



Environmental policy

G4-DMA EN

Strategic factors in the planning, implementation and development of Enel's operations include protecting the environment and natural resources, tackling climate change, and contributing towards sustainable economic development. These are also key factors in consolidating the Company's position as leader in the energy market. Enel has had a Group environmental policy in place since 1996, based on **four fundamental principles**:

1. protecting the environment by preventing impacts and exploiting opportunities;
2. improving and promoting the environmental sustainability of products and services;
3. creating shared value for the Company and stakeholders;
4. meeting legal compliance obligations and voluntary commitments, advancing ambitious environmental management practices

and pursuing **ten strategic goals**:

1

To apply internationally recognized Environmental Management Systems to the whole organization, underpinned by the principle of ongoing improvement and adoption of environmental indices to measure the environmental performance of the whole organization.

- a. Ensuring annual compliance with ISO certifications 14001 extension to the entire scope of the Group's activities
- b. Streamlining and harmonizing certifications in the various organizational areas, seeking out partnerships and sharing best practices in environmental management

2

To reduce environmental impacts by using the best available technologies and best practices in the construction, implementation and decommissioning stages of plants, with a view to life cycle analysis and circular economy.

- a. Assessing the environmental impact caused by the construction of plants or by major restructuring operations
- b. Examining and applying Best Available Technologies (BAT)
- c. Protecting and monitoring surface and groundwater quality in the areas surrounding the plants
- d. Ensuring the internal development and application of international best practices

3

To build infrastructure and buildings that protect the local area and biodiversity.

- a. Assessing the risks and opportunities of biodiversity
- b. Developing and implementing infrastructures based on the Mitigation Hierarchy, the No Net Loss and the Zero Net Deforestation principles
- c. Developing and updating a Biodiversity Action Plan with projects that take into account the specific aspects of local environments (conservation of the habitats of protected species, reintroduction of particular species and replanting of indigenous flora in cooperation with research centers and nature observatories)
- d. Implementing biomonitoring activities (terrestrial, marine, river)
- e. Protecting areas of high biodiversity value and, among these, forests and protected areas
- f. Mitigating the visual and landscape impacts of power and distribution facilities and protecting archaeological assets during construction activities
- g. Undertaking research into innovative solutions to promote the development of urban biodiversity in the provision of infrastructures and services

4

To play a leadership role in renewables, in the decarbonization of power generation, in the electrification of end-use and in the efficient use of energy, water and raw materials.

- a. Progressively expanding the renewable generation facilities and pursuing the goal of decarbonization
- b. Improving the efficiency of power plants
- c. Reducing network losses tied to electricity distribution
- d. Efficiently managing water resources for industrial uses, with a particular focus on water stress areas
- e. Promoting services and products for electrification and end-use energy efficiency

5

To ensure optimal waste and drain water management and promote circular economy initiatives.

- a. Reducing waste production
- b. Reducing the pollutant load of wastewater
- c. Increasing the recovery and recycling rate of waste and drain water produced
- d. Exploiting by-products for use as raw materials in external production processes
- e. Applying the principles of the circular economy and seizing opportunities for reuse in second life equipment and products
- f. Carefully selecting disposal service providers and using IT systems for waste traceability

6

To develop innovative technologies for the environment.

- a. Implementing systems to boost plant efficiency and lower emissions
- b. Promoting and developing smart grids and digital asset management solutions to improve their environmental performance
- c. Developing innovative solutions to support renewable production (photovoltaic, geothermal, wind, green hydrogen), integrated with energy storage systems
- d. Promoting and developing electric mobility
- e. Developing innovative solutions for energy efficiency and smart cities
- f. Devising innovative services for the modulation of energy consumption that enable greater flexibility and stability of the electricity grid and more efficient use of resources
- g. Digitalizing processes and cloud computing

7

To communicate with citizens, institutions and other stakeholders about the Company's environmental performance.

- a. Publishing the Sustainability Report and providing open data access to the Group's key environmental parameters
- b. Communicating with financial analysts and taking part in various sustainability indices
- c. Consulting and engaging local stakeholders
- d. Disseminating environmental initiatives online

8

To provide employee training and raise awareness on environmental issues.

- a. Providing training on environmental issues
- b. Engaging employees in campaigns to support the environment

9

To promote sustainable environmental practices with suppliers, contractors and customers.

- a. Applying supplier assessment criteria based on environmental performance
- b. Holding meetings for information and training on relevant environmental aspects at the start of the works
- c. Assessing suppliers based on their environmental performance in activities carried out on Enel's behalf

10

To meet and exceed legal compliance obligations.

- a. Ensuring that operations are carried out in accordance with the legal requirements of the various countries and with the voluntary commitments made
- b. Correcting any non-compliance with obligations and voluntary commitments
- c. Assessing further voluntary environmental actions and practices, including where not legally required

Chief Executive Officer
Francesco Starace



Enel ensures constant supervision and monitoring of environmentally relevant activities through a granular and harmonized organization at the level of central coordinating structures and at Country level. Specifically:

- at **Group (Holding)** level there is a central HSEQ (Health, Safety, Environment and Quality) Function with responsibility for guidance, coordination and definition of environmental policy and all other specific guidance policies. Within the HSEQ Function, the SHE.Factory has been created, which is a unit dedicated to specialized training on Safety, Health and Environment issues;
- at **Business Line** level, the HSEQ Functions present in the global structure of each Business Line with a role of coordination in the management of the respective environmental issues, ensuring the necessary specialist support in keeping with the Holding's guidelines;
- at **Country** level, there are staff units with a local coordination function and managers and contact persons identified in the individual operating units who manage the specific aspects of the various industrial sites.

Roles and responsibilities on Health, Safety, Environment and Quality issues are defined and reported in the corporate organization charts; operating procedures and in compliance with Country legislation reflect the Company's commitment to these issues. This organization also ensures that the Integrated Health, Safety and Environment Management System complies with the requirements of the international standards ISO 14001:2015 and ISO 45001:2018.

Application of **ISO 14001 certified Environmental Management Systems (EMS)** is one of the strategic tools defined by the Group's environmental policy; at the end of 2022, almost all (over **99%**) of operations were certified, while for new plants and new installations, the preparatory activities for certification are progressively planned. Given the complexity and variety of activities carried out in the Group, an ISO 14001:2015 certified modular approach has been adopted, with the definition of a management system at Holding level, which provides guidance and coordination to the Business Lines on environmental issues. Each Business Line has launched its own EMS focused on its own specific activities. Furthermore, the main thermal and geothermal production sites in Europe now also have EMAS (Eco-Management and Audit Scheme) registration. In support of activities for monitoring environmental performance and the definition of improved plans for the operating units of the Business Lines, the Group environmental reporting system Enel Data on Environment (EDEN) is used. During 2022, further improvements were made to version 2.0 of the EDEN tool, in order to make the data validation system and the calculation and reporting of environmental KPIs even more robust. Enel also has the global digital dashboards She.metrics and She.start for monitoring environmental accidents and improvement actions, which are defined during assessments or Extra Checking on Site (see the paragraph "[Operational analysis and monitoring tools](#)").