

Corporate governance model

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Enel's corporate governance system complies with the principles contained in the Italian Corporate Governance Code published on January 31, 2020⁽¹⁾ (the "Corporate Governance code"), to which the Company adheres, was also inspired by the international best practices. The corporate governance system adopted by Enel is oriented toward the goal of sustainable success, given that it is aimed at creating value for shareholders over the long term, aware of the importance from an environmental and social point of view of the Enel Group's operating activities and the con-

sequent need to proceed with adequate consideration of all the interests of the relevant stakeholders.

For a detailed illustration of Enel's corporate governance, we invite you to refer to the Report on Corporate Governance and Ownership Structure for 2022, which is available on the Company's website (www.enel.com); we further refer you to the specific sections of this Sustainability Report for an illustration of the governance of sustainability and the management of climate change.

Board of Directors

CHAIRMAN

Michele Crisostomo

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

Francesco Starace

SECRETARY

Silvia Alessandra Fappani

DIRECTORS

Cesare Calari

Costanza Esclapon de Villeneuve

Samuel Leupold

Alberto Marchi

Mariana Mazzucato

Mirella Pellegrini

Anna Chiara Svelto

Board of Statutory Auditors

CHAIRMAN

Barbara Tadolini

AUDITORS

Luigi Borré

Maura Campra

ALTERNATE AUDITORS

Carolyn A. Dittmeier

Tiziano Onesti

Piera Vitali

Audit Firm

KPMG SpA

(1) It is available on the Borsa Italiana website (at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>).

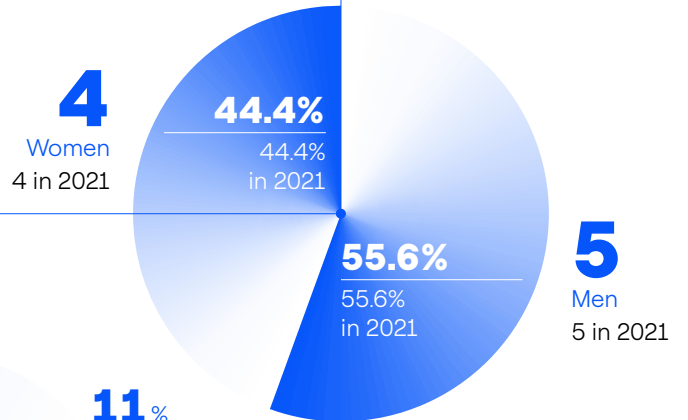
2022

COMPOSITION OF THE BOARD OF DIRECTORS

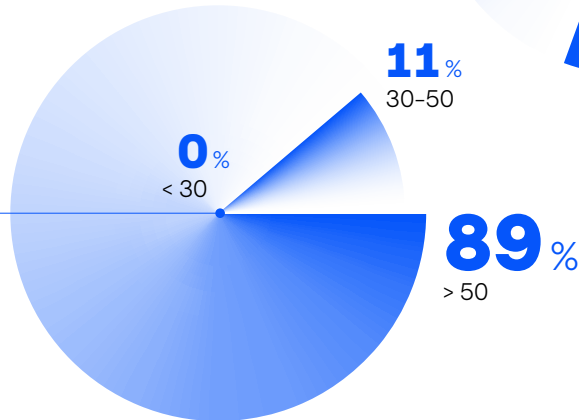
1 executive director
1 in 2021

8 non-executive directors
8 in 2021
of which 8 independent⁽¹⁾
8 in 2021

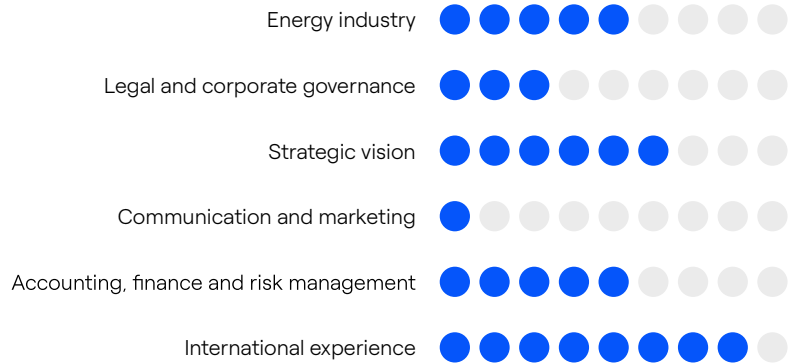
GENDER



AGE



EXPERTISE



(1) The figures for 2022 and 2021 refer to directors qualifying as independent pursuant to the Consolidated Law on Financial Intermediation and the Italian Corporate Governance Code (2020 edition).

Board of Directors

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The Board of Directors in office was **appointed by the Ordinary Shareholders' Meeting of May 14, 2020** and consists of nine members.

Enel applies diversity criteria, also in relation to gender, in the composition of the Board of Directors, in line with the priority goal of ensuring adequate competence and professionalism of its members. Specifically, in January 2018 the Board of Directors, acting on a proposal of the Corporate Governance and Sustainability Committee and the Nomination and Compensation Committee, and in implementation of what is required by the Single Financial Act, approved a diversity policy that describes the optimal characteristics of the Board's composition to ensure it can fulfil its duties as effectively as possible, making decisions that can tangibly benefit from the contribution of a plurality of different qualified members able to examine the issues under discussion from diverse perspectives.

The Board of Directors held **16 meetings in 2022, of which 12 addressed climate-related matters, reflected in the strategies and related implementation methods**. In order to provide Directors with an adequate overview of the business sectors in which the Group operates (including sustainability issues), a broad and comprehensive induction program was organized commencing in the second half of 2020, followed by specific examination of the topics of corporate governance and climate change during 2021. During 2022, the induction program continued with further examination of the topics of cyber security and risk governance.

The maximum number of offices that the members of the Board of Directors can hold on the Board of Directors or governing bodies of other companies of a relevant size is regulated by a specific corporate policy, which was last updated in 2020 in order to adapt the contents to the relevant best practices prepared by the main proxy advisors and relevant institutional investors.

In order to regulate the way in which the Company engages with institutional investors and with all shareholders and bond holders, in March 2021 the Board of Directors adopt-

ed a specific Policy (i.e. "Engagement Policy"), acting on a proposal of the Chairman formulated in agreement with the Chief Executive Officer, which clarified to a large extent the practices already followed by Enel and whose use takes into account the applicable best practices adopted by the institutional investors and reflected in the "stewardship" codes.

In relation to the topic of succession plans for executive directors, in September 2016 the Board of Directors, acting on a proposal of the Nomination and Compensation Committee made in agreement with the Corporate Governance and Sustainability Committee, shared the contents of a specific "**contingency plan**" aimed at regulating the steps to be taken to assure proper management of the Company in case the Chief Executive Officer ceases to hold office before the end of their ordinary term (defined as "crisis management" cases).

Finally, at the end of 2022 and during the first months of 2023, with the assistance of an independent consultant, the Board of Directors carried out an assessment of the size, composition, and functioning of the Board itself and its committees (i.e. "**board review**"), in line with the most advanced corporate governance practices followed internationally and assimilated in the Corporate Governance Code. The board review was conducted also in accordance with the peer-to-peer review method, i.e. through assessment not merely of the operation of the body considered globally, but also of the style and contents of the contribution provided by each of its members, and was extended to the Board of Statutory Auditors. Within the scope of the board review, specific attention was dedicated to verify the Directors' perception regarding (i) the effectiveness of the induction activities, as well as (ii) the involvement of the Board of Directors in sustainability issues and the integration of sustainability topics in corporate strategy, including those related to climate change. The results of the board review are provided in Enel's Report on Corporate Governance and Ownership Structure.

