

Enel's impact on climate change

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Enel's impact on climate change in 2022

CO₂ free generation⁽¹⁾

Digitalization of the grid

Electrification of the energy demand and promotion of energy efficiency

Positive impacts

81.6 million t _{eq} of avoided CO ₂	<ul style="list-style-type: none"> • Avoided CO₂ emissions from electricity generation • Contribution to CO₂ emission reduction in other sectors⁽²⁾ through a zero-emission energy mix 	45.8 million end users with active smart meters	<ul style="list-style-type: none"> • By providing data in quasi real time, smart meters permit an efficient management of the energy supply and demand, promoting informed and sustainable consumption 	22.6 thousand publicly owned charging points for electric mobility	<ul style="list-style-type: none"> • Contribution to CO₂ emission reduction in other sectors through the electrification of consumption, including transport by promoting electric mobility
99 MW	<ul style="list-style-type: none"> • Increase in storage capacity⁽³⁾ 	2.6 number of service interruptions per client (SAIFI) ⁽⁴⁾	<ul style="list-style-type: none"> • A reliable and resilient grid helps reduce the CO₂ emissions associated with grid losses 	3 million smart public lighting points	<ul style="list-style-type: none"> • Energy efficiency solutions for reducing consumption (residential, city and industry)

Value chain

Generation

Networks

Retail

Negative impacts

52.1 million t _{eq} CO ₂	<ul style="list-style-type: none"> • Direct greenhouse gas emissions for electricity generation (Scope 1)⁽⁵⁾ 	3.3 million t _{eq} CO ₂	<ul style="list-style-type: none"> • Indirect greenhouse gas emissions associated with technical losses from the grid (Scope 2)⁽⁶⁾ 	28.4 million t _{eq} CO ₂	<ul style="list-style-type: none"> • Indirect greenhouse gas emissions associated with the purchase of electricity sold to the end customer (Scope 3)
10.3 million t _{eq} CO ₂	<ul style="list-style-type: none"> • Indirect greenhouse gas emissions from fuel extraction and transportation (Scope 3) 			22.9 million t _{eq} CO ₂	<ul style="list-style-type: none"> • Indirect greenhouse gas emissions associated with the use of natural gas sold in the retail market (Scope 3)

Thermal production

Technical losses from the grid

Sales of retail electricity and gas

(1) Includes the generation of renewable and nuclear energy.
 (2) The GHG Protocol requires the consumption of electricity to be considered when calculating the Company's carbon footprint as indirect emissions (Scope 2).
 (3) Includes the contribution of the Global Power Generation Business Line.
 (4) SAIFI, System Average Interruption Frequency Index.
 (5) Other Scope 1 emissions were indicated in the paragraph "Our carbon footprint".
 (6) Other Scope 2 emissions were indicated in the paragraph "Our carbon footprint".

Electricity is essential to guarantee the sustainable progress of modern societies and represents a key factor in reaching the goals of the United Nations 2030 Agenda, in particular SDG 7, to guarantee everyone accessible, reliable, sustainable and modern energy, and SDG 13, regarding climate action.

Electricity generation has always played a key role in climate change, as the use of fossil fuels is a considerable source of greenhouse gas emissions. Technological development, in particular in the area of renewable energies, has completely transformed this scenario by making electricity one of the main solutions for reducing the carbon footprint worldwide. Enel is aware of these impacts and implements specific actions to minimize them, promoting the decarbonization of the energy system and the electrification of the energy demand. As a result, this reduces the greenhouse gas emissions along the entire value chain.

Enel's **power generation from fossil fuels** (mainly gas and coal) traditionally represents the main source of greenhouse gas emissions. In particular, in 2022 the direct emissions (Scope 1) relating to power generation from fossil fuels were about 52.1 mil t_{eq} CO₂, whereas indirect emissions (Scope 3) relating to the extraction and transport of fuels were 10.3 mil t_{eq} of CO₂. Enel is reducing this impact by accelerating the phase out of coal-fired plants, with a reduction of capacity in 2022 of around 2.5 GW compared to 2021. In parallel, the Group is increasing the development of renewable capacity that, together with the contribution of nuclear generation, has avoided 81.6 mil t_{eq} of CO₂ emissions. Furthermore, Enel is actively committed to the development of electricity storage systems that support the integration of renewable capacity, with a total installed capacity of 316 MW in 2022. Decarbonization of the energy mix also has a positive impact on the reduction of customers' indirect greenhouse gas emissions (Scope 2)

associated with the acquisition of electricity to cover their energy demand.

Electricity grids' management involves indirect greenhouse gas emissions (Scope 2) associated with technical energy losses on the grid of 3.3 mil t_{eq} of CO₂ in 2022 (according to the "location based" calculation methodology). Enel is actively investing in the digitalization and automation of the electricity grid to reduce these losses and increase reliability, while promoting the diffusion of renewables in the energy system.

Concerning the **end customer**, the use of the products sold by Enel's customers generates GHG emissions that are accounted for as indirect (Scope 3). In particular, the emissions connected to the purchase of electricity to be sold to customers equaled approximately 28.4 mil t_{eq} of CO₂, whereas those related to the use of gas sold equaled 22.9 mil t_{eq} of CO₂. Enel regularly monitors these emissions and adopts measures aimed at minimizing them. Furthermore, it offers its customers technical solutions to reduce carbon emissions related to their energy consumption in a wide range of sectors, including transport, property management as well as industrial processes and services. For example, with Enel X the Group is promoting the deployment of owned public charging infrastructure for electrical vehicles (22,600 charging points installed in 2022), the development of energy efficiency solutions, distributed generation, consultancy services, smart public lighting and circular cities.

Emissions related to the **activities of the Group's suppliers** amounted to 14.2 mil t_{eq} of CO₂ in 2022. To reduce this impact, Enel adopts a circular procurement approach and includes assessments of the carbon footprint of the products and services involved in the purchasing processes and encourages their reduction.

Advocacy about climate change policies

Within the framework of its commitment to climate change, Enel is firmly committed to promoting and defining:

- **ambitious climate and decarbonization targets** consistent with the objectives set by the Paris Agreement;
- **effective and efficient implementation mechanisms** capable of exploiting market dynamics, by fully supporting the role of carbon pricing;
- **constant dialog on climate issues within multi-stakeholder initiatives**, actively contributing to groups and coalitions such as the Just Transition Think Lab and Caring for Climate under the UN Global Compact, the SOS 1.5 and Policy Advocacy and Member Mobilization (PAMM) projects of the WBCSD (World Business Council for Sustainable Development), and the World Bank's Carbon Pricing Leadership Coalition (CPLC);
- **private sector leadership on decarbonization** through its continued participation in initiatives such as the CEO Alliance, WEF CEO Climate Leaders Alliance, IETA (International Emissions Trading Association), FMC (First Movers Coalition), and regional and national trade associations.

Enel is committed to ensuring that its direct advocacy activities are aligned with the objectives of the Paris Agreement, involving institutional stakeholders, trade associations, non-governmental organizations and academia, in order to promote the Group's vision on climate and policies to eliminate greenhouse gas emissions. Stakeholder engagement contributes to the evolution of the regulatory framework towards ambitious climate goals and promotes an economy in which carbon pricing plays a fundamental role in orientating long-term investments.

