> • About €5.9 billion invested in renewables in 2023. • New consolidated renewables capacity installed equal to 4 GW in 2023, bringing total consolidated capacity to 55.5 GW in 2023. • Increase in consolidated renewables generation equal to 13% on 2022, representing 61% of total consolidated generation in 2023. • Reduction of thermal capacity by about 5.1 GW on 2022, including the closure of two coal-fired plants (for a total of about 2 GW) and the sale of gas plants in Argentina (for a total of about 3 GW) and Colombia (for a total of about 0.2 GW). • Reduction of thermal generation by 38% on 2022 (specifically, with a 45% reduction in coal-fired generation), representing 27% of total generation in 2023. 		

GHG TARGET		Intensity of Scope 1 and Scope 3 GHG emissions related to Integrated Power		
Primary business activity	Sale of electricity			
Type of activity in value chain	<ul style="list-style-type: none"> • Direct (electricity generation) • Upstream in value chain (purchase of electricity from other generators for sale to end users) 			
Stakeholders impacted or involved	<ul style="list-style-type: none"> • Customers and power consumers • Electricity generators (peers) • Society and environment 			
Sources of covered GHG (GHG Protocol) ⁽¹⁾	<ul style="list-style-type: none"> • 95% of Scope 1 GHG emissions • 42% of Scope 3 GHG emissions (corresponding to 78% of Scope 3 GHG emissions – category 3) 			
Time frame	 Short term (2026)	 Medium term (2030)	 Long term (2040)	
GHG target	135 gCO _{2eq} /kWh	73 gCO _{2eq} /kWh	0 gCO _{2eq} /kWh Zero emissions	
% reduction on 2017 (SBTi baseline)	-59%	-78%	-100%	
% reduction on 2023 (reporting year)	-20%	-57%	-100%	
Climate scenario	 1.5 °C ⁽³⁾	 1.5 °C (SBTi certified)	 1.5 °C (SBTi certified)	
Primary drivers and actions	<ul style="list-style-type: none"> • Increase the percentage of renewable energy sold to customers, while increasing the Group's renewables production and optimizing customer portfolio, continuing supply and demand balancing strategy. • In Europe, increase the share of fixed-price energy sales to end users covered by zero-emissions sources from about 65% in 2023 to more than 80% in 2026. • In Latin America, maintain 100% zero-emissions sales to end users (including through PPAs). • In North America, maintain 100% zero-emissions sales to end users. • Continue the process of decarbonizing electricity generation, increasing zero-emissions generation from 75% in 2023 (including managed capacity) to 86% of total in 2026, including consolidated and managed capacity. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • Continue the strategy of balancing supply and demand and increase the share of electricity sold at a fixed price covered by carbon-free generation. • Continue the process of decarbonizing electricity generation, increasing zero-emissions generation to about 90% of the total in 2030. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • By 2040, achieve 100% of electricity sales covered by renewables. • No use of carbon-removal technologies to achieve the target. 	
Results and main actions in 2023	<p style="text-align: center;">KPI achievement in 2023: 168 gCO_{2eq}/kWh</p> <ul style="list-style-type: none"> • 13% increase in Group consolidated renewables generation in 2023 on 2022. • 7% reduction in 2023 compared with 2022 in the gap between sale of electricity to end users and own generation in the countries in which the Group has an integrated position. 			