Remuneration policy

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Enel's Remuneration Policy for 2022, which was adopted by the Board of Directors acting on a proposal of the Nomination and Compensation Committee and approved by the Shareholders' Meeting of May 19, 2022, was defined in consideration of (i) the recommendations contained in the Italian Corporate Governance Code, pub-

lished on January 31, 2020; (ii) the national and international best practices; (iii) the information that emerged from the favorable vote of the Shareholders' Meeting of May 20, 2021 on the remuneration policy for 2021; (iv) the results of the engagement activities regarding corporate governance carried out by the Company between January

and March 2022 with the main proxy advisors and some relevant institutional investors with an interest in Enel capital; (v) the results of a benchmark analysis regarding the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and the Non-Executive Directors of Enel for 2021, which was prepared by the independent consultant Mercer.

The purpose of this Policy is to (i) promote Enel's sustainable success, which is based on the creation of long-term value to the benefit of its shareholders, taking into due consideration the interests of the other relevant stakeholders, in order to encourage reaching the strategic goals; (ii) attract, retain and motivate people with the skills and professionalism required for the delicate managerial tasks assigned to them, in consideration of the compensation and work conditions of the Company and Enel Group employees; as well as (iii) promote the company mission and values.

The remuneration policy for 2022 sets out the following compensation for the Chief Executive Officer/General Manager and for Key Management Personnel (referred to as DRS – Dirigenti con Responsabilità Strategiche):

- a fixed component;
- a short-term variable component (MBO), to be paid based on the achievement of specific performance targets. Specifically:
 - for the Chief Executive Officer/General Manager, the 2022 MBO is based on the following annual performance targets:
 - Ordinary consolidated net income;
 - Group Opex;
 - Funds from operations/Consolidated net financial debt;
 - System Average Interruption Duration Index – SAIDI (gateway objective), commercial complaints on the free commodities market in Italy (gateway objective) and commercial complaints on a Group level;
 - Safety in the workplace;
 - for the DRS, the respective MBO identify the annual objectives and specific objectives correlated to the Strategic Plan and identified together with the Administration, Finance and Control Function and by the People and Organization Function;
- a long-term variable component linked to participation

in specific multi-annual incentive plans. In particular, for 2022 this component is linked to participation in the Long-Term Incentive Plan destined for the management of Enel SpA and/or of its subsidiaries pursuant to article 2359 of the Italian Civil Code ("2022 LTI Plan"), which contains the following three-year performance goals:

- average Enel TSR (Total Shareholders Return) vs average Euro Stoxx Utilities – UEM index TSR in the three-year period 2022-2024;
- cumulative ROIC (Return on Invested Capital) – WACC (Weighted Average Cost of Capital) in the three-year period 2022-2024;
- emissions of GHG Scope 1 per equivalent kWh generated by the Group in 2024;
- percentage of women in the top management succession plans at the end of 2024.

The 2022 LTI Plan also requires any premium accrued to be represented by a share component, to which – based on the level of achievement of the various targets – a monetary component can be added. In particular, 130% of the base bonus of the Chief Executive Officer/General Manager (with respect to a maximum amount that can reach 280% of the base bonus) and 65% of the base bonus of the DRS (with respect to a maximum amount that can reach 180% of the base premium) is to be disbursed in Enel shares, mainly purchased from the Company. In addition, the disbursement of a significant portion of the long-term variable remuneration component (70% of the total) is deferred to the second subsequent financial year with respect to the three-years of reference for the objectives of the 2022 LTI Plan (i.e. "deferred payment").

For more information on the contents of the 2022 remuneration policy, refer to the Report on the [Enel remuneration policy for 2022 and on the compensation paid in 2021](#), available on the Company website (www.enel.com).

Finally, the table below presents for 2019, 2020, 2021 and 2022 the ratio between the total remuneration accrued by the Chief Executive Officer/General Manager of Enel and the average gross annual remuneration of Group employees (i.e. "pay ratio"). This report is indicated, for complete disclosure, also in reference to only the fixed component of the remunerations in question.

	2022	2021	2020
Pay Ratio – Ratio between the total remuneration of the CEO/GM of Enel and the average annual gross remuneration of Group employees ⁽¹⁾	60x (32x fixed remuneration)	90x (33x fixed remuneration)	143x (35x fixed remuneration)

(1) To eliminate the exchange rate effect, the 2021 and 2020 amounts were recalculated using the 2022 exchange rate.

Enel Group risk governance model

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When performing its industrial and commercial activities, the Enel Group is exposed to risks that could influence its economic and financial results if they are not effectively monitored, managed and mitigated.

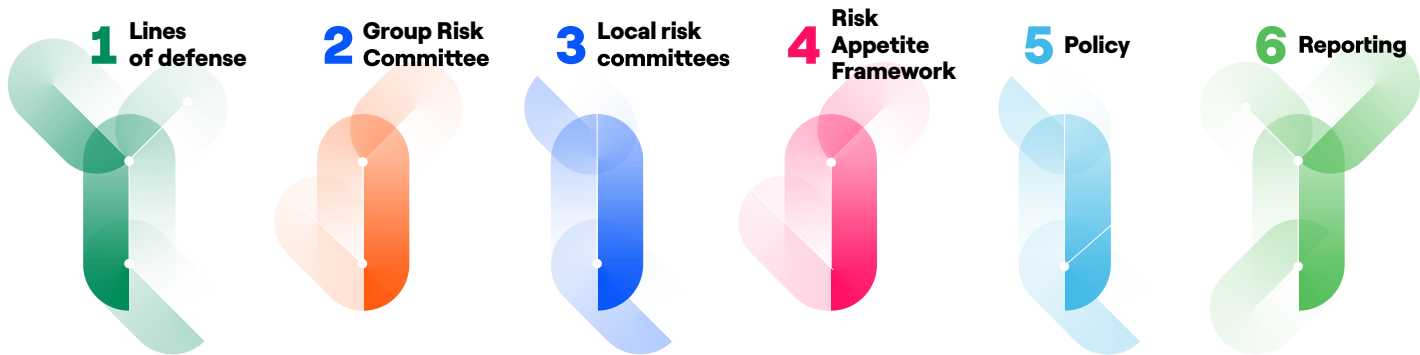
In this regard, in compliance with the architecture of the Internal Control and Risk Management System ("ICRMS")⁽²⁾

adopted by Enel, the Group has also implemented a risk governance model based on specific "pillars", as well as a homogeneous taxonomy of risks (so-called "risk catalogue") that facilitates management and organic representation.

The "pillars" of risk governance

Enel has adopted a reference framework concerning risk governance that is expressed in detail through specific

management, monitoring, control and reporting measures for each of the identified risk categories.



1. Lines of defense. The Group's arrangements are structured along three lines of defense for risk management, monitoring and control activities, in compliance with the principle of segregating roles in the main areas in respect of significant risks.

2. Group Risk Committee. This body, set up at management level and chaired by the Chief Executive Officer, is responsible for strategic guidance and risk management supervision through:

- the analysis of the main exposures and the main risk issues for the Group;
- the adoption of specific risk policies applicable to Group companies in order to identify the roles and responsibilities for the risk management, monitoring and control processes, in compliance with the principle of organizational separation between the units responsible for management and those responsible for the monitoring and control of risks;
- the approval of specific operating limits, authorizing, where necessary and appropriate, exceptions to these limits for specific circumstances or needs;

- the definition of risk response strategies.