In particular, Enel interacts directly with policy makers, contributes to the positioning of trade associations, and engages with a broader set of stakeholders to build consensus and support for specific policy proposals.

Enel supports the integration of carbon pricing into the decision-making process in all countries where it operates. In doing so, it underlines the importance of well-functioning mechanisms for carbon taxation and emissions trading. These must be able to provide short- and medium-term predictability to support market efficiency, as well as strong long-term price signals to support investment and innovation.

The worldwide coordination of Enel's global public policy positioning on climate is ensured by the Energy and Cli-

mate Policies unit. This unit is responsible for developing global scenarios and position papers on climate policies with the support of the Country and Global Business Lines. Its objective is to guide Enel's national and local advocacy activities, thanks to a continuous dialog with institutions and the widest possible range of stakeholders active in the climate debate. In this sense, Enel is also committed to ensure continuous and full alignment with the objectives of the Paris Agreement within the associations of which it is a member.

During 2022, the Group represented its interests and promoted its position vis-à-vis the European institutions (Commission, Parliament, Council) with the aim of orientating legislative proposals and decisions that could have affected the EU's Climate and Energy Policy Framework, and the Group's activities. In carrying out these activities, Enel is committed to acting in a transparent and responsible manner. In this sense, it is listed on the European Transparency Register,⁽²⁾ the specific activities of which are linked to the main EU legislative and/or policy proposals (including the European Green Deal, Fit for 55, the REPowerEU plan, ETS reform, Air Quality Directives, Sustainable Finance, State Aid and Competition, Hydrogen). The dedicated website contains a public list of meetings Enel has held with the EU Commissioners, members of their Cabinets and EC Directors-General between December 2014 and January 2023. Specifically, for 2022, issues discussed included: the European Green Deal, Energy Taxation Directive (ETD), Carbon Border Adjustment Mechanism (CBAM), the Renewable Energy Directive, and the ETS Directive. In addition, Enel's positions and responses to EU consultations (such as the Critical Raw Materials Act) are made public, together with a list of the main professional associations and think-tanks in which Enel is active.

In all countries, Enel's pursues its advocacy efforts through specific activities and broader stakeholder engagement on decarbonization and energy transition issues. The approach is similar to that adopted at global level. The objectives of the Enel Group's advocacy policy include promoting greater climate ambition, carbon pricing, accelerating the deployment of renewable technologies, developing and upgrading infrastructure through smart grid technologies to support the energy transition, and electrification as a means for decarbonizing energy end-uses. In this context, through the "Energy Transition Roadmap" engagement

(2) <https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=6256831207-27&locale=en#en>, number 6256831207-27. By registering, Enel signed the Transparency Register Code of Conduct, and also declared that it is bound by its own Code of Ethics.

platforms, Enel engages with a wide range of stakeholders on the definition and implementation of the actions needed to pursue the Paris Agreement goals. These platforms take decarbonization by 2050 as a starting point, then proceed to identify the technology mix needed to reach this and the medium-term goal for 2030, and to develop specific policy recommendations aimed at achieving this transformation.

The Group's positioning on the main climate policies

During 2022, several regulatory and legislative events took place, both specific to the climate and concerning energy and environmental issues related to it.

The number of dossiers on which Enel focuses its advocacy increases annually and, in particular, our main positions are as follows:

Globally:

- **as part of the United Nations Framework Convention on Climate Change (UNFCCC), Enel has been active in promoting greater ambition in the implementation of the Transparency Governance Framework**, in the full mobilization of carbon finance envisaged by the Paris Agreement, together with rapid development of international cooperation envisaged by Article 6 of the same Agreement. In this sense, Enel also played an active role during the various preparatory events for COP 27 in Sharm el-Sheikh. In particular, Enel has asked: to efficiently accelerate the energy transition by guiding the world's economies on the path to Net-Zero, as recalled by the latest IPCC Report; to prepare the stocktaking planned for COP 28; to catch up in mobilizing finance to support mitigation and adaptation in developing countries; finalizing the implementing provisions of Article 6 on cooperation in terms of climate change;
- **Enel promotes greater climate ambition in line with the Paris Agreement**, in a just transition framework. Enel's advocacy in this area is implemented through ad hoc engagement on specific legislative proposals (e.g. the European Climate Law), but also through broader stakeholder engagement at national level through Enel's Energy Transition Roadmap platform (see above). Through such platforms, Enel promotes NDCs (Nationally Determined Contributions) that fully reflect the highest possible climate ambition and are fully in line with the requirements of the Paris Agreement;
- **Enel has strongly promoted carbon pricing in the form of both carbon tax and emissions trading**. In particular, Enel believes that the adoption of these mechanisms

based on Cap and Trade systems should be preferred in industrialized economies and industrial sectors where operators can effectively manage and internalize the price signals recorded on the market in their decision-making processes. Conversely, carbon-pricing mechanisms should tend to take the form of carbon taxes in countries with weaker institutions and in sectors characterized by distributed emission sources, and where non-economic barriers are significant. The Enel Group strongly supports carbon pricing as a means to decarbonize economic systems efficiently and effectively around the world. Enel's positions on the adoption of carbon pricing are conveyed both directly and through participation in the activities of organizations such as IETA, CPLC, Eurelectric and WBCSD. In 2022, specific activities were dedicated and aimed at analyzing and promoting carbon pricing, at global, regional (EU and Latin America) and national (EU member states, Brazil, Argentina, Chile, Guatemala, Panama, Costa Rica, Colombia and Peru) levels.

At European level:

- The **European Green Deal**, together with recent acceleration as a result of the **REPowerEU** plan to reduce Europe's energy dependence, represents for Enel a unique opportunity to accelerate the EU's path to a fully decarbonized and sustainable economy, especially when aligned with the mobilization of significant resources to ensure a rapid recovery from the ongoing crises. For Enel, the EU's climate and environmental goals require a new industrial strategy to reach climate neutrality, and an action plan for the circular economy, pursuing the decarbonization of each sector. The energy sector must aim to be fully decarbonized ahead of other sectors, as such ensuring decarbonization through direct and indirect electrification. For example, the study "Powering our buildings: how policies can support energy efficiency through building electrification", developed together with FIRE (Italian Federation for the Rational Use of Energy) and IEECP (Institute for European Energy and Climate Policy), addresses energy improvement and decarbonization of the building sector;
- Enel has supported EU proposals for **reform of the Emissions Trading System (ETS)**, which must be strengthened to pursue the EU's higher climate ambition and supported by a Carbon Border Adjustment Mechanism. The revision of the ETS Directive is in line with Enel's positioning. The overall ambition of the scheme has been reinforced with a target of reducing emissions by 62% by 2030 compared to 2005 levels. The EU ETS has been extended to new activities in hydrogen production and maritime transport. A separate ETS for transport and for the heating of buildings has been launched with differ-

ent clauses to ensure their sustainability with a view to a just transition. The functioning of the market has been improved through a revision of the Market Stability Reserve (MSR), aimed at increasing price stability and balancing any surplus allowances on the ETS market. Finally, the revision of the EU ETS has taken place alongside the adoption of the Carbon Border Adjustment Mechanism to provide greater climate ambition while reducing the risks of carbon leakage;

