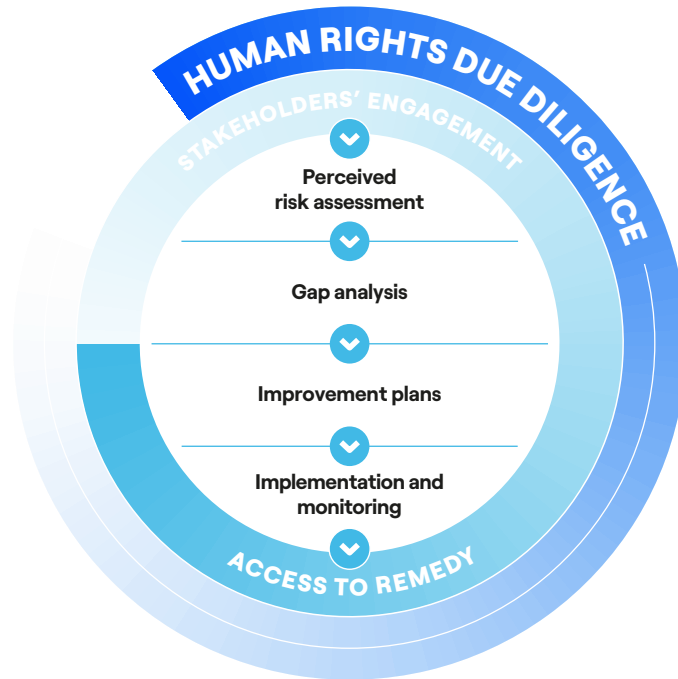


# Our process of due diligence

2-23

As required by the United Nations Guiding Principles on Business and human rights and by the OECD Due Diligence Guidance for Responsible Business Conduct, we have set up a process, which we have also codified in a global internal procedure, covering the entire value chain across our geographic footprint aimed at identifying if any of our operating procedures and processes require an improvement

plan to strengthen the management system that ensures we comply with the commitments undertaken in our Human Rights Policy. Our process runs on a three-year cycle format, and involves both internal stakeholders by country of operation and function and external ones through human rights experts and key stakeholders. We have just completed the 2020-2022 cycle.



## Perceived risk assessment (identification of salient issues)

Identification of salient human rights issues allows us to better understand where to focus our efforts and resources for the potential impacts that require the greatest urgency, taking into account the relevant stakeholders' perspective.

The 2020 assessment run in our countries of operation with regard to labor, local communities, and environment-related rights involved stakeholders and experts in several fields, including civil society, and academic institutions. Specifically, consultations were held with direct and indirect workers, representatives of indigenous populations and local communities, trade unions, local institu-

tions and peer companies.

Outcomes of the assessment were then plotted into a human rights risk heat map based on the severity and the likelihood of a potential violation.<sup>(1)</sup>