The Group Risk Committee generally meets four times a year and can also be convened, where deemed necessary, by the Chief Executive Officer and by the head of the Risk Control unit, which is part of the Administration, Finance and Control Function. The committee met four times during 2022.

3. Integrated and wide-spread system of local risk committees. The presence of specific local risk committees, according to the main global Business Lines and Countries and Regions of the Group and chaired by the respective top managers, provides adequate oversight of the most characteristic risks at the local level. The coordination of these committees with the Group Risk Committee facilitates the opportunity for sharing information and mitigation strategies regarding the most significant exposures with the Group's Top Management, as well as local implementation of the guidelines and strategies defined at Group level.

(2) More details can be found in the Report on Corporate Governance and Ownership Structure (www.enel.com, "Investors" section), as well as in the ICRMS guidelines available in the "Governance" section.

4. Risk Appetite Framework (“RAF”). The Risk Appetite Framework represents the framework of reference for determining the appetite for risk and is an integrated and formalized system of elements that enable the definition and application of a single approach to the management, measurement and control of each risk. The RAF is summarized in the Risk Appetite Statement, a document that briefly describes the identified risk strategies and the indicators and/or limits applicable to each risk.

5. Risk policy. The allocation of responsibilities, the coordination mechanisms and the main control activities

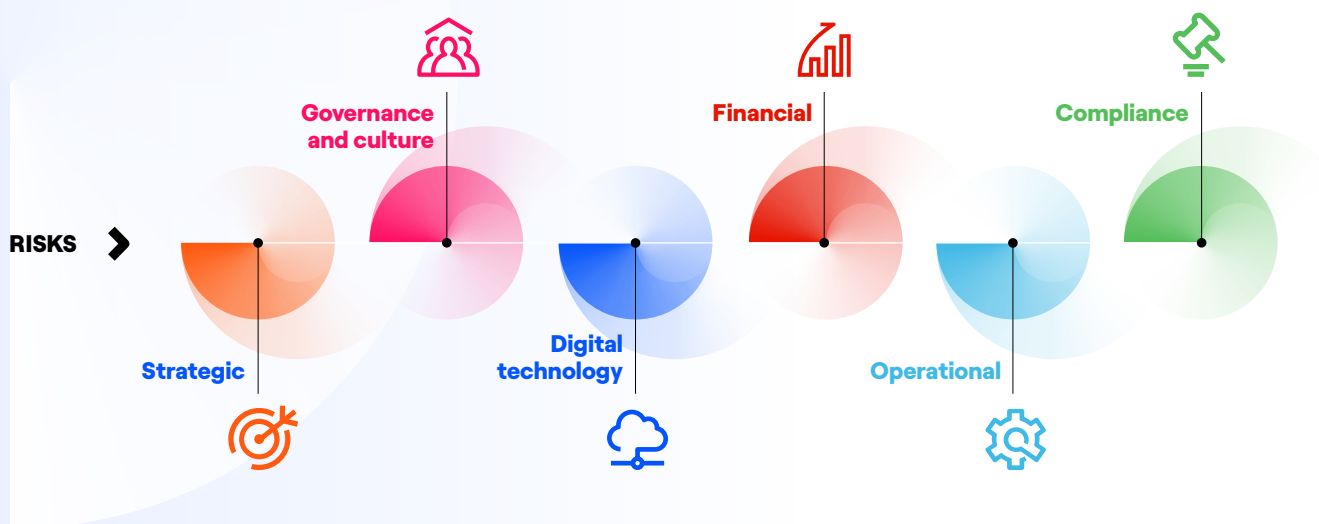
are represented in specific policies and organizational documents defined according to specific approval procedures that involve the directly involved Company structures.

6. Reporting. Specific and regular information flows on risk exposures and metrics, broken down at Group level and by individual global business line or geographical area, allow Enel’s top management and corporate bodies to have an integrated view of the Group’s main risk exposures, both current and prospective.

The Group’s “risk catalogue” and the main ESG risks

Enel has adopted a risk catalogue that represents a point of reference at the Group level and for all corporate units involved in risk management and monitoring processes. The adoption of a common language facilitates the mapping and comprehensive representation of risks within the Group, thus facilitating the identification of the main types of risk that impact Group processes and the roles of the

organizational units involved in their management. The risk catalogue groups the types of risk into macro-categories, which include, as shown below, strategic, financial and operational risks, (non)-compliance risks, risks related to governance and culture as well as digital technology.



Due to the nature of its business and its geographical distribution, the Group is exposed to different types of ESG risk (environmental, social, and governance), identified within the reference framework of risk categories adopted by Enel.

The following aspects were considered in order to identify the main potential ESG risks:

- the results of the materiality analysis (see the section “Our strategy for sustainable progress”);
- the 2023 Global Risk Report of the World Economic Forum (WEF), involving more than 1,000 experts and leaders from all over the world;
- the risk assessments carried out as part of Enel’s due diligence process on human rights, which involved numerous experts from different sectors, including civil society, academic institutions, local communities, customers and suppliers, in the various countries in which the Group operates;

- the analyses of some of the most highly internationally accredited ESG rating agencies, which use specific risk assessment systems to rate the level of company performance in relation to sustainability.

In the risk identification and assessment stage, the “Precautionary Principle”⁽³⁾ was applied, particularly in relation to risks relating to the environment, health, and safety. For each type of risk, specific actions have been identified to mitigate effects and ensure correct management. Enel also applies this principle to risk management, especially with regard to the development and introduction of new products/technologies, planning of operating assets and the development and construction of new plants/assets.

The following is a description of the main ESG risk types and the actions intended to mitigate the effects and assure their correct management.

STRATEGIC



Macroeconomic and geopolitical trends
Legislative and regulatory development
Competitive landscape

Risk definition

Risk of ineffective identification, assessment and monitoring of global economic, financial, political and social trends and monetary, fiscal and trade policies evolutions.

Risk of adverse evolution of legislative or regulatory landscape, and/or ineffective identification, assessment, management and monitoring of legislative/regulatory evolutions, communication of new compliance duties, execution of advocacy activities and internal gap analysis. Lack of a systematic assessment process on regulatory exposures coming from new strategic and business initiatives.

Risk of ineffective identification, assessment and monitoring of evolutionary market trends that may impact Group competitive positioning, growth and profitability.

Reference scenario and description of risk

In 2023, the macroeconomic context will see inflation levels well above the objectives of Central Banks in almost all economies.

Even if it is expected for inflation to moderate gradually during the year, some underlying inflationary dynamics related to final services and goods could remain persistent over the coming quarters.

To address this, Central Banks could delay the process of normalizing their monetary policies, which will further exacerbate financial conditions.

This represents a strong risk especially in emerging economies such as Latin America, where further generalized worsening of the risk appetite could lead to further capital outflows and greater costs for the bond issues for local governments. Furthermore, new risks can resurface with the spread of new Covid-19 variants, which could force governments to reintroduce measures that restrict mobility and, as a result, generate new distortions on a supply chain level.

(3) Rio Declaration on the Environment and Development (Rio de Janeiro, June 3-14, 1992), Principle 15.

Mitigation actions and associated strategic goals

The considerable internationalization of the Group – which has a presence in many regions, including South America, North America and Africa – requires Enel to consider country risk, i.e., risks of a macroeconomic, financial, institutional, social or climatic nature and those specifically associated with the energy sector whose occurrence could have a significant adverse impact on both revenue flows and the value of corporate assets.

Enel has adopted a quantitative Open Country Risk assessment model capable of specifically monitoring the riskiness of the countries in which it operates. The Open Country Risk model offer a broader view of the risk factors that can impact a country. The model is divided into four risk components: economic, institutional and political, social, and energy factors.