- Enel has supported a revision of the **Effort Sharing** regulation that fully exploits the decarbonization potential of energy end-uses in the EU's increased climate ambition. The review aimed to update the Effort Sharing Regulation (ESR) targets of individual member States in an upwards direction, in line with the higher ambition of 2030. The ambition also needed to be aligned with 2050 climate neutrality, to avoid the technological lock-in of emitting technologies and infrastructure. However, the impact on prices and energy bills must be carefully managed when adopting the recently revised regulation;
- Enel has welcomed the publication of the **hydrogen and gas market decarbonization package** by the European Commission. The package also includes the proposed regulation on reducing methane emissions throughout the value chain in the energy sector and introduces new requirements for measuring, reporting and verifying emissions, as well as emission abatement measures. In addition, the regulation also proposes rules to increase transparency on methane emissions associated with fossil fuel imports;
- Enel supports the European Commission's proposal on an upward revision of the EU's 2030 energy efficiency target to at least 36% for final energy consumption and at least 39% for primary energy consumption to achieve the ambition of reducing greenhouse gas emissions by 2030. Significant energy efficiency improvements are needed to achieve the Net-Zero emissions target by 2050. As such, the proposed revision of the Directive, as part of the "Delivering on the European Green Deal" package, raises the level of ambition of the EU's energy efficiency target and makes it binding;
- Enel welcomes the Commission's initiative to review the Renewable Energy Directive and increase its ambitiousness. It believes that the main contributions to efficient decarbonization of the energy sector, as well as buildings, heating and cooling, transportation and industry, will come from further end-use electrification (direct and indirect electrification for sectors that are difficult to abate emissions by means of green hy-

drogen). In this regard, low carbon fuels should be excluded from the scope of this Directive. Enel believes that the EU regulatory framework should provide long-term predictability for investors, as well as simplified and standardized authorization procedures. Finally, Enel supports a technology-neutral approach that at the same time creates the necessary conditions for the penetration of fully sustainable technologies;

- as part of the European Commission's hydrogen strategy, the Enel Group actively promotes **green hydrogen** (generated by electrolysis powered by 100% renewable energy). Enel believes that this is the only truly sustainable generation pathway for hydrogen, powered by renewable sources with zero greenhouse gas emissions. Hydrogen is best used as a complement to electrification, not as a competitor. It has an efficient role in decarbonizing those parts of the economy that cannot be electrified easily or economically, for example, hard-to-abate sectors such as heavy industry, aviation and shipping. In addition, Enel participated in 2022, together with many other multinationals, in two different working groups within the "Energy Pathway" project promoted by WBCSD, with the aim of participating in the discussion on how to stimulate the development of projects and, at the same time, the hydrogen market;
- as part of its **smart and sustainable mobility strategy**, the Enel Group is actively promoting e-mobility as a key factor in reducing road transport emissions and contributing to the achievement of EU energy efficiency targets. Since 2011, the EU has been involved in the process of updating its transport policy framework to reduce emissions in this sector, particularly road transport. Mobility is a critical aspect of social inclusion and a determining factor in human well-being, especially for disadvantaged groups. Recognized as an essential service in the European pillar of social rights, transport meets a fundamental need in enabling citizens to integrate into society and the labor market. By far the most serious challenge facing the transport sector is to reduce its emissions significantly and become more sustainable. The European Green Deal calls for a 90% reduction in GHG emissions from transport so that the EU can become a climate neutral economy by 2050, including working towards a zero pollution ambition. In addition, in 2021 the European Commission unveiled the "EU Urban Mobility Framework", complementing the proposed revised guidelines for the Trans-European Network. The new EU Urban Mobility Framework outlines a common list of measures and initiatives for with which EU cities can address the challenge of making their mobility more sustainable. Finally, in 2022 Enel participated in the

Mobility Decarbonization working group promoted by WBCSD, with the aim of encouraging the decarbonization of road transport, facilitating the development of new technologies for zero-emission vehicles and the creation of new charging infrastructure;

- Enel fully supports the **European building renovation strategy** and actively participates in discussions on the proposed review of the Energy Performance of Buildings Directive. The building sector is one of the most lagging industries as regards decarbonization due to criticalities in the value chain, in building efficiency, and in choice of energy source. Enel believes it can contribute substantially to the decarbonization of the building sector by installing efficient electrical technologies such as heat pumps, charging infrastructure for mobility and solar panels on roofs, improving building efficiency through electrification and digitalization, making buildings dynamic elements of the energy system through storage, remodeling of demand, and electric vehicle charging;
- Enel has involved various stakeholders in the European Commission's **New Circular Economy Action Plan**, stressing the importance of ensuring the circularity of the main supply chains, particularly in relation to electric vehicles, batteries and renewable energy technologies. Furthermore, Enel's advocacy has highlighted the need to develop appropriate circular economy metrics and to focus on the high potential of urban environments through the implementation of a clear vision of circular smart cities;
- within the framework of the Zero Pollution dossier and other environmental dossiers, the Enel Group is actively promoting the **maximization of synergies between decarbonization and other environmental policies**. In this context, synergies of climate and air quality policies are perhaps the most critical, and electricity technologies can play a key role in combating climate change, improving local air quality and increasing the circularity of the EU's economic system. The revision of the Air Quality Directive, proposed by the Commission in 2022, has proved crucial to strengthen the role that clean technologies can play in improving air quality for European citizens. Soil management is vital for a circular economy that aims to develop sustainable models capable of encouraging the coexistence of different activities and creating synergies and mutual benefits, such as agri-voltaics. The new soil strategy published in November 2022 is a step in the right direction. However, its scope should also be extended to the redevelopment of brownfield sites and the reuse of brownfields to avoid further land acquisition and soil pollution.

In the USA and Canada, the main dossiers on which the Enel Group has taken action with advocacy actions include:

- the US Inflation Reduction Act (IRA), aimed at incentivizing the deployment and generation of clean energy technologies. The law is expected to provide new incentives for clean energy and facilitate a 40% reduction in the US economy's greenhouse gas emissions by 2030. Enel has supported the IRA, presenting its assessments to Congress and working with trade associations to inform and model the design elements of policies within the law;
- the US Uyghur Forced Labor Prevention Act (UFLPA), the impact of which has been particularly significant on imports from the Xinjiang Uyghur Autonomous Region in China. In June 2022, the provisions for major solar energy importers came into force. Enel has supported the sector's action to develop supply chain traceability programs and, with trade associations, has opposed any presence of forced labor in supply chains, in line with the public commitment made in this regard through the human rights policy;
- in California, the mobilization of financing for distributed generation and resilience: funds have been allocated to support resources (generation and storage) distributed at low/zero emissions, but also for demand management on electricity grids. In addition, a commitment has been made to accelerate the electrification of transport. Enel has supported the allocation of these funds and met and provided its assessments to the legislature, working with trade associations;
- the Massachusetts Climate Bill enacted in August 2022, which aims to promote a 50% reduction in emissions compared to 1990 by 2030. The law includes a target of developing energy storage of 1 GWh by 2025 and requires all new sales of passenger vehicles to be zero-emission by 2035. There are also discounts for the sale of electric vehicles and incremental incentives for low-income buyers. Enel has supported the legislation and has met and provided targeted evaluations to the legislature, working with trade associations;
- the increase in the carbon price in Alberta, with a carbon price trajectory to 2026 aligned with the forecasts of the Canadian Federal Government. Starting January 1, 2023, the federal carbon price will increase from CAD 50 to 65 per ton of GHG emissions, with subsequent annual increases bringing the tax to CAD 170 per ton by 2030. Enel has supported the pricing trajectory and has met directly with government officials and representatives, working with trade associations.