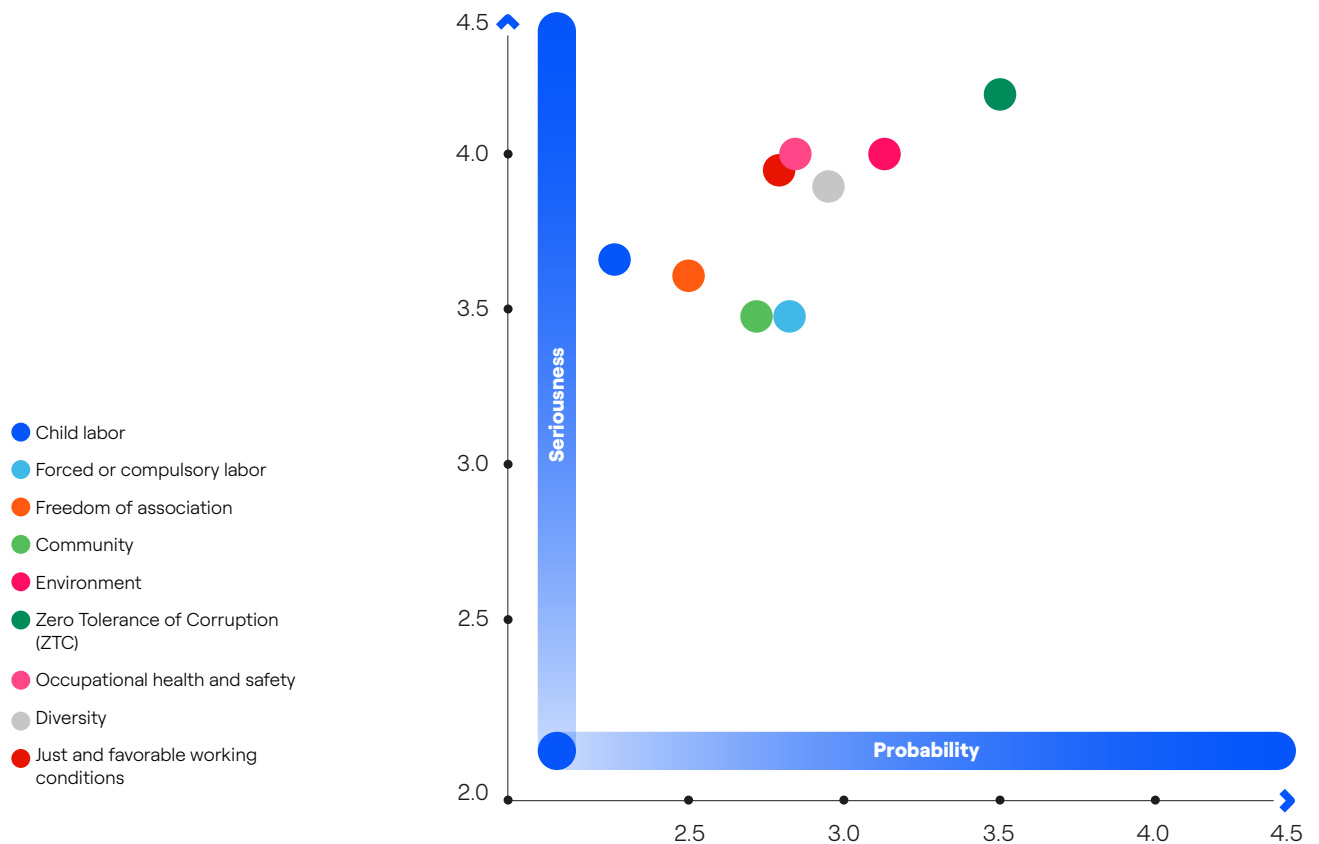
Hereafter, a summary of the most significant results:

- risks connected to bribery practices and to impact on the environment ranked as "high-priority";
- risks connected to labor practices violations (freedom of association and collective bargaining, rejection of forced and child labor, just and favorable working conditions, occupational health and safety, diversity and inclusion) and to potential impacts on local communities

(1) Risks are classified based on the assessment scale: acceptable risk (minimum level), risk to control, high-priority risk, high risk (maximum level).

ranked as “to be monitored”. Protection of local communities’ rights ranked higher in Latin American countries, confirming the results of the previous cycle, given the

widespread presence of such groups in that geographical region.



In addition, we periodically engage with our stakeholders and sustainability experts through the materiality analysis, a process that allows to identify material topics, i.e., the most significant impacts of the company on economy,

environment, and people, including human rights impacts. For further details, please refer to [“Materiality analysis process and results for 2022”](#).

## Management of salient issues

Besides the identification of salient issues, our management system includes:

1. a **gap analysis** aimed at assessing our operating and risk monitoring processes and identifying any potential shortfall;
2. development of **improvement plan** actions to meet the gaps identified at the previous step;
3. **implementation of actions** and **monitoring** of progress.

Thanks to this process we assess 100% of the policies and operating procedures put in place to identify the risks of our direct and indirect operations along our entire value chain and of our new business relations (e.g., acquisitions, mergers, joint ventures, etc.).

Hereafter, the main outcomes of the 2020–2022 cycle.

## Gap analysis

Practices and policies adopted to respect human rights across our geographic footprint were then assessed based on the human rights potential risks heatmap (please refer to “Assessment of perceived risk – identification of salient issues”) across relevant internal functions and processes to identify any existing gap.

The assessment was based on the four parameters of the UNGPs operating principles:

- public commitment to respect human rights;
- adoption of human rights due diligence process;
- preparation of a plan of action to remedy any gaps identified by the due diligence process;
- adaptation to match local context and regulations.