GHG TARGET		Scope 3 GHG emissions related to the sale of natural gas on end-user market		
Primary business activity	Sale of gas to end users			
Type of activity in value chain	• Downstream in value chain			
Stakeholders impacted or involved	• Gas customers • Society and environment			
Sources of covered GHG (GHG Protocol) ⁽⁴⁾	• 30% of Scope 3 GHG emissions (corresponding to 100% of Scope 3 GHG emissions – category 11)			
Time frame	 Short term (2026)	 Medium term (2030)	 Long term (2040)	
GHG target	20.0 MtCO _{2eq}	11.4 MtCO _{2eq}	0 MtCO _{2eq} Zero emissions	
% reduction on 2017 (SBTi baseline)	-21%	-55%	-100%	
% reduction on 2023 (reporting year)	n.a. ⁽⁴⁾	-32%	-100%	
Climate scenario	 n.a. ⁽⁵⁾	 1.5 °C (SBTi certified)	 1.5 °C (SBTi certified)	
Primary drivers and actions	<ul style="list-style-type: none"> • Encourage customers (especially residential customers) to switch from gas to electricity by promoting efficient electricity technologies (e.g., heat pumps for home heating or induction cooktops in kitchens), increasing annual unit electricity consumption of free-market B2C power customers (in Italy and Iberia) from 2.65 MWh in 2023 to about 2.9 MWh in 2026, thereby increasing the electrification rate of customers. • Allocate 32% of investment in grids in 2024–2026 to connections, partly with a view to enabling the expansion of distributed generation, thereby promoting the electrification of end users' energy consumption. The number of connections to distributed generation is forecast to double in the period, reaching 4 million in 2026. • Reduce the volumes of gas sold to customers to around 8.4 billion cubic meters in 2026. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • Encourage customers (especially residential customers) to switch from gas to electricity by promoting efficient electricity technologies (e.g., heat pumps for home heating or induction cooktops in kitchens), increasing annual unit electricity consumption of free-market B2C power customers (in Italy and Iberia) to about 3.5 MWh in 2030, thereby increasing the electrification rate of customers. • Continue to invest in distribution grids, supporting the growth of distributed generation, thereby promoting the electrification of end users' energy consumption, reaching 6 million connections to distributed generation in 2030. • Optimize the customer gas portfolio (industrial customers in particular), continuing to reduce the volume of gas sold to about 5.3 billion cubic meters in 2030. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • By 2040, achieve 100% of energy sales covered by renewables. • Exit retail gas sales business by 2040. • No use of carbon-removal technologies to achieve the target. 	
Results and main actions in 2023	<p style="text-align: center;">KPI achievement in 2023: 16.8 MtCO_{2eq}</p> <ul style="list-style-type: none"> • 6.2 million gas customers in 2023, down 6% on 2022. • Gas sales in 2023 equal to 8.3 billion cubic meters, down 19% on 2022. • 3.6 million new connections in 2023. 			