In Latin America, the main dossiers on which the Enel Group has taken action with advocacy actions include:

- in Peru, the Supreme Decree 003-2022-MINAM, which declares the climate emergency of national interest and provides for the actions to be taken by the various ministries, with the aim of reducing emissions to achieve the NDC objectives under the Paris Agreement. In this sense, the country has committed to accelerate the process of reducing emissions compared to the 2030 trend scenario to 30%, for the unconditional target of its NDC, to 40% in the case of a conditional target. It has also committed to achieving carbon neutrality by 2050. Enel has supported the strengthening of the Peruvian NDC (Nationally Determined Contribution), which will increase the development possibilities of renewable companies, and worked in 2022 on the Energy Transition Roadmap project in Peru together with the consulting firm Deloitte, as well as with public and private stakeholders;
- in Colombia, the Climate Action Act, which aims to regulate the objectives of the NDC and some other aspects, such as greenhouse gas inventories for the country's industrial sector. Enel has also promoted the adoption of the law through a special project, Energy Transition Roadmap, implemented with the support of the consulting firm CREE and in collaboration with public and private stakeholders;
- also in Colombia, Resolution 172, approved in 2022, establishing the Presidential Cabinet Intersectoral Commission on Climate Action. Enel has promoted the establishment of the Commission that will be tasked with verifying the country's progress and requirements regarding the implementation of measures aimed at respecting the international obligations acquired by the State in terms of climate action;
- in Costa Rica in September 2022, the Ministry of Environment and Energy published the Regulation of Chapter III of Law No. 9518 on Incentives and Promotion of Electric Transport, which regulates the application of temporary tax incentives for electric vehicles, as well as a temporary exemption from property tax for electric vehicles. Enel supported the publication of the law and promoted it, including through the Energy Transition Roadmap project, carried out with the support of the consulting firm Deloitte and in collaboration with public and/or private stakeholders;
- in Panama, the approval of Decree-Law No. 10, which adopts the National Climate Action Plan (PNAC). The Plan is seen as a crucial tool in promoting short- and long-term national and sectoral ambitions of climate policies,

in order to facilitate and ensure the implementation of the NDC. Enel supported the promulgation of the Decree and promoted a collaboration network to support the dissemination and awareness of the results, providing the recommendations that emerged from the Energy Transition Roadmap project carried out in the country;

- in Guatemala, the development of an NDC, which envisages reducing greenhouse gas emissions by 11.2% by 2030 compared to the baseline scenario, as a target not conditional on international support. In 2022, Enel also worked in Guatemala on an energy transition roadmap for the country with the aim of proposing scenarios that will enable it to comply with the commitments made in the NDC;
- in Argentina, the decision to maintain the commitment made in the NDC 2020, ratifying the commitment to reduce emissions by 27.7% by 2030, compared to the first NDC presented in 2016. Also in this case, as in other countries, Enel has promoted advocacy actions with the development of the Energy Transition Roadmap project. Enel also promoted the adoption of Resolution no. 370 of 2022, which provides for a mechanism for the sale of electricity from renewable sources for distributors of the Wholesale Electricity Market (MEM) through the Renewable Energy Forward Market (MATER);
- in Chile, Enel implemented advocacy activities in support of the adoption of Law no. 21,455. This piece of legislation aims to address the challenges of climate change in the country and establishes climate governance mechanisms, setting the goal of carbon neutrality to be achieved by 2050 at the latest. Enel's vision is aligned with the law. This is also the background to Enel's decision to exit coal-fired generation in the country, which ended in September 2022 with the closure of the Bocamina II plant;
- again in Chile, in June 2022, the Ministry of Economy, Development and Tourism implemented Council Agreement No. 3121 of 2022, which creates the "Committee for the Development of the Green Hydrogen Industry" and establishes the rules that will govern its operation. The Committee's objective will be to accelerate the sustainable development of this industry by supporting the national strategy for green hydrogen. Enel has actively participated with several key players in the development of green hydrogen in the country and, moreover, has contributed to the public debate with the Energy Transition Roadmap project together with the consulting firm energiE, in collaboration with public and private stakeholders;

- in Brazil, Enel promoted the publication of Decree No. 11,075. It defines the procedures for the Sectoral Plans for Climate Change Mitigation and creates the National Greenhouse Gas Emission Reduction System (SINARE), in order to establish emission reduction targets for compliance with the national NDC. In addition, Resolution no. 6 of June 2022 of the National Energy Policy Council establishes the National Hydrogen Program (PNH2) and creates a Committee with the aim of coordinating and supervising the planning and implementation of the PNH2. Enel has also supported the strengthening of climate ambition envisaged by Brazil's second NDC update. This strengthening aims to increase emissions reductions by up to 50% by 2030 and achieve greenhouse gas neutrality by 2050. Enel has positively assessed these developments, which will increase the possibilities of development of renewable companies. It has supported legislative action with the Energy Transition Roadmap project carried out with the support of Deloitte and in collaboration with public and private stakeholders.

On the African continent, the main climate dossiers on which Enel has carried out advocacy activities are:

- in South Africa, the Climate Change Act, which creates a regulatory framework that will enable an effective response to climate change and a long-term transition to a low-carbon economy. The provisions of this law are in line with the Enel Group's operational objectives for renewable development in South Africa;
- in Morocco, Enel has promoted the adoption of a new law aimed at regulating the production of its own electricity, while guaranteeing the security of the national network and compliance with the principles of transparency and non-discrimination between the various market players. For the first time, the law also provides for the right of access to electricity storage services, as well as the right to sell the excess to the TSO.