This entailed interviewing the Top Management of the Group with the broad aim to get their strategic perspectives on business and human rights and assess awareness and perception of related risks and impacts and how they are managed.

Results highlighted that the **management system to potentially mitigate impacts is robust and should enable to adequately manage any identified risks**, which considering the United Nations Guiding Principles framework ranking definitions means **management of salient issues is adequate**.

Below, a summary of key evidence:

Human Rights Principles	SDG	Main policies and procedures to protect human rights	Average perceived risk	System to protect human rights
<b>Labor practices</b>				
Freedom of association and collective bargaining	8	Enel is committed to respecting the freedom and collective bargaining rights of its workers. In particular, Enel recognizes their right to set up or join organizations formed to defend and promote their interests; it recognizes their right to representation by union organizations or other forms of representation, opposing any action of discrimination in the exercise of this right; it recognizes their right to engage in collective bargaining as the preferred instrument to establish the contractual conditions and to regulate relations between company management and trade unions.	To control	Robust
Rejection of forced labor	8	The contracts considered overall regulate labor conditions, clearly defining workers' rights (working hours, remuneration, overtime, indemnity, benefits). Each worker is guaranteed a translated employment contract in his/her native language. Human resources management systems and procedures guarantee the absence of minors in the workforce. Also apprenticeship projects and school-work experience models are carried out.	To control	Robust
Just and favorable working conditions	8		To control	Robust
Rejection of child labor	8		To control	Robust
Diversity and inclusion	5 10	For details, please refer to "Empowering Enel people"	To control	Robust
Health and safety	3	For details, please refer to "Occupational health and safety"	To control	Robust
<b>Community and society</b>				
Community relations	1 3 4 5 7 9 10	For details, please refer to "Engaging communities"	To control	Robust
Environmental impacts	13	For details, please refer to "Conservation of natural capital"	High priority	Robust
Corruption	16	For details, please refer to "Values and pillars of corporate ethics"	High priority	Robust

Average perceived risk: average perceived risk levels identified in the countries under analysis.

Reference scale of risks: 1. High risk; 2. High-priority risk; 3. Risk to control; 4. Acceptable risk.

The results are expressed in percentage and represent the current maturity of the management systems with respect to the specific Human Rights areas.

Reference scale of performance values: Robust (75%-100%); Good (50%-74%); Sufficient (25%-49%); To be improved (0%-24%).

## Improvement plans

The residual risk identified at the previous step led to the definition of the necessary remedies which were then included in the improvement plan both at country and at global level, therefore ensuring uniformity of processes and policies across the Group's activities.

Hereby a few examples of the actions defined.

- Italy: inclusion of the link to our Human Rights Policy in the local business development procedures of Enel Grids;
- Argentina and Russia<sup>(2)</sup>: implementation of training and internal communication activities aimed at raising awareness on the importance of respecting the commitments included in the Human Rights Policy;

- Brazil: definition of an operating instruction to assess management of human rights of partners and sub-tier suppliers;
- Chile: i) implementation of a communication and awareness-raising campaign on the Human Rights Policy aimed at all relevant stakeholders; ii) making the policy available to all relevant stakeholders, with particular focus on those with no access to digital media (i.e., indigenous populations).

As for labor practices, the assessment revealed they are perceived as "low risk" given also the compliance of the related control measures and processes with our internal policies and with the main international standards. However, we identified several minor areas of improvement that are summarized in the table below.

Human Rights Principles	Business Lines	Countries	Areas of improvement
Freedom of association and collective bargaining	Sustainability/People and Organization	Greece, Australia, India, Brazil	Development of training programs on human rights aspects, with a special focus on the relationship with social partners and definition of working conditions during bargaining procedures
Rejection of forced labor	People and Organization/ Sustainability/ Communications	Romania, Brazil	Integration of control procedures and definition of further remedies in the case of intimidation and threats
Rejection of child labor	Global Procurement/Legal and Corporate Affairs	Russia <sup>(2)</sup> , Chile, Brazil	Intensification of training and monitoring of the supply chain
Diversity <sup>(3)</sup>	Sustainability, People and Organization	Mexico, Romania, Brazil	Each action plan includes activities on the topic of disability based on the main findings resulting from the <b>Value for Disability</b> project

## Implementation and monitoring

**The consolidated improvement plan for the 2020-2022 cycle includes 170 actions, covering 100% of operations and sites. At the end of 2022, we have achieved over 80% of the plan.**

Full effectiveness of the actions implemented will be assessed through the gap analysis that we will be run in 2023 when the new cycle will begin. Worth noting is that the next cycle will be based on the refreshed Human Rights Policy content.