More specifically, the Open Country Risk model has the ambition to measure the economic resilience of each country, which is defined as a balanced position with respect to the external environment, effectiveness of domestic policies, the vulnerability of the banking and corporate system that can predict systemic crisis, attractiveness in terms of economic growth and, ultimately, a quantification of extreme climate events as a source of environmental and economic stress (economic factors). In addition, an assessment is performed of the robustness of institutions and the political context (institutional and political factors), an in-depth analysis of social phenomenon and human rights targeted toward measuring the level of well-being, inclusion and social progress (social factors), the efficiency of the energy system and its position within the energy transition process, which are essential factors for assessing the sustainability of investments over a medium-long term period (energy factors).

Risk definition

Risk of ineffective identification, assessment and management of risks related to climate changes – caused by acute and chronic events (physical risks) and by effects of regulatory, technology and market trends arising from the transition to a lower-carbon economy (transition risks) – through strategic and operating initiatives of adaptation and mitigation of climate risks.

Reference scenario and description of risk

The physical risks arising from climate change can be classified as acute (or extreme events) or chronic: the former are linked to extremely intense weather-climatic conditions, while the latter refer to gradual and enduring changes in climatic conditions.

Extreme events may expose the Group to potential unavailability of assets and infrastructure, service restoration costs, inconvenience for customers, etc. Chronic changes in climatic conditions, on the other hand, may expose the Group to other physical risks or opportunities (depending on the geographical location): for example, structural changes in rainfall or wind patterns could impact the Group's business in generation terms, while structural temperature changes can impact electricity demand.

With regard to the energy transition process towards a more sustainable model with a progressive electrification and reduction in CO₂ emissions in line with the Group's decarbonization strategy, there are risks, but above all opportunities, tied to both the changing regulatory context and the technological and electrification trends, and resulting market developments, with potential effects also on commodity and energy prices.

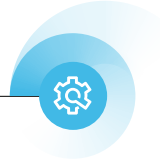
Mitigation actions and associated strategic goals

In order to facilitate the proper identification and management of risks and opportunities related to climate change, a Group policy was published in 2021. The policy describes common guidelines for assessing the risks and opportunities arising from climate change. The "Climate change risks and opportunities" policy defines a shared approach for the integration of climate change and energy transition issues into the Group's processes and activities, thus informing industrial and strategic choices to improve business resilience and long-term sustainable value creation, consistent with the adaptation and mitigation strategy.

A detailed description of the strategic objectives and mitigation actions/management methods is provided in the "[Zero emissions ambition](#)" chapter of this document.



Climate change



Environment

Risk definition

Risk that inappropriate working operations or machineries may adversely impact on the environment quality and ecosystems involved.

Risk of a breach in complying with international, country or local environmental laws and regulations.

Reference scenario and description of risk

In recent years, a growing sensitivity of the entire community has emerged in relation to risks linked to models of development that generate impacts on the quality of the environment and on ecosystems, with the exploitation of scarce natural resources (including raw materials and water).

In some cases, synergistic effects between these impacts, such as global warming and the growing exploitation and degradation of water resources, increase the risk of environmental emergencies arising in the most sensitive areas of the planet, with the risk of competition among different water resource uses, i.e. industrial, agricultural, and civil.

To address these needs, institutions are updating environmental regulations to be more restrictive, placing increasingly stringent constraints on the development of new industrial initiatives, obliging or facilitating a shift away from technologies considered to be no longer sustainable in what are seen as the highest impact sectors.

Also the international commitment to mitigating impacts on biodiversity is growing, as already shown in Europe by the Green Deal and introduced in 2022 by the Global Biodiversity Framework approved at COP 15 in Montreal. In this context, companies in each sector, and especially leading companies, increasingly aware that environmental risks are also economic risks, are urged to step up their commitment and take on greater responsibility in identifying and adopting innovative and sustainable technical solutions and development models.

Mitigation actions and associated strategic goals

Enel has made the effective prevention and minimization of environmental impacts and risks a foundational element of each project across its entire life cycle. The adoption of ISO 14001-certified Environmental Management Systems certified within the Group ensures the presence of structured policies and procedures to identify and manage the environmental risks and opportunities associated with all corporate activities.

A structured control plan combined with actions and improvement objectives inspired by the best environmental practices, with requirements higher than those linked to simple environmental regulatory compliance, mitigates the risk of impacts on the environmental matrix, reputational damage and legal disputes. An important contribution is also made by the multiplicity of actions to achieve the challenging environmental improvement goals established by Enel, concerning e.g. atmospheric emissions, waste produced, and water consumption, especially in high water stress areas, and impacts on habitats and species.

The risk of water scarcity is directly mitigated by Enel's development strategy, which is based on the growth of generation from renewable sources that are essentially not dependent on the availability of water for their operation. Special attention is also devoted to assets in areas with a high level of water stress, in order to develop technological solutions to reduce consumption. Ongoing collaboration with local river basin management authorities enables us to adopt the most effective shared strategies for the sustainable management of hydroelectric generation assets.

Finally, suitable actions are being implemented for ecosystems in order to protect, restore and conserve biodiversity, the natural species in the habitats, respecting the principle of mitigation hierarchy (avoid, minimize, restore and compensate), as well as suitable terrestrial, marine and river monitoring activities to check the effectiveness of the adopted measures.

Enel is an active part of the international debate with stakeholders and the networks with the most influence on the topic (for example, Business for Nature, Taskforce on Nature-related Financial Disclosure, World Business Council for Sustainable Development and Science Based Targets for Nature).

For the issues related to nature and biodiversity, also refer to the "[Conservation of natural capital](#)" chapter in this document.

Risk definition

Risk that inappropriate working environments, structures, machineries and business operations may negatively impact on health & safety conditions of employees and other stakeholders involved.

Risk of a breach in complying with international, country or local laws and regulations on health and safety.

Reference scenario and description of risk

The main health and safety risks to which Enel's people and contractors are exposed are related to the operating assets carried out at the Group's sites and its assets. In this context, violation of the laws, regulations, and procedures in force concerning to health and safety, workplaces, management of structures, company assets and processes, which can have a negative impact on the health of employees, workers, and stakeholders, can give rise to the risk of administrative or judicial penalties with associated economic-financial and reputational impacts. The main operational risks for safety and health are evaluated in depth at each site or Company asset.

These risks were identified by analyzing the main events that occurred in the past three years. In particular, in relation to probability of occurrence, mechanical risks (falls, knocks, crushing and cuts) are the most likely, whilst in terms of potential associated impact, electrical risks are those with the most severe consequences (fatalities).

Also, in relation to the Group's presence in different geographical contexts worldwide, employees and contractors may be exposed to health risks relating to emerging infectious diseases, of epidemic and potentially pandemic nature, which may affect their good health and well-being.

Mitigation actions and associated strategic goals

Enel has adopted a Declaration of Commitment to Health and Safety, signed by the Group's Top Management.

For its implementation, each of the Group's Business Lines has its own Occupational Health and Safety Management System in compliance with international standard BS OHSAS 45001, based on identifying hazards, qualitative and quantitative risk assessment, planning and implementing preventive and protective measures, verifying the effectiveness of preventive and protective measures, and any corrective actions required.

The Enel Group has defined a structured health management system based on preventive and protective measures, functional also in respect of the development of a corporate culture oriented towards promoting mental-physical health and the organizational well-being of workers, and also the balance between the professional and personal spheres.

This system also considers the rigorous selection and management of contractors and suppliers, promoting their involvement in continuous safety performance improvement programs.