GHG TARGET	Additional emissions Scopes 1-2-3	
Primary business activity	<ul style="list-style-type: none"> • Electricity distribution (Scopes 1 and 2) • Management of vehicle fleet, buildings and other assets (Scopes 1 and 2) • Management of supply chain (Scope 3) • Purchase of fuels (Scope 3) 	
Type of activity in value chain	<ul style="list-style-type: none"> • Direct (electricity distribution and management of vehicle fleet, buildings and other Group assets) • Upstream in value chain (supply chain for products and services and fuel business) 	
Stakeholders impacted or involved	<ul style="list-style-type: none"> • Customers and power consumers • Electricity generators (peers) • Suppliers of goods and services • Oil&gas suppliers • Society and environment 	
Sources of covered GHG (GHG Protocol)⁽¹⁾	<ul style="list-style-type: none"> • 0.5% of Scope 1 GHG emissions • 100% of Scope 2 GHG emissions • Target 2030⁽⁶⁾: 15% of Scope 3 GHG emissions (corresponding to 17% of Scope 3 emissions – category 1 and 22% of Scope 3 emissions – category 3) • Target 2040⁽⁶⁾: 18% of Scope 3 GHG emissions (corresponding to 35% of Scope 3 emissions – category 1 and 22% of Scope 3 emissions – category 3) 	
Time frame	 Medium term (2030)	 Long term (2040)
GHG target	10.4 MtCO_{2eq}	<2.5 MtCO_{2eq} Net zero emissions
% reduction on 2017 (SBTi baseline)	-55%	-90%
% reduction on 2023 (reporting year)	-12%	-83%
Climate scenario	 1.5 °C (SBTi certified)	 1.5 °C (SBTi certified)
Primary drivers and actions	<ul style="list-style-type: none"> • Invest a total of €18.6 billion in grids over the 2024–2026 period, of which 50% to improve grid resilience, quality and digitalization, thereby helping to reduce grid losses and related greenhouse gas emissions. Replace existing distribution grid infrastructure components with SF₆-free solutions. • Implement a circular procurement approach; increase the number of contracts that include the measurement of the carbon footprint of the products and services purchased by Enel, encouraging its reduction in a collaborative decarbonization process with our suppliers. Strengthen dialogue with raw material producers and other utilities to define shared and effective long-term decarbonization strategies. • Phase out coal-fired generation by 2027, mitigating all GHG emissions related to coal supply. • No use of carbon-removal technologies to achieve the target. 	<ul style="list-style-type: none"> • Promote grid digitalization and replace existing distribution grid infrastructure components with SF₆-free solutions. • Implement a circular procurement approach; increase the number of contracts that include the measurement of the carbon footprint of the products and services purchased by Enel, encouraging its reduction in a collaborative decarbonization process with our suppliers. Strengthen dialogue with raw material producers and other utilities to define shared and effective long-term decarbonization strategies. • Eliminate emissions connected with gas extraction activities, as the Group has fully exited gas-fired generation and sale of gas to end users. • Neutralize the residual amount through carbon-removal actions (purchase of certificates linked to nature-based or technology-based projects in voluntary carbon markets, in accordance with international standards) if complete mitigation of emissions is not feasible due to exogenous factors (technological, market or regulatory).
Results and main actions in 2023	KPI achievement in 2023: 11.9 MtCO_{2eq} (for 2017-2030 target scope) and 13.5 MtCO_{2eq} (for 2017-2040 target scope)⁽⁶⁾	
	<ul style="list-style-type: none"> • €5.4 billion invested in the grid in 2023. • 43% reduction in coal burned in thermal generation plants. • 41% reduction in volume of gas burned in thermal generation plants compared with 2022 (due also to the sale of gas plants in Russia and Argentina), and 19% reduction in volume of gas sold to end users compared with 2022. • 8% reduction in electricity consumption in Group generation plants and buildings. • 24% reduction in emissions intensity (tCO_{2eq}/€mn) in supply chain in 2023 compared with 2022, reaching 684 tCO_{2eq}/€mn. 	

TOTAL COVERAGE OF SCOPES 1-2-3 EMISSIONS IN 2023

- **95.5%** of Scope 1 GHG emissions (2026, 2030 and 2040 targets)
- **100%** of Scope 2 GHG emissions (2030 and 2040 targets)
- **87%** (2017-2030 target) and **90%** (2017-2040 target) of Scope 3 GHG emissions⁽⁶⁾

- (1) Percentages based on total GHG emissions in 2023.
- (2) Excludes marginal Scope 1 GHG emissions not directly related to the combustion of fossil fuels in electricity generation at thermal plants. These emissions also include the use of ancillary services in distribution operations. In particular, in 2023 there was an extraordinarily high use of these services in Brazil to deal with the meteorological emergency that occurred in São Paulo in November 2023, which caused the interruption of grid operations. In any event, 95.8% of Scope 1 and Scope 2 GHG emissions are covered by all of the above targets, greater than the 95% threshold required under the Science Based Targets initiative and the GHG Protocol.
- (3) The target is in line with the path to 1.5 °C set by the SBTi for the electrical services industry (Sectoral Decarbonization Approach, or SDA), although it could not be officially validated because the SBTi does not certify targets over a time frame of less than five years from the presentation date.
- (4) In 2023, gas sales decreased considerably compared with previous years. Furthermore, a methodological change in the use of conversion factors has been implemented. These two factors produced a value below the target expected for 2026.
- (5) The target could not be officially validated because the SBTi does not certify targets over a time frame of less than five years from the presentation date. In addition, the SBTi has not defined a sectoral decarbonization approach for these types of emissions, so the ambition level cannot be verified.
- (6) Two different percentage limits have been set for the target for Scope 3 GHG emissions by the supply chain, as allowed under the SBTi approach, which required coverage of at least 67% of Scope 3 emissions for the 2030 target, and at least 90% for the 2040 target.