As a further tool to measure the effectiveness of our human rights management system and governance structure across operations, in 2022 we carried out an asset-level

due diligence activity on five pilot countries: Brazil, Chile, Colombia, Italy, Iberia.

Indeed, as instructed by the OECD Guidelines for multinational enterprises, in addition to standard assessments an enterprise may already employ, additional internal assessments may support a deeper understanding of the potential risks or actual adverse impacts with respect to an enterprise's own activities.

The outcome of the analysis confirmed the main results obtained by the overall due diligence process on the management system just described above in terms of robustness of labor practices issues and engagement with local communities. They also confirmed the key role awareness raising campaigns play.

(2) On October 12, 2022, the Group has closed the sale of its entire stake in PJSC Enel Russia.

(3) Diversity issues also include the assessment of aspects relating to equitable remuneration and non-discrimination.

## Relationships with stakeholders: human rights in practice

| 2-29 |

### The workplace

We are committed to respecting and promoting internationally recognized workers' rights in all the countries where we operate. This means rejecting harmful practices like modern slavery, forced labor, and human trafficking, to name a few, and promoting diversity, inclusion, and equal treatment and opportunity, and guaranteeing that people are treated fairly and valued for their uniqueness throughout the entire value chain of the businesses in which we operate.

All of this has also been codified into the Charter of the Person, a memorandum of understanding adopted in Italy in 2022 and agreed with some trade union organizations. The Charter of the Person originates in a cultural context of transformation in which individuals are becoming aware of the importance of human relationships as a true engine of full realization. In the work carried out with the trade unions we look for the first time at the worker, who is not only and merely passive subject of protection and recognition but an individual who, in a new awareness, pursues a renewed balance between all its needs and inclinations.

### Training and people empowerment | Upskilling and reskilling

(Human Rights Policy, "Employment practices", principle 2.1.5 "Just and favourable working conditions")

We believe in the importance of professional orientation and training for the development of our people and their skills, even the more so in situations impacted by the energy transition that prompt requalification and enhancement of potential by way of reskilling and upskilling programs to foster a just transition.

Facing the undergoing rapid evolutions means setting up an inclusive working environment, aimed at enhancing the human being by placing him at the center of an ecosystem in which lifelong learning, well-being, productivity and safety can reinforce each other, contributing to the fullest realization of the person, in a perspective of ever greater centrality.

For further detail, please refer to "[Our commitment to a just transition: leaving no one behind](#)".

### Inclusion

(Human Rights Policy, "Employment practices", principle 2.1.2 "Respect for diversity and non-discrimination")

We promote principles of diversity, inclusion, and equal treatment and opportunity, and we are committed to guaranteeing the right to working conditions that are respectful of personal dignity, as well as creating a working environment where people are treated fairly and valued for their uniqueness. We are committed to protecting the physical and psychological integrity and individuality of each person, and we oppose all forms of behavior that result in discrimination in relation to gender, age, disability, nationality, sexual orientation, ethnicity, religion, political opinions, and all other forms of individual diversity, or that is detrimental to the person and their convictions or preferences. Accordingly, we promote people's freedom of expression. We do not tolerate physical, verbal, visual, sexual, or psychological harassment such that results in a working environment that is denigrating, hostile, humiliating, intimidating, offensive, or unsafe.

For further detail, please refer to "[Empowering Enel people](#)" and the "[Value for Disability](#)" box in this chapter.

### Health & Safety and well-being

(Human Rights Policy, "Employment practices", principle 2.1.4 "Health, safety and well-being")

We consider health, safety, and psychological, relational, and physical well-being of individuals as the most precious asset to be protected in any moment, at work, as well as at home and during leisure time. We commit to disseminating a robust health, safety, and well-being culture across our organization, to ensure that workplaces are free from health and safety hazards and to promoting behaviors oriented towards work-life integration. We actively commit to foster personal and organizational well-being that are enablers of the engagement and innovative potential of people. We do, so, for example, by providing benefits and services that support the integration of private and working life (for example, support, including financial one, for childcare and maternity or for the care of the elderly).