Furthermore, with regard to emergencies relating to risks resulting from the current and persistent pandemic scenario, a unit has been set up within the Holding P&O Function with references in each Business Line and Country, in order to assure the definition of the global strategy and policies for management of the emergency and their adoption in every Group organization.

In particular, this organizational structure and the related management processes make it possible to direct, integrate and monitor, both at Group and Country level, all the prevention, protection and intervention actions aimed at protecting the health of employees and contractors, also in relation to exogenous health risk factors that may not be strictly related to work activities.

Further information on risk management is given in the ["Occupational health and safety"](#) chapter.

Customers' needs and satisfaction

Risk definition

Risk of failure of Group's products and services in achieving customers' expectations and needs in terms of quality, accessibility, sustainability and innovation.

Reference scenario and description of risk

The leadership of a company like Enel necessarily passes through customer care and attention to quality service, aspects that refer not only to the supply of electricity and/or natural gas, but also and above all to the intangible aspects of the service perceived by the customer.

Potential increase in the number of vulnerable customers and energy poverty due to an increase in the price of electricity.

Mitigation actions and associated strategic goals

The Company is constantly committed to maximizing value for customers:

- through a robust business model that focuses on the continuous improvement of efficiency, effectiveness and resilience in process management (activation of new services, billing, payments and credit, customer focus) and digitalization.
- making them more aware with offers geared towards increasing awareness of their consumption, different time slots, rewards for reducing consumption compared to the past, clear and simple communication;
- proactively managing their needs;
- accompanying them toward electrification.

Furthermore, Enel supplies innovative and inclusive products and services for customers of all ages, weak, destitute, marginalized, vulnerable families (for example the so-called "social bonus" as a form of support for paying the bills for vulnerable families).

The Group monitors the rate of customer satisfaction in every Country in which it operates through specific surveys and analysis of the received feedback.

Further information on risk management is provided in the "[Clean electrification](#)" chapter

Procurement, logistics and supply chain

Risk definition

Risk of ineffective procurement or contract management activities, due to inadequate requirements definition or supplier qualification process, a frequent recourse to direct awarding, scouting activities shortcomings, poor monitoring over the fulfillment of contractual duties, non-application of penalties.

Reference scenario and description of risk

Enel could be exposed to reputational, economic or financial risks following ineffective procurement activities along the entire process. Starting from the supplier qualification phase in which, for example, an analysis is not performed regarding environmental and social aspects (including work practices, such as refusal of forced or child labor, respect for diversity and non-discrimination, freedom of association and collective bargaining, fair and favorable working conditions); during the tender stage, not requiring specific sustainability requirements; during the entire contract period without correctly monitoring the requirements applied in the tender; in the case of excessive recourse to direct awards, and the failure to apply penalties.

Mitigation actions and associated strategic goals

Group procurement processes and the related governance documents constitute a structured system of standards and checkpoints that make it possible to combine the achievement of economic business goals with full compliance with the fundamental principles set down in the Policy on Human Rights, Code of Ethics, Enel Global Compliance Program, and Zero Tolerance of Corruption Plan, while continuing to promote initiatives aimed at sustainable economic development.

These principles are expressed in the processes and organizational measures that Enel has decided to adopt from a self-regulation point of view in order to establish relationships of trust with all its stakeholders and to define stable and constructive relations that do not only guarantee economic competitiveness but that account for the best practices in essential areas for the Group, such as the refusal of forced and child labor, promotion of occupational health and safety conditions, and environmental responsibility. Thanks to greater interaction and integration with the external world and with the various parts of the Company organization, the procurement process is taking on an increasingly central role in value creation as it contributes to creating a resilient and sustainable supply chain, thinking in terms of circular economy, encouraging innovation, sharing the Group's values and objectives with suppliers who, as such, become partners and enabler for achieving Enel's targets.

More specifically, reward factors are introduced in the tenders, aimed at generating virtuous behavior on the part of our suppliers: for example, the environmental impact of any customer is strongly influenced by the impact of its upstream supply chain. Global Procurement therefore pushes its suppliers to objectively measure their carbon footprint and to embark on pathways of improvement.

From the perspective of the procurement process, the preferred tool is that of a tender, which guarantees maximum competition and equal opportunity of access to all operators having the necessary technical, economic-financial, environmental, safety, human rights, legal and ethical characteristics. Procurement by direct award and without competitive bidding can occur only in exceptional suitably motivated circumstances in compliance with relevant statutory legislation.

Moreover, the supplier qualification system, the same one throughout the Enel Group, checks – even before the procurement process starts – that potential suppliers are in line with the strategic corporate vision and with expectations in relation to all the mentioned profiles and requirements.

With regard to the risk governance system, the Group is focused on the application of metrics that indicate the level of risk before and after the mitigation action, in order to implement precautionary actions to reduce uncertainty to a tolerable level or to mitigate any impacts in all business, technological and geographical areas.

The effectiveness of risk management in the supply chain is monitored using specific indicators, including the probability of insolvency, the concentration of contracts with individual suppliers or industrial groups, the supplier's dependence on Enel, the performance index for proper conduct during the tender, quality, punctuality and sustainability in the execution of the contract, Country risk, etc., for which thresholds are defined that guide the definition of the procurement, negotiation and award strategy of a tender, allowing informed choices based on potential risks and benefits (savings).

During the Covid-19 emergency, actions were taken, which were made structural, for the differentiation of procurement sources (to prevent interruptions in the supply chain) and for performing, remotely, activities that would normally require physical interaction between Enel and the supplier (e.g. company on-site inspections).

Furthermore, in order to counter the consequences of the geopolitical situation in Ukraine, which increased market volatility and further stressed the supply chain, which already seriously tested during the period of the Covid-19 pandemic, Global Procurement constantly monitors the activities inherent to the supply/logistics chain, also with the active participation of the suppliers, through a specific contractual obligation to monitor in order to mitigate the risks deriving from market shortages or critical issues regarding logistics and business interruptions.

Further information on risk management is provided in the ["Sustainable supply chain"](#) chapter.

Risk definition

Risk of partial or total interruption of business operations arising from technical failures, assets and plants malfunctions, human errors, sabotages, raw materials unavailability or adverse weather events.

Reference scenario and description of risk

Enel may be exposed to the risk of judicial or administrative sanctions, economic or financial losses, and reputational damage as a result of partial or total interruption of commercial operations and of electricity supplies to customers, caused by technical faults, malfunctions of assets and plants, human error, sabotage, unavailability of raw materials or adverse weather events, or infectious diseases with epidemic or pandemic potential that may limit the normal functioning of the Group's activities or of its supply chain.

Mitigation actions and associated strategic goals

Enel has systems and mechanisms to guarantee a continuous and safe energy supply to the national electrical systems of the countries in which it operates. Enel is therefore constantly at work to develop and improve the efficiency of the transport and distribution network, in coordination with the other entities operating on the network infrastructure in various capacities. Enel carries out actions of network development, modernization, and maintenance on the infrastructure existing in all Countries, with the primary aim of improving the quality of the service delivered and reducing the number and duration of outages. Enel also constantly takes operational efficiency and safety measures to guarantee correct functioning and availability of all its power plants. Lastly, the Group's assets are covered by adequate insurance mechanisms to protect the Company from potential negative economic consequences resulting from future and uncertain events.

Moreover, with special reference to the management of critical events, Enel has drawn up Group, Business Line and Country policies to ensure effectiveness of the decision-making process in the management of any event that could impair continuity of the public service and the Company's business, including health emergencies with a local and/or global impact.

Enel implements adequate protocols, plans and actions to ensure the smooth running of its business activity worldwide or, if necessary, its rapid recovery in the event of service interruptions.