In the Asia Pacific region, the main dossiers on which Enel's advocacy actions have focused are:

- in South Korea, the opening of the Power Purchase Agreement (PPA) market. It enables renewable generators to sell electricity directly to end users. Enel sees this initiative as a significant step towards the development and use of renewable energy. In addition, the first auction program dedicated to onshore and offshore wind has been launched. Enel also supported this legislative initiative as auctions conducted in a transparent and

structured manner are recognized as one of the best support mechanisms for the development of renewable energy;

- also in South Korea, the 10th Basic Plan for Electricity Supply and Demand has been finalized. It envisages that the national generation mix to 2036 will be dominated by nuclear and renewables, with a gradually decreasing role for fossil fuels. Hydrogen and ammonia will be used in LNG and coal-fired power plants to reduce emissions. In this context, Enel has supported the development of renewable energy, but considers it inefficient to use hydrogen to produce electricity;
- in Vietnam, Enel promoted the finalization of a new and more ambitious NDC and, in particular, the strengthening of the unconditional objective of reducing greenhouse gas emissions by 15.8% by 2030 compared to a business-as-usual scenario of the reference year 2010. Subject to international support and financing, the 2030 reduction target has been raised to 43.5%. In this context, the country also reiterated its goal of achieving carbon neutrality by 2050. Enel supported this decision as it will accelerate the decarbonization of Vietnam by offering development opportunities for renewable sources and end-use electrification;
- in Australia, the Enel Group supported the plans of the new Federal Labor Government, aimed at mobilizing new financing for the expansion of the transmission grid and the establishment of a program to attract greater investments in the renewable energy sector;
- In India, ancillary services regulations have been adopted, establishing the introduction of Secondary Reserve Ancillary Services (SRAS) and Tertiary Reserve Ancillary Services (TRAS). The regulations allow all types of technology to provide SRAS and TRAS, including battery energy storage systems (BESS). Enel is in favor of these regulations and believes that they encourage the development of renewable sources and distributed storage;
- India's Ministry of Energy has also issued the Green Energy Open Access Rules. The objective of this regulation is to increase the availability and use of renewable energy and to promote the growth of the sale of energy from renewable sources with open access. Enel welcomed the enactment of this regulation as it believes that it fosters new opportunities for the development of renewable sources.

In addition to the direct advocacy activities, Enel is actively contributing to the debate on how best to address the challenge of climate change through **specific initiatives**. In 2022, these included:

- **the GSEP (Global Sustainable Electricity Partnership) Global Electrification Monitor, aimed at illustrating the state of the art of decarbonization of energy end-uses through electrification.** The initiative was launched during the annual GSEP CEO Summit held in 2022 in Marrakech. Through the use of specific indicators for the 15 countries analyzed, it highlights to what extent the penetration of electrification in end-uses is in line with the International Energy Agency's scenarios for achieving the objectives set by the Paris Agreement. Also in this context, GSEP hosted a High-Level Dialogue on electrification during New York Climate Week 2022. In this context, 14 companies have signed the Catalyzing Electrification agreement, to accelerate electrification of energy end-uses, aimed at reducing greenhouse gases;
- **development and collaboration on several Energy Transition Roadmap projects, to stimulate debate on how best to accelerate the reduction of greenhouse gas emissions.** In this context, in Europe Enel collaborated with the Enel Foundation and Ambrosetti on the Energy Transition Roadmaps for Italy and Spain and supported Eurelectric in the work to define the new decarbonization roadmap for Europe. In Latin America, Enel has completed Energy Transition Roadmap projects in several countries, including Chile, Brazil, Peru, Panama and Costa Rica. In several cases, the results of these projects were presented and discussed in the context of COP 27 events;

- **strengthening commitments to Sustainable Development Goal 7 through the Energy Compacts (EC) promoted by UN-Energy and SEforALL.** Compacts are voluntary commitments by companies, governments and other stakeholders to accelerate action for universal access to clean and affordable energy for all. In this context, the Group announced Enel Chile's new Energy Compact, promoted in collaboration with the Universidad del Desarrollo and the Government of the Santiago Metropolitan Region, which aims to electrify the entire bus fleet by 2030 and expand the network of charging stations for electric vehicles, both public and private;
- **participation in a number of specific advocacy initiatives, through letters and appeals developed under ad hoc alliances.** For example, the Enel Group, together with over 150 business leaders, has signed an open letter by CLG Europe to the President of the European Commission, Ursula von der Leyen, to invite the EU to strengthen energy security by accelerating the green transition through the REPowerEU plan. In addition, Enel has participated in lobbying activities in support of the 100 gCO₂/kWh threshold – published in the Delegated Acts of the European Taxonomy – which allows an activity to be defined as environmentally sustainable if its CO₂ emissions are below this threshold. Enel not only supports compliance with this threshold, but also asks to specify how this threshold should be reduced over time until it reaches zero by 2050. Finally, through the We Mean Business Coalition, the Group signed a declaration during COP 27, together with over 270 companies and civil society leaders, reaffirming its commitment to limit global warming to 1.5 °C, while ensuring a just transition and a fair and inclusive future for all, and calling on governments to maintain it as a goal during the negotiations.

Enel's commitment to fight against climate change through associations and organizations

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The Group plays an active role in various industry and multi-stakeholder associations and organizations with the aim of promoting issues concerning energy transition and the commitment to fight climate change at national and global level. **Enel is committed to ensuring that the various industry associations, business networks and think tanks of which it is a member operate in full compliance with the objectives of the Paris Agreement and the decarbonization roadmap established by the Group.** Enel therefore systematically verifies the **consistency of the associations' positions with the climate policies shared at the Group level.** This verification process is carried out in two stages: (i) **before joining the association**, through an in-depth analysis of the body's by-laws, in line with the Climate Policy issued in September 2021; (ii) **after joining the association**, by actively contributing to its work and/or taking positions of responsibility within it or promoting the Enel Group's position within working groups. Finally, **a review of the level of alignment of the associations with Enel's strategy is conducted annually.**

Where an association is found not to be in line with the objectives of the Paris Agreement and Enel's climate risk mitigation strategy, the Company assesses whether the misalignment could compromise the effectiveness of Enel's advocacy and participation, and may eventually decide to withdraw from the association.

By way of example, in recent years we have withdrawn our participation from some associations whose views on climate policies and how to achieve the energy transition were persistently different from Enel's in terms of fighting climate change and pursuing the goals set forth in the Paris Agreement. On the other hand, it may happen that in some associations, despite the existence of a misalignment, Enel decides to continue to be a member with the aim of influencing and aligning association decisions with its own vision of achieving the targets set by the Paris Agreement.

Back in 2020, an initial selection of the main industrial associations and organizations was carried out to identify alignment with Enel's climate position, an activity that continued in 2021.

In 2022, the analysis for assessing alignment with the Paris Agreement was extended to cover all associations involved in climate advocacy activities, of which Enel is a global member. In addition, as in 2021, **the list of the main associations most involved in climate advocacy activities with which Enel collaborates worldwide** (<https://www.enel.com/content/dam/>

[enel-com/documenti/investitori/sostenibilita/2022/enel-engagement-associations-involved-climate-policy-advocacy.pdf](https://www.enel.com/documenti/investitori/sostenibilita/2022/enel-engagement-associations-involved-climate-policy-advocacy.pdf)) was also published for 2022, including the assessment, for each of them, of the alignment with the Paris Agreement. This alignment was carried out on the basis of a specific methodology using targeted evaluations on the science of climate change, climate policies at global and national level, disclosures on the topic, and technologies proposed.