For further detail, please refer to "[Empowering Enel people](#)" and "[Occupational health and safety](#)".

## Industrial relations

(Human Rights Policy, “Employment practices”, principle 2.1.3 “Freedom of association and collective bargaining”)

We protect the right of the people working with us to form or take part in organizations aimed at defending and promoting their interests. Likewise, we respect their right to be represented, within the various working units, by unions or other forms of representation elected in accordance with the legislations and practices in force in the varying countries where they work. Collective bargaining is for us the favored instrument for setting contractual conditions of the people working with us as well as regulating relations between management and unions.

The Group industrial relations activities continue to be carried out according to the model provided for in the Global Framework Agreement (GFA) signed in Rome in 2013 with the Italian industry federations and the global federations IndustriALL and Public Services International, and which is still recognized as a reference best practice for European and non-European multinationals. The agreement is inspired by the best and most advanced systems of transnational industrial relations of multinational groups and institutions of international reference.

For further detail, please refer to “[Empowering Enel people](#)”.

## Procurement activities and relationships with business partners

(Human Rights Policy)

Besides guaranteeing the necessary quality standards, our partners are requested to adopt best practices in terms of human rights and working conditions, occupational health and safety, environmental responsibility, and respect for data protection by design and by default.

They are also an integral part in our development and awareness programs: each person must feel that they are responsible for their own health and safety as well as for the others.

In terms of specific actions, we secure that our procurement processes are based on criteria that promote sustainable development and social stability, as well as on the principles of free competition, equal treatment, non-discrimination, transparency and rotation that go on top of complying with local legislation. 100% of the purchasing product categories are preliminarily evaluated in terms of risk, on the basis of human rights, environmental, social and economic criteria.

In addition, we support our partners to increase their resilience also in line with the promotion of practices based on a just and inclusive transition.

For further detail, please refer to “[Sustainable supply chain](#)” and “[Occupational health and safety](#)”.

## Communities

(Human Rights Policy, “Communities and Society”, principles 2.1.2, 2.2.3 and 2.2.4 “Respecting the rights of communities”, “Respecting the rights of local communities”, “Respecting the rights of indigenous and tribal peoples”)

Our commitment testifies how much we are aware that our activities can have a direct or indirect influence on the communities where we operate and why we believe that responsible community relations constitute a pillar of our strategy. Indeed, individual conditions, economic and social development, and general well-being of collectivity are strictly connected: we therefore commit to conducting our capital expenditure in a sustainable manner and to promoting cultural, social and economic initiatives for the local and national communities involved to advance social inclusion through education, training and access to energy.

We take due regard for the cultural, social, and economic diversities from one country to another and require that each stakeholder deals with us in accordance with them, with a particular attention to conflict affected and high-risk contexts and vulnerable groups like local, indigenous and tribal ones and have committed to respect the International Labor Organization (ILO) Convention no. 169 on the rights of indigenous peoples.

In developing our projects, we commit to engage all the relevant stakeholders, including indigenous and tribal communities as we believe active community engagement throughout the process is essential.

For further detail, please refer to “[Engaging communities](#)”.

## Customers

(Human Rights Policy, “Employment practices”, principle 2.1.2 “Respect for diversity and non-discrimination”, “Communities and Society”, principles 2.1.2, 2.2.6 and 2.2.7 “Respecting the rights of communities”, “Privacy”, “Communication”)

We are committed to a just energy transition for everyone also through the offer of innovative and inclusive services for our customers, regardless of their age, for weak, destitute, marginalized, vulnerable people, paying particular attention to people with disabilities.

We undertake to always respond to suggestions and complaints made by customers and consumer associations, making use of appropriate and timely communication systems (e.g., call center services and email addresses), and to consider the needs of all our customers, paying once more particular attention to people with disabilities.

We have also committed to ensuring that our products and services are designed to be accessible for all and do not

compromise the safety and physical integrity of our customers, as far as reasonably foreseeable.