Especially in relation to the health emergency, Enel defines specific protocols designed to limit the spread of contagion among the people involved in operating assets and consequently guarantee the continuity of service.

Further information on risk management is provided in the "[Clean electrification](#)" and "[Sustainable supply chain](#)" chapters.

Risk definition

Risk of inadequacy of Group's organizational structures or lack of internal skills caused by the absence or inadequacy of training programs, ineffectiveness of incentive schemes, inadequate turnover planning process or inability to define effective employees recruiting processes and retention policies.

Reference scenario and description of risk

Enel has placed sustainability at the center of its strategy as the core of its business model in order to contribute toward reaching the sustainable development goals of the United Nations 2030 Agenda. The Group has divided sustainability into different geographic, economic and social contexts to guide the just transition, which is essential for the future of the planet, accelerating the aims to lead the transition towards a more sustainable development system, essential for the future of the planet, accelerating the process of decarbonization of its energy mix through the increase in renewables and the ever-increasing electrification of consumption. The profound social, economic and cultural transformations we are experiencing, from energy transition to the digitalization and technological innovation processes have a profound impact also on the world of work, renewing the paradigms, imposing significant cultural and organizational changes that require new professional profiles and skills.

To face the change, it is mandatory to act in an inclusive manner, putting people at the center in relation to their social and work aspects, with tools suitable for facing this epic transformation. Organizations must be increasingly oriented toward new agile and flexible work and business models that are sustainable along the entire value chain. It is also essential to adopt policies that value diversity and the talents of everyone, with the awareness that the contribution of the individual represents an essential component for the creation of widespread and shared value.

Mitigation actions and associated strategic goals

Recognition of the value of a person as unique, constant listening, empathy, sharing, passion, involvement are only some of the key words that guide our way of working and experiencing the Company, along a pathway that starts from I and arrives at Us.

The centrality of persons and the management of human capital take on a fundamental role in energy transition as enabling factors and represent the priorities to which specific objectives are linked, the main ones including: development of digital skills and expertise, promotion of reskilling and upskilling programs for our people (continuous, customized, flexible, accessible and transversal) to ensure long life employability, the sharing of best sector practices and training targeted also to those who work with our people, both suppliers and contractors, the correct wide-spread involvement of the Company purpose, which ensures better results supported by higher personal satisfaction, understood as motivation and well-being; development of the workplace and performance appraisal systems; the dissemination, in all the Countries in which the Group is present, of the diversity and inclusion policy, as well as an inclusive organizational culture based on principles of non-discrimination and equal opportunities, key drivers to attract and retain talent.

The Group is committed to strengthening the resilience and flexibility of its organizational models through the simplification and digitalization of processes, in order to enable the autonomy and responsibilities of the individuals and teams, strengthening our people empowerment processes and favoring the entrepreneurial approach through a "gentle" leadership model that promotes talents, attitudes and aspirations of persons in the affirmation of Us. The hybrid work method, which combines work on site and remote working in flexible proportions that take the needs of everyone into account, such as the use of innovative and flexible organizational models, are tools targeted toward sustaining this evolution of the organizational culture in terms of trust and responsibility rather than hierarchy and control.

In line with this strategy, also social dialog is evolving toward a model that increasingly reinforces the centrality of persons. For example, Enel and the Italian trade unions signed the "Charter of the Person", an innovative protocol focused on the well-being, involvement, motivation and participation of the individual, whose principles were also welcomed and implemented in other Countries where the Group is present.

The commitment is also targeted toward creating figures in the organization who, as "ambassadors", promote the adoption of shared models and behaviors that are focused on the sustainability of relations.

Further information on risk management is provided in the "[Empowering Enel people](#)" chapter.



Stakeholders' engagement

Risk definition

Risk to ineffectively engage key stakeholders on Enel's strategic positioning on sustainability and financial goals due to a lack of understanding, anticipating or orienting their expectations, which might cause an incomplete integration of such expectations into Group's business strategy and sustainability planning processes, with a potential negative impact on its reputation and competitiveness.

Reference scenario and description of risk

The risk of ineffective engagement of key stakeholders in relation to the strategic positioning of Enel on sustainability and financial objectives, due to the lack of understanding, anticipation, or orientation of their expectations, could cause incomplete integration of such expectations within the Company's business strategy and sustainability planning processes, with a potential negative impact on its reputation and competitiveness.

Enel currently operates in a vast geographical area, with a presence in more than 40 countries distributed in five continents, conducting business activities that call for the development of infrastructure in local areas, which can provoke criticism or potential disputes with communities in some cases. Such conditions could lead to delays in the execution of projects for new sites and impacts on operational continuity, with a potential negative economic-financial and reputational effect.

On the other hand, Enel's commitment to decarbonize its energy mix – with a particular focus on the coal mining phase – could have a potential negative impact in local areas that are heavily dependent on coal operations (mining and electricity generation) in terms of job losses and socio-economic development. This could ultimately expose Enel to reputational risks or even delay the Group's achievement of the decarbonization goals set out in its Strategic Plan. In the meantime, the outlook of investors is shifting fast: the changes in progress and challenges presented by the modern world are also revolutionizing the method of investing.

ESG investors are growing constantly: at December 31, 2022, SRI funds constituted approximately 14.9% of the share capital (14.6% higher at December 31, 2021), while PRI (Principles for Responsible Investment) signatory investors represent 42.1% of the share capital. (vs 46.6% at December 31, 2021). The possible incorrect or incomplete disclosure by Enel of the results obtained, and likewise ineffective communications to the financial community of its strategy, which aims to create value for customers, society, and the environment, could have significant negative impacts on the assessment of Enel's shares and bonds.

Mitigation actions and associated strategic goals

In order to identify the priority issues for the Company and its stakeholders, materiality analysis is carried out annually, aimed at engaging and listening to all the Group's main stakeholders.

From an operational viewpoint, knowledge of specific local requirements and continually listening to the needs of stakeholders are fundamental elements for mapping as comprehensively as possible the potential positive, but also negative impacts that the Group's activity has on the communities where our plants operate. Since 2015, a Creating Shared Value (CSV) model has been in force, centered on the integration of sustainability in the business, in which the Company's success is directly related to the prosperity of the communities where it operates.

The CSV model, applied to all Business Lines, therefore introduces a new way of managing community relations and integrating socio-environmental factors within our business processes and throughout the entire value chain, with special reference to operations of business development, engineering and construction and procurement, in addition to the management and maintenance of assets.

Through specific context analysis tools, stakeholder mapping and the definition of materiality matrices and action plans, the development of a business project is accompanied by initial exploratory approaches to its final definition.

In addition, Enel promotes a fair and inclusive energy transition, through global reconversion and hybridization projects, which currently involve more than 40 sites around the world, with the aim of finding sustainable solutions (focused primarily on the development of energy reconversion and hybridization, promoting the circular economy and innovation) for the areas involved with the closure of conventional plants. By means of dialog with shareholders and bondholders, the Investor Relations unit collects feedback on how to integrate and improve the Group's reporting process and make its communications as effective as possible, meeting the needs of the financial markets.

Further information on risk management can be found in the "[Our strategy for sustainable progress](#)" section and in the "[Engaging communities](#)" and "[Sound governance](#)" chapters.

DIGITAL TECHNOLOGY



Cyber security

Risk definition

Risk of cyber-attacks and sensitive or massive corporate and customers data stealing, ascribable to a lack of security of networks, operating systems and databases.