In particular, in 2022, the Enel Group identified for each country and/or region of presence and/or interest the main associations involved in advocacy activities of climate policies and conducted, for each of them, a qualitative assessment in order to identify the association's level of alignment with the Paris Agreement. This assessment was carried out on the basis of six main dimensions:

- i. Climate Science** – the extent to which the association involves itself in the issues related to climate change and in the results and evidence of the Reports published by the IPCC (Intergovernmental Panel on Climate Change);
- ii. Climate Policy** – the extent to which the association supports the UNFCCC process and other global policy initiatives;
- iii. Carbon Pricing Climate Policies** – the extent to which the association supports Carbon Pricing (Carbon Tax, Emissions Trading);
- iv. Non Carbon Pricing Climate Policy** – the extent to which the association supports other types of climate policies related to energy efficiency, renewable energy and GHG regulation;
- v. Communication** – the extent to which the association communicates on climate issues;
- vi. Energy Transition & Zero Carbon Technologies** – the extent to which the association supports innovative and effective technologies in the fight against climate change.

The methodology developed by Enel for assessing the alignment of associations to the Paris Agreement provides, in particular, that to each of the six dimensions listed above is assigned a level of alignment (high, medium or low). Then, a numerical score is given to each of the dimensions, which reflects the level of alignment assigned. The average of the scores of the six dimensions generates the final result of alignment of the association to the Paris Agreement, which can be: high, medium/high, medium, medium/low or low.

In general, Enel believes that the most effective approach when an association is not aligned with the Paris Agreement is to remain in such association with the aim of orienting and aligning its decisions with Enel's own vision of achieving the targets set by the Paris Agreement. However, in those cases where the yearly assessment of the level of alignment with the Paris Agreement for an association result to be "low", then Enel will activate an escalation strategy encompassing the following steps:

- Step 1: raise the issue, within the association, of the lack of alignment to the Paris Agreement to initiate an in-depth discussion with the aim of improving the alignment.
- Step 2: if, despite of the measures described in Step 1, the assessment of the level of alignment to the Paris Agreement still results to be “low” for two consecutive years, then the issue will be brought to the attention of the CEO, who will assess possible counteractions which may also include the decision for Enel to leave the association.

The following table summarizes the main results of the re-

view of industry associations, conducted during 2022, according to the methodology of assessment of alignment with the Paris Agreement as set out above. In particular, for each association listed, the following information is reported: (i) brief description of the association; (ii) main actions taken by the association in 2022 and its assessment of alignment with the Paris Agreement; (iii) Enel’s main roles within the association; (iv) Enel’s main actions developed in 2022 within the association.

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel’s main roles within the association	Main actions taken by Enel within the association in 2022
Eurelectric	The Union of the Electricity Industry - Eurelectric is the sector association which represents the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents. The association counts over 34 full members, representing over 3,500 companies in Europe.	Eurelectric contributes to the development and competitiveness of the electricity industry, provides effective representation of the industry in public affairs and promotes the role of a low-carbon electricity mix. The level of alignment with the Paris Agreement was deemed “high”.	Enel is well represented in the association, with more than 40 delegates from Group companies in Italy, Spain and Romania holding key positions within the association (at decision-making level and in the Committees, such as the Electrification and Sustainability Committee or the Sustainability Working Group).	<p>In 2022, Eurelectric contributed to two major studies:</p> <ul style="list-style-type: none"> • Market Design, developed by Compass Lexecon (expected publication date: March 2023); • Decarbonization speedways, which analyzes the EU’s path towards carbon neutrality by 2050. <p>Enel actively contributed to both initiatives, providing know-how, content and resources.</p> <p>Earlier this year, Eurelectric launched a report – co-produced with EY – at the EVision event, focusing on how electric vehicles and charging stations can become an asset for the networks that support them. The Head of Global e-Mobility at Enel X Way, spoke at the session “Ensuring the right regulatory framework for accelerating electric mobility”.</p> <p>During the Power Summit 2022, Enel participated by organizing a session on Market Design. During the year, Enel helped support the development of Eurelectric’s positions and advocacy actions on the Fit for 55 package.</p> <p>In 2022, Enel continued to serve as Chair of the Electrification and Sustainability Committee, Eurelectric’s key committee for discussing and deciding on electrification, energy efficiency policies, and sustainability, including decarbonizing the economy beyond the power sector, one of the core themes of Eurelectric’s vision.</p>

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel's main roles within the association	Main actions taken by Enel within the association in 2022
WindEurope	WindEurope is the voice of companies and organizations operating in the wind industry. It actively promotes wind energy in Europe and worldwide, has over 450 members and is active in over 40 countries.	Through effective communication and engagement in policy-making processes, WindEurope facilitates national and international policies and initiatives that strengthen the development of European and global wind energy markets. The level of alignment with the Paris Agreement was deemed "high".	Enel has participated in the association as a member of the Board and as Chair of the Working Group Market and Investment Working Group; Enel also participates with experts in all the association's working groups.	During 2022, Enel collaborated with WindEurope in the European Parliament and Council on the provisions of the "Fit for 55" package and REPowerEU, including in particular the revision of the Renewable Energy Directive. Enel has strengthened its presence in the association, especially on the priorities of electrification and in the debate on market design. Enel has participated in the main events organized by the association and has contributed to the major publications, reports and public letters issued by the association.
SolarPower Europe	SolarPower Europe represents organizations active along the entire PV value chain, with the aim of defining the regulatory environment and improving business opportunities for solar photovoltaics in Europe.	Among the objectives of the association is the successful positioning of solar PV based energy solutions in the European context through dedicated studies and energy market analysis. Through effective communication and engagement in policy-making processes, SolarPower Europe facilitates national and international policies and initiatives that strengthen the development of European and global solar energy markets. The level of alignment with the Paris Agreement was deemed "high".	During 2022, Enel's presence was confirmed within the Board, the Advocacy Committee and through the participation of experts in 12 of the association's 14 Workstreams. Enel continued its work within the Renewable Hydrogen and Electrification Workstream as Chair and Co-Chair of the Industrial Strategy Workstream.	During 2022, Enel collaborated with SolarPower Europe in the European Parliament and Council on the provisions of the "Fit for 55" package and REPowerEU, including in particular the revision of the Renewable Energy Directive. Enel is strengthening its presence in the association, especially on generation priorities and in the debate on market design. Enel has participated in the association's main events, including the "CEOs Retreat" and the SolarPower Summit in April 2022, the Sustainability Solar Europe event in October 2022 and various initiatives, including the sponsorship of the Solar Stewardship Initiative (SSI).
The European Association for Storage of Energy (EASE)	EASE, located in Brussels, Belgium, is the leading member-supported association representing organizations active across the entire energy storage value chain. EASE supports the deployment of energy storage to support the cost-effective transition to a resilient, climate-neutral, and secure energy system.	EASE promotes the role of storage in a decarbonized energy system. The level of alignment with the Paris Agreement was deemed "high".	Enel chairs the association. Enel is also active in the Applications & Economics Working Group.	Enel has worked on numerous joint position papers and common recommendations to address specific regulatory challenges that could affect the storage value chain. In addition, it has collaborated with the association to respond to the EC's numerous public consultations, for example the "Renewable Energy Projects – Power Acquisition Processes and Agreements" (April 2022). Enel also contributed to the position paper on the next market design review (December 2022) and was an exhibitor and sponsor at the fifth "EASE Energy Storage Global Conference" in October 2022. Several Enel representatives attended the event to discuss the latest developments on energy storage technologies, regulatory and policy frameworks, and the future of the storage market.