Adaptation: resiliency and response to climate change and new options for the Group (Climate Adaptation Model)

The Group implements solutions to adapt to weather and climate events in order to effectively manage both chronic and acute situations for each business line and activity.

These adaptation solutions may concern both short-term actions and long-term decisions, such as planning for investments in response to weather events. Adaptation efforts also include procedures, policies and best practices for resiliency, response and innovation.

For new investment, we can also take action right from the design and construction phases to reduce the impact of climate risks by design (e.g., by assessing risks and vulnerabilities during the design stage) and to take account of any chronic effects (e.g., including climate scenarios in long-term estimates for renewable resources).

Once the weather and climate events have been identified, actions to maximize our capacity for adaptation may be categorized as follows.

- Response management – Procedures to prepare the response to extreme events (e.g., acquiring short-term weather forecasts and training) and procedures to re-

store normal operations as quickly as possible (e.g., defining operating and organizational procedures to implement in response to critical events).

- Resiliency measures – Actions aimed at increasing asset resiliency, such as assessing the entity of potential acute and chronic risks in order to define both design requirements and actions to take with regard to existing assets.
- New business options – Conception of new businesses or products that are adapted to future changes in climate, so as to facilitate adaptation for both the Group and our communities and stakeholders.

In order to assess the impact of climate change for the purpose of making business and strategy decisions, and thereby aimed at implementing adaptation measures in line with the above, the Group is investing in the development of quantitative models that also make use of climate scenario data in order to assess the impact of climate change on specific assets or areas of production.

Assessment of the risks and opportunities connected with the Strategic Plan

The Group Strategic Plan is accompanied by a careful analysis of the risks and opportunities connected with those strategies.

Identifying those risks and opportunities within the Enel Group's strategic and industrial planning process is designed to improve the Group's risk/return profile.

Although the strategy underlying the Plan, as described above, envisages a phase of careful analysis and verification of the strategic risk factors and variables, it retains scenario assumptions regarding future events that will not necessarily occur or not occur to the extent assumed, as they depend on variables that cannot be controlled by management. Upside and downside developments may occur as time unfolds.

Before being able to approve the Strategic Plan, a quantitative analysis of the risks and opportunities associated with the Group's strategic positioning is presented annually to the Control and Risk Committee appointed by the Board of Directors. In particular, risk factors such as macroeconomic and energy variables (such as exchange rates, inflation, commodity prices and electricity demand), regulatory developments, weather and climate events and risks connected with the strategy are identified.

Based on the nature of the risk and opportunity drivers, the analytical approach that best represents their volatility is selected. In particular, we perform a deterministic analy-

sis based on what-ifs of the possible evolution of the main market and business variables with respect to the main risk factors for the execution of the Business Plan and a probabilistic analysis to assess the variability of renewable resources.

Focusing on the scenario risk analysis for the Strategic Plan, exchange rates, electricity demand and the volatility of energy and commodity prices, together with possible reviews of regulatory frameworks and possible changes in commercial and sourcing strategies, represent almost all the volatility of the drivers. In particular, in addition to the US dollar the most impacting currencies are the Chilean peso, the Colombian peso and the Brazilian real. Italy and Spain represent nearly all of the Group's exposure to the impact of the volatility of energy prices and commodity price fluctuations on margins.

Examining the other risk factors, such as those connected with weather and climate events, we can see that geographical diversification significantly reduces the exposure to the risk associated with renewable resources – a highly positive factor considering the Group's positioning and the steady expansion of renewable generation. Furthermore, with regard to climate change, the risk associated with chronic effects is of little significance over the course of the three years of the Plan.