Institutional and commercial communications shall be non-discriminatory and respectful of different cultures, while also not adversely affecting the most vulnerable audiences, such as children and the elderly. This means, amongst other, that contracts and communications addressed to our customers should be clear and simple, drawn up using a language as close as possible to the one normally used by the people for which the message is intended to, be exhaustive, available on our website and accessible in order to be inclusive of vulnerable categories. For further detail, please refer to "[Clean electrification](#)".

## Cross-cutting issues

### Privacy

We respect the confidentiality and right to privacy of our stakeholders and we are committed to the correct use of the information and data relating to the people working in our organization, to our customers and to any other stakeholder. Data protection and processing are an important challenge for us in the era of digitalization and market globalization. We process personal data in compliance with the fundamental rights of data subjects and we abide by the rights and principles recognized in law, notably respect for private and family life, home location details and communications, personal data protection, freedom of thought, conscience and religion, freedom of expression and information.

We also undertake to monitor all third-party companies that may be in a position to use customers personal data. To this end, there are dedicated clauses in contracts with partners that use personal data to carry out specific activities, such as sales services or customer satisfaction surveys.

### Innovation

Innovation and sustainability are inseparable parts of our strategy, together with the spirit of service and care for the well-being of people and the society in which we operate. That is why, in line with the Open Power vision, we also promote an open innovation approach to face the challenges of the energy transition. The open innovation model enables the connection of all the areas of the company with startups, industrial partners, small and medium-sized enterprises ("SMEs"), research centers, universities and entrepreneurs, also through the use of crowdsourcing platforms.

The aim is to foster the adoption of solutions that can enhance our sustainable profile, such as favoring circular economy approaches, which help reducing pressure on the use of resources and on supply chains, ensuring inclusivity, and trying to deal with social issues.

For further detail, please refer to "[Innovation](#)".

## Specific salient issues

### Forced labor in the supply chain: the solar sector experience

Since 2013, our commitment against forced or compulsory labor and any form of slavery and human trafficking has been formally set out in principle 2.1.1 Rejection of forced and compulsory labor and of child labor in [our Human Rights Policy](#).

We are committed to contributing to reaching ambitious climate targets, which implies the need to electrify end uses as much as possible while supporting such electrification with a massive deployment of renewable energy production.

Photovoltaics (PV) represents a key technology to enable the energy transition in the European Union (EU) and worldwide, and we believe the EU needs to have strategic PV production inside its borders and to build the related supply chain.

Aware of the challenge ahead of us and of expectations around business contribution to human development also through the UN's 2030 Agenda for Sustainable Development, which go beyond specific legislation, our supplier qualification and contract-awarding processes include rigorous technical, financial, legal, environmental, health and safety, human rights and ethical integrity requirements, applied consistently in all markets.

Moreover, we are pushing for the suppliers to adopt a traceability system to collect information on the supply chain, as well as seeking to visit the companies involved along the supply chain.

Finally, we carry out a number of initiatives to improve transparency across the supply chain both individually and working jointly with other utilities, our suppliers and sector associations (i.e., Global Alliance for Sustainable Energy and Solar Power Europe, to name a few). For further detail, please refer to "[Our commitment to a just transition: leaving no one behind](#)".

On top of this, we are working to get to the roots of the issue. Indeed, we are convinced that if we leverage on the momentum for renewables, thanks to the existing R&D and industrial know-how still present in the EU and with support from the EU itself, a new roadmap can be created toward a European industry for solar panels.

That is why we welcomed the public consultation<sup>(4)</sup> launched in January 2022 by the European Commission on the EU solar energy strategy that gathered input on the main bottlenecks and barriers to investment under existing rules in the 'Stakeholder consultation – Synopsis report' published in May. The results of the consultation confirmed that a number of respondents supported the EU manufacturing of solar panels as a way of ensuring that PV products installed in the EU apply high environmental standards, are