Reference scenario and description of risk

The speed of technological development, which brings an endless stream of new challenges, the frequency and intensity of the ever-increasing number of cyberattacks, as well as the tendency to strike critical infrastructure and strategic industrial sectors, highlight a risk that can cause normal business operations to grind to a halt in extreme cases. Cyberattacks have changed dramatically in recent years: the number has grown exponentially, as has their level of complexity and impact, with timely identification of sources becoming increasingly difficult. Within the scope of the Group, the management of the cyber security risk results, among other aspects, from the numerous contexts in which it operates (data, industry, and people), in addition to the intrinsic complexity and interconnection of resources which, over the years, have been increasingly integrated into routine operating processes.

Mitigation actions and associated strategic goals

The Group has designed and adopted a holistic governance model in relation to cyber security, which is applied to the Information Technology (IT), Operational Technology (OT) and the Internet of Things (IoT) sectors. The framework is based on the commitment of Top Management, the global strategic approach, the involvement of all business areas, as well as the units engaged in the design and implementation of systems. The framework also strives to use the best technology available on the market to design ad hoc business processes, also working on the human factor through initiatives targeted toward increasing awareness and knowledge regarding cyber security by people, making them the first lever of company defense. Furthermore, the framework directs the regulatory requirements regarding IT security, such as the execution of in-depth tests (in IT, OT and IoT areas) that aim to identify and remove vulnerabilities, identify and strengthen people's IT awareness and implement regulatory requirements related to IT security.

Moreover, the Group has defined and adopted a risk management method for IT security in accordance with risk-based and cyber security by design approaches, thereby making the corporate risk analysis a key step in all strategic decisions and integrating the safety requirements along the entire solution and service life cycle. Enel has also set up a Cyber Emergency Readiness Team (CERT) to respond to and proactively manage possible incidents in the field of cyber security. In addition, since 2019, in order to mitigate exposure not only with technical countermeasures, the Group has taken out insurance on the risks related to cyber security.

Further information on risk management is provided in the "[Digitalization](#)" and "[Innovation](#)" chapters.

**Digitalization,
IT effectiveness,
and service
continuity**

Risk definition

Risk of managing ineffective business processes and supporting higher operating costs due to a lack of digitalization in terms of workflows coverage, systems integration and adoption of new technologies.

Risk of ineffective support of IT systems to business processes and operating activities.

Risk of exposure of IT/OT systems to service interruptions and data losses.

Reference scenario and description of risk

The Group is carrying out a complete digital transformation of the management of the entire energy value chain, developing new business models and digitalizing its business processes, integrating the systems and adopting new technologies. One result of this digital transformation is that the Group is increasingly exposed to risks relating to the operations of IT systems integrated across the Company, with impacts on processes and operating assets that could lead to the exposure of IT and OT systems to service interruptions or data losses.

Mitigation actions and associated strategic goals

Control of such risks is guaranteed by a series of internal measures developed by the Group to oversee the digital transformation. In particular, an internal control system has been set up, which introduces control points along the entire IT value chain, enabling us to prevent the emergence of risks relating to such issues as the creation of services that do not meet business needs, the failure to implement adequate security measures and service interruptions. The internal control system oversees both the activities performed in-house and those outsourced to external associates and service providers. Enel is also promoting the dissemination of digital culture and skills within the Group, so as to guide the digital transformation successfully and minimize the associated risks.

Further information on risk management is provided in the "[Digitalization](#)" and "[Innovation](#)" chapters.

COMPLIANCE



Data protection

Risk definition

Risk of a breach in complying with applicable data protection and privacy laws.

Reference scenario and description of risk

In the era of digitalization and globalization of markets, Enel's business strategy is focused on accelerating the process of transformation towards a business model based on a digital platform, by means of a data driven and customer-focused approach, which is being developed throughout the entire value chain.

The Company, which is present in more than 40 countries, has the largest customer base in the public utilities sector (around 70 million customers), with a current workforce of approximately 67 thousand people; consequently, the Group's new business model calls for management of an ever larger volume of personal data, to reach the financial and business results set down in the 2022-2024 Strategic Plan.

This implies an exposure to the risks associated with personal data protection (also due to the increasing volume of privacy regulations in the majority of countries in which Enel is present). These risks can take the form of a loss of confidentiality, integrity, and availability of the personal data of customers, employees, and others (e.g. suppliers), resulting in the application of penalties in proportion to global sales, obstructing processes with consequent economic or financial losses and reputational damage.

Mitigation actions and associated strategic goals

In order to manage and mitigate this risk, Enel has adopted a global model of personal data governance, also through the assignment of Data Protection Officers – "DPOs" – both at a global and Country level, as well as through the adoption of digital compliance instruments to map applications and processes and manage relevant risks to personal data protection, in compliance with the specific aspects of local sector regulations.

Further information on risk management can be found in the "[Data protection](#)" section of this chapter.



Other compliance risks

Risk definition

Other compliance risks: Antitrust compliance and consumers' rights, Corruption, External disclosure. Financial regulation compliance, Tax compliance, Compliance with other laws and regulations.

Reference scenario and description of risk

Enel may be exposed to the risk of judicial measures, administrative sanctions, economic or financial losses and reputational damage as a result of:

- illegal or illicit conduct, including active and passive acts of corruption, perpetrated by personnel inside or outside the Group in order to secure an unjust benefit for themselves or for others;
- infringement of international, national or local laws and regulations concerning: accounting, financial, or tax discipline, market disclosures, anti-trust and consumer rights issues or other applicable legislative provisions (e.g. rules concerning permitting or contracts, regulation of electricity markets, international sanctions, etc.).

Mitigation actions and associated strategic goals

Enel has adopted an Internal Control and Risk Management System expressed in company rules and procedures that all who work in Enel or on behalf of Enel are required to follow, by means of their respective contractual commitments. The Internal Control System also includes specific compliance programs, i.e.: the Code of Ethics, the Zero Tolerance of Corruption Plan ("ZTC Plan"), the Policy on Human Rights, the Policy on international sanctions, the Enel Global Compliance Program ("EGCP"), the Model pursuant to Italian Legislative Decree 231/01 and other national compliance programs adopted by Group companies in accordance with their national legislation. Furthermore, to further pursue its commitment to fighting corruption, Enel voluntarily decided to certify its Anti-Bribery Management System (SGPC) in compliance with the requirements of international standard ISO 37001:2016 (international certification of anti-bribery management systems). This certification process has involved the Group's main subsidiaries.

External staff, working for Enel Group company suppliers, undertake to comply with the ethical clauses set out in their respective contracts, which incorporate references to Enel's commitment in terms of business integrity in the pursuit of its activities.

The ongoing monitoring of legislative and regulatory developments at the local, national and international levels is guaranteed by the operations of specific company Functions with competence in relation to these matters.

The Sustainability Report, which represents the Consolidated Non-Financial Statement, is subjected to a limited review by KPMG and for a set of indicators, also providing reasonable assurance.

Further information on risk management is provided in the "[Sound governance](#)" chapter and the "[Methodological note](#)".

In relation to the specific contexts pursuant to Italian Legislative Decree 254/16 concerning climate change, human rights, and the fight against corruption, we invite you to refer to the sections dedicated to these topics in this Sustainability Report.

The other types of risk to which the Enel Group is exposed are detailed in the "Risk Management" section of the [Integrated Annual Report](#) available on the website (www.enel.com, "Investors" section).

Transparency in institutional processes

Enel constantly manages relations with institutions (local, national, European, and international) in line with the Enel Compliance Program, providing complete and transparent information with the aim of placing institutional counterparts in the best possible position to make the decisions within the sphere of their competence. Enel also contributes to the consultation processes regarding political and legislative dossiers on energy and environmental issues. In the context of relations with European institutions, Enel actively contributes to every phase of the consultation process on political and legislative dossiers of corporate interest through careful monitoring and analysis (see also the chapter “Zero emissions ambition”).