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel's main roles within the association	Main actions taken by Enel within the association in 2022
SmartEn	SmartEn is the association of market players promoting decentralized and decarbonized power generation in favor of flexible demand for renewable energy sources.	SmartEn promotes the energy transition through smart cooperation between consumption, distribution, transmission and generation, acting as an equal partner in an integrated energy system. The level of alignment with the Paris Agreement was deemed "high".	Enel's presence at the top of the association's structure was confirmed in 2022 with its re-election to the Board and to the position of Chair of the Distributed Flexibility Task Force. Enel also participates with experts in the Digital Agenda and e-mobility working groups.	In 2022, the President of the EU DSO Entity (Enel's e-distribuzione representative) joined the SmartEn Advisory Council with the aim of bringing the DSOs' perspective on market flexibility to the association. Enel has worked on numerous position papers and shared recommendations relating to the energy efficiency of the system, the empowerment of energy users and the decarbonization of the energy sector, proposing the Group's positioning on the "Fit for 55" package. Finally, Enel sponsored the event on "Demand-Side Flexibility: Quantification of Benefits in the EU" (28 September 2022) and participated as a speaker at the event with two high-level representatives.
RES4Africa	RES4Africa brings together a network of international leaders from across the clean energy value chain and supports the creation of an enabling environment for renewable energy investments and strategic partnerships. RES4Africa serves as a bridge between members and partners in emerging markets to exchange perspectives and expertise.	The "renewAfrica" initiative was officially launched at European level in 2019. It is a European initiative supported by multiple stakeholders to accelerate the transition to sustainable energy in Africa. It promotes the creation of a European program capable of catalyzing investment in renewable energy for the future sustainable development of the continent. RES4Africa is a member of the Africa-Europe Foundation, a platform launched in 2021 by Friends of Europe and the Mo Ibrahim Foundation to facilitate multi-stakeholder dialog, catalyze collaboration and unlock new opportunities that can transform dialog into action. The level of alignment with the Paris Agreement was deemed "high".	Enel Green Power is one of the funding partners and chairs the association, with the current CEO of Enel Green Power taking the role.	Participation in working groups, events, co-definition of work priorities, co-drafting of position papers.
World Business Council for Sustainable Development (WBCSD)	The WBCSD is a global organization led by the CEOs of more than 200 international companies working together to accelerate the transition to a Net-Zero, nature positive and more equitable future.	The WBCSD works to support leading sustainability companies to drive integrated actions to address global challenges through the sharing of best practice and the development of tools and guides that can stimulate and advance members on their own pathway to sustainability. The level of alignment with the Paris Agreement was deemed "high".	Enel holds the role of Council Member, through the CEO.	In 2022, Enel actively participated in climate-related projects (for example, Policy Advocacy and Member Mobilization, SOS 1.5, Energy Pathway and Mobility Decarbonization), as well as contributing to the creation of position papers and publications.

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel's main roles within the association	Main actions taken by Enel within the association in 2022
United Nations Global Compact (UNGC)	The United Nations Global Compact is the largest global corporate sustainability initiative, created with the goal of promoting a sustainable economic model through the development and implementation of sustainable practices and policies.	UNGC works to create a sustainable and inclusive global economy by supporting companies to do business responsibly, aligning strategies with the ten principles on human rights, labor, environment and anti-corruption, as well as taking action to promote the goals of the 2030 Agenda. The level of alignment with the Paris Agreement was deemed "high".	Enel co-chairs the CFO Coalition, and is also the Patron of the new Transformational Governance initiative.	The Group has participated in working groups and meetings concerning, inter alia, the Just Transition Think Lab, as well as contributing to the creation of position papers and publications.
American Clean Power Association	American Clean Power (ACP) is the voice of companies across the wind, solar, storage, and transmission industries that are powering America's future and providing cost-effective solutions to the climate crisis, while creating jobs, spurring massive investment in the US economy, and driving high-tech innovation across the nation.	ACP focuses on US federal legislative and administrative advocacy at State level. It supports policies that will transform the US power grid into a low-cost, reliable, renewable energy system, including support for renewable energy demand, sensible reforms, permitting, transmission system construction, predictable international trade rules, and workforce development. The level of alignment with the Paris Agreement was deemed "high".	Enel holds a position on the Board of Directors of ACP.	Advocacy for federal legislation to accelerate the deployment of wind, solar, energy storage, transmission and green hydrogen technologies. Commitment to collaborate with the association to promote clean energy.
Confindustria	Confindustria is the main association representing manufacturing and service companies in Italy. Its members include over 150,000 small, medium and large companies. Confindustria's mission is to promote the development of enterprises as the driving force behind the country's economic, social and civil growth.	Development of workshops, seminars and summary documents including observations and/or proposals suggested by the association regarding energy and environmental issues in local, national and European contexts. The level of alignment with the Paris Agreement was deemed "medium/high".	In addition to holding important roles in local and national associations, Enel takes part in various technical working groups (most of all, the Energy and Environment Working Groups), seeking to promote activities in line with climate targets.	Advocacy activities for specific initiatives such as: preliminary draft analysis of the "Operating Methods" relating to the draft regulation governing the Waste Traceability System and the National Electronic Register for Waste Traceability (RENTRI); analysis and submission of comments on the proposal for an EU regulation on F-gases; analysis and preparation of amendment on excavated earth and rocks in small construction sites; contributions for Confindustria positioning documents on the public consultation on the PNRR measure on agrivoltaic.
Edison Electric Institute	The Edison Electric Institute (EEI) is the association that represents all investor-owned US electric utilities.	EEI focuses on US federal legislative and administrative advocacy, while also supporting advocacy at regional and State level. It works to encourage policies that support investor-owned private utilities, with a focus on decarbonization. The level of alignment with the Paris Agreement was deemed "medium".	Enel is a member of various working groups.	Enel carries out federal lobbying activities in the United States (legislative and administrative), advocacy activities at the FERC and at the ISO/RTOs, as well as direct and indirect State lobbying activities (through funding). In addition, Enel supports greater penetration of renewables for utilities.
Clean Energy Council	The Clean Energy Council (CEC) is the spearhead of the clean energy industry in Australia. It represents hundreds of leading companies operating in the solar, wind, energy efficiency, hydro, bioenergy, energy storage, geothermal and marine sectors, along with over 5,800 solar installers as members.	Its mission is to work with local, State and Federal governments to solve technical, policy and financial problems in the challenges faced by the clean energy sector. The level of alignment with the Paris Agreement was deemed "high".	Enel is a key member with a strategic presence in important working groups and committees, such as the Policy and Advocacy Advisory Committee.	Participation in meetings, committees and working groups.