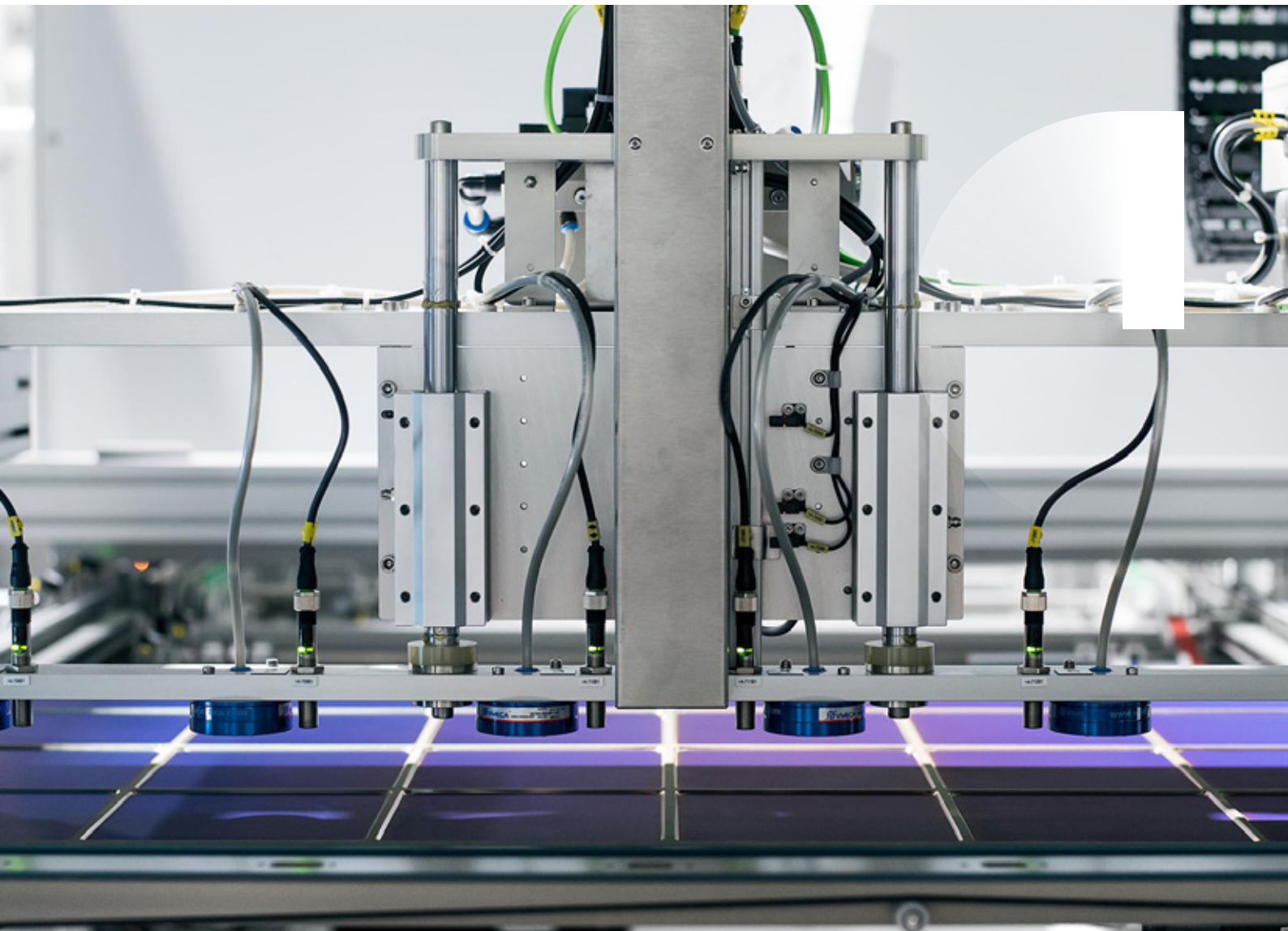
(4) See: <https://ec.europa.eu/info/news/public-consultation-feed-new-eu-strategy-solar-energy-2022-jan-18>.

not produced by forced labor and reinforcing supply chain resilience.<sup>(5)</sup>

In addition, the EU Industrial Strategy published by the European Commission in Spring 2021 identifies solar as one of the key industrial ecosystems. The European supply chain will thus need to be strengthened in order to facil-

itate access to rapidly growing markets within the continent and globally.

For detail on how we are acting to diversify the geographic footprint of the solar supply chain, please refer to "[Clean electrification](#)" and "[Our commitment to a just transition: leaving no one behind](#)".



(5) See: [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13338-EU-solar-energy-strategy\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13338-EU-solar-energy-strategy_en).