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel's main roles within the association	Main actions taken by Enel within the association in 2022
Solar Energy Industries Association	The Solar Energy Industries Association (SEIA) is the national trade association for the solar and solar + storage industries. SEIA advocates policies that will enable solar to reach 30% of US electricity generation by 2030, to create jobs in every community, and to establish fair market rules that promote competition and the growth of reliable, low-cost solar power.	SEIA focuses on US Federal legislative and administrative advocacy. It works to defend the interests of the solar energy industry. The level of alignment with the Paris Agreement was deemed "high".	Enel is a member with a presence in several working groups.	Active participation to promote large-scale solar power and address the critical issues in the sector.
International Emissions Trading Association (IETA)	IETA is a non-profit corporate organization with more than 100 members across companies, geographic areas and disciplines promoting the use of carbon trading as a lever to pursue global climate ambition.	IETA's mission is to enable companies to engage in climate action and establish effective market-based trading systems for greenhouse gas (GHG) emissions. In pursuit of its mission, it aims to: a) promote an integrated view of carbon markets and prices; b) participate in the design and implementation of national and international rules and guidelines; and c) provide up-to-date and credible information on emission trading. The level of alignment with the Paris Agreement was deemed "medium/high".	Enel holds a position on the Board of IETA, contributing to help focus IETA's attention on ensuring the truly sustainable implementation of Emissions Trading systems worldwide. Enel is also active in working groups and task forces.	Participation in dedicated high-level workshops in European and international forums on GHG markets and trading systems; position papers supporting the Group's position on the EU ETS; promotion of market mechanisms and participation in GHG markets; engagement with Latin American policy makers.
Confederación Española de Organizaciones Empresariales (CEOE)	CEOE is the national business association representing and defending Spanish companies and entrepreneurs. CEOE voluntarily integrates two million companies and freelancers from all business sectors. In Europe, it is an active part of BusinessEurope, which brings together European business associations. It actively supports the international negotiation on climate change, participating in the process and assisting the COP.	It represents and defends Spanish companies and entrepreneurs in economic, social and taxation matters etc. before the government, State agencies, trade unions, political parties and international institutions. It analyzes laws and government proposals, and makes proposals on behalf of its members. The level of alignment with the Paris Agreement was deemed "high".	Endesa is a member of the commission for industry, international relations, health and consumer affairs, and the finance economy.	Participation in various commissions where topical issues at the European and Spanish level are analyzed, and in several work groups.
Kyoto Club	Kyoto Club is a non-profit organization, which members are business companies, associations and local municipalities and governments engaged in reaching the greenhouse gas reduction targets set by the Kyoto Protocol, by the EU ones for 2030 and by the December 2015 Paris Agreement.	Development of documents, position papers, workshops, training courses, campaigns and projects aimed at professionals, operators in the sector, public administrators and students concerning the latest issues in the energy-environment sector, from renewables to e-mobility and the circular economy. The level of alignment with the Paris Agreement was deemed "high".	Enel is a member of the Kyoto Club and participates in round tables on renewable development, energy efficiency, environmental education and resilience to climate change.	Joint working tables on renewables development, specific advocacy activities and policy proposals on the energy transition.

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel's main roles within the association	Main actions taken by Enel within the association in 2022
Elettricità Futura	Elettricità Futura is the main association of Italian electric utilities. It defends their interests and creates value by supporting the sector in the energy transition process.	Elettricità Futura represents associates and their issues on institutional tables in Italy and Europe. It promotes networking among companies through meetings and initiatives on specific topics, including working groups and technical tables on energy and energy transition issues. The level of alignment with the Paris Agreement was deemed "medium/high".	Enel is a shareholder in Elettricità Futura and actively participates in working groups and technical tables.	Positioning on the European Commission's "Fit for 55" package; positioning on support measures for renewable energy communities; discussion tables on sustainable hydrogen.
European Heat Pump Association (EHPA)	The European Heat Pump Association (EHPA) is the voice of the European heat pump industry in Brussels. The association works to define a European policy to enable the heat pump industry to thrive and become the first choice for heating and cooling by 2030.	The EHPA supports, communicates and provides expert political, technical and economic input to European, national and local authorities and its members. It organizes high-level events, and manages and participates in several EU projects. All its activities are aimed at accelerating the development of the market for heat pumps for heating, cooling and hot water production. The level of alignment with the Paris Agreement was deemed "medium/high".	Enel is a member of various committees and task forces, and participates in a number of working groups.	Enel joined EHPA in 2022, sharing with the association the objectives of electrification and achieving the "Fit for 55" targets at European level.
Bettercoal	Bettercoal is the internationally recognized standard that works toward a responsible global coal supply chain. Bettercoal assesses coal producers according to the three ESG – Environment, Social and Governance – pillars, according to the criteria set out in its code of conduct, and develops plans for each company it assesses to improve their business practices. Founded by a group of major coal buyers, Bettercoal aims at constant improvements in sustainability practices in coal mining.	During 2022, as members of Bettercoal within the working group dedicated to Colombia, we participated in the delegation that traveled to Colombia, for the first time since 2018, with the aim of further improving the understanding of the critical issues surrounding coal mining in the country. We can therefore promote better relations with all stakeholders involved in this complex environment, from businesses to government and from international NGOs to local communities. During the visit, several meetings were organized with about 64 stakeholders, including business associations, communities and local governments. In addition, in 2022, following the change in international scenarios, a new working group was established, dedicated specifically to South Africa. The level of alignment with the Paris Agreement was deemed "high".	Enel is a member of various working groups and is represented on the association's Board.	Enel has promoted specific sustainability issues with regard to coal producers.

Industry association	Description	Main actions undertaken by the association in 2022 and level of alignment with the Paris Agreement	Enel's main roles within the association	Main actions taken by Enel within the association in 2022
European Business Council – Energy Committee	<p>The European Business Council (EBC) currently represents around 2,500 European companies and individuals, which become its members of it through their respective national chambers of commerce or business organizations. Many of these companies participate directly in one or more of the EBC's many sectoral committees, whose work covers a wide variety of economic sectors. The EBC consists of 22 sectoral committees, whose work aims to improve the local business environment in a wide range of economic sectors.</p>	<p>EBC's core mission is to foster a barrier-free business and investment environment that makes doing business in Japan less difficult and costly. The level of alignment with the Paris Agreement was deemed "high".</p>	<p>Enel is a member of several committees and working groups.</p>	<p>Enel has participated in the drafting of a white paper on Demand Response.</p>
Red Argentina de Pacto Global	<p>The largest corporate social responsibility initiative in the country, with over 900 participants and a presence in 20 provinces. Its goal is to mobilize the business sector and other stakeholders to commit to the 10 universal principles of the United Nations and, consequently, to undertake the purpose of contributing to the solution of the greatest challenges facing the planet and humanity between now and 2030: the Sustainable Development Goals approved by the United Nations General Assembly in September 2015.</p>	<p>The association treats global goals as local issues, as the cooperation of all stakeholders, both public and private, in every corner of the planet and structured at global and local levels, will be necessary to make substantial progress on the common and shared 2030 Agenda. The local Network, launched in 2004, currently has a Board of Directors consisting of 34 members, whose mandate is renewed every two years at a Shareholders' Meeting. The level of alignment with the Paris Agreement was deemed "high".</p>	<p>Enel is a member of various working groups and actively participates in a number of workshops.</p>	<p>Enel has actively participated in the debate and workshops on climate and energy issues as organized by the association.</p>

For the full list of the main associations and the related assessment, follow this link to the Enel website: <https://www.enel.com/content/dam/enel-com/documenti/investitori/>

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