The Enel Group has been enrolled in the EU voluntary transparency register since its creation in 2008. The register aims to provide citizens with a single and direct access point to information on who carries out activities aimed at influencing the EU decision-making process, the interests pursued, and the resources invested in these activities (<http://ec.europa.eu/transparencyregister/public/homePage.do>). In line with the provisions of the Code of Ethics, paragraph 3.26, Enel does not finance political parties, their representatives or candidates in Italy or abroad, nor does it sponsor conventions or events whose sole purpose is political propaganda. It refrains from any direct or indirect pressure on

politicians (for example, by granting the use of its facilities, accepting new recruit recommendations, or awarding consultancy contracts). Enel and its subsidiaries are present in various trade and employer associations whose role includes representing the positioning of its members in the regulatory processes inherent in the business activity. The annual contributions paid to the above-mentioned organizations in the form of membership fees in 2022 totaled approximately 9.6 million euros, compared to 8.4 million euros in 2021.⁽⁴⁾ In particular, in 2022 the three largest contributions in terms of overall amount concerned AELEC (Asociación de Empresas de Energía Eléctrica) in Spain, Confindustria and Elettricità Futura in Italy.⁽⁵⁾

The institutional dialogue with the trade and employer associations in which Enel and its subsidiaries took part in 2022 concerned the support of regulatory and consultation processes, including also the following main issues:

- **development of energy policies:** including, among other topics, the strategic outlook of the sector, energy efficiency, the growth of renewables, smart grid development and energy costs;⁽⁶⁾
- **increasing business competitiveness:** including, among other topics, tax regulation, labor law issues and environmental policies.⁽⁷⁾

(4) These amounts include the contributions paid by Enel SpA (including the main Italian companies) and by its foreign subsidiaries Endesa, Enel Américas and Enel Chile.

(5) Specifically: AELEC (formerly UNESA) 1.9 million euros; Confindustria 1.5 million euros; Elettricità Futura (formerly “Associazione Nazionale delle Imprese Elettriche”) 0.6 million euros.

(6) The 2022 contribution was 5.5 million euros.

(7) The 2022 contribution was 4.0 million euros.

Values and pillars of corporate ethics

[2-15](#) | [2-16](#) | [2-23](#) | [2-26](#) | [3-3](#) | [205-1](#) | [205-2](#) | [205-3](#) |
[405-1](#) | [406-1](#) | [408-1](#) | [409-1](#) | [413-1](#) | [415-1](#) |

A solid and dynamic ethical system, constantly oriented towards implementing best practices on the national and international levels is the foundational element of the Enel system of values underpinning the Company's operating assets, and of relations entertained with all its key stakeholders. A system based on compliance programs, including the Code

of Ethics, Policy on Human Rights, the Zero Tolerance of Corruption Plan (ZTC Plan), Enel Global Compliance Program, the Model pursuant to Italian Legislative Decree 231/01, plus any other national compliance models adopted by Group companies in accordance with local regulations.

Code of Ethics

In 2002, Enel adopted a Code of Ethics⁽⁸⁾ that expresses the commitments and ethical responsibilities to which it adheres in its operating assets, regulating and harmonizing corporate conduct according to standards based on the maximum transparency and integrity towards all stakeholders. The Code of Ethics is applicable to the entire Group, notwithstanding the cultural, social, and economic diversity be-

tween the various countries in which Enel operates. Enel also requires all its main suppliers and partners to adopt conduct in line with the Code's general principles.

More information is available on the website <https://www.enel.com/investors/sustainability/daily-commitment/sound-governance-ethical-conduct/principles-underpinning-our-work/code-ethics>.

Stakeholder reports

Any violation or suspected violation of the ethical system can be reported, also anonymously, through a single platform at Group level ("Ethics Point"), which is accessible at [s](#).⁽⁹⁾ The Audit Function receives and analyzes these reports, performing the related checks and ensuring uniform treatment at Group level, in compliance with Company policies and local regulations.

The reports management process is governed by the whistleblowing policy, "Management of anonymous and non-anonymous reports", which guarantees anonymity and protection against any form of retaliation and also ensures adequate protection against groundless reports made maliciously to harm or cause prejudice to individuals and/or companies.

KPI	UM	2022	2021	2020	2022-2021	%
Reports received	n.	172	153	151	2	+12.4
Violations related to incidents of: ⁽¹⁰⁾	n.	29	44	26	-15	-34.1
Conflict of interest/corruption	n.	9	8	2	+1	+12.5
Misappropriation	n.	4	5	14	-1	-20.0
Labor practices ⁽¹¹⁾	n.	11	27	9	-16	-59.3
Community and society	n.	-	1	-	-1	-
Other reasons	n.	5	3	1	+2	+66.7

(8) Last update: February 2021.

(9) The Ethics Channel can also be used to send reports regarding the Group's commitments regarding human rights.

(10) Of the 172 reports received in 2022, 15 are being analyzed. During the year, the verification of all the reports received in 2021 was completed: the number of confirmed violations for 2021 was therefore revised from 41 to 44. The three additional violations are to be ascribed to a case of conflict of interest and two cases of inappropriate behaviour related to labor practices.

(11) In 2022 4 violations were recorded relating to cases of discrimination at the workplace, in particular cases of harassment.

During 2022 **172 reports** were received, recording a slight increase as compared to the number of reports received in 2021 (153), mostly in countries on the South American continent.

The analyses confirmed a limited number of violations, decreased as compared to 2021, referring to the behavior of employees and/or suppliers that does not comply with the policies on the protection of persons or the internal procedures regarding:

- “Conflict of interest/corruption” for the pursuit of personal interests or interests that harm the company;
- “Labor practices”, connected to inappropriate behavior by individual employees that is detrimental to respect for diversity and non-discrimination and the failure to com-

ply with the internal procedures on health and safety issues, principles approved by the Group’s Human Rights Policy;

- “Fraud/misappropriation” to the detriment of the Company.

In addition to having adopted disciplinary measures and/or sanctions against the responsible parties, during the year training and awareness initiatives implemented by the companies of the Enel Group continued in order to promote behaviors that are in line with the adopted Code of Ethics and policies, which include the events organized in the South American countries to disseminate a culture of integrity and ethics in the Company (“*semana etica*”).

Enel Global Compliance Program (“EGCP”)

In September 2016, Enel approved the Global Compliance Program, targeted toward the foreign companies in the Group, which is a governance tool aimed at strengthening the Group’s ethical and professional commitment to preventing offences committed internationally that might result in corporate criminal liability and reputational risks. The identification of the relevant types of offences in the Enel Global Compliance Program – which is associated

with the provision of behavioral standards and areas to be preventively monitored – is based on illicit conduct generally considered as such in most parts of the countries, such as, for example, offences of corruption, crimes against the public administration, fraudulent accounting, money laundering, offences committed in violation of the regulations on safety at work, environmental offences, etc.

Organizational and Management Model pursuant to Italian Legislative Decree 231/01

Italian Legislative Decree 231 of June 8, 2001 introduced an administrative (essentially criminal) liability into the Italian legal system for companies in respect of certain types of offences committed by directors, managers, or employees in the interest of or for the benefit of the companies concerned. Al-

ready in 2002, Enel – the first in Italy – adopted an Organizational and Management Model that meets the requirements of Legislative Decree 231/01 (Model 231). Since then, it has been constantly updated in line with the reference regulatory framework and current organizational context.

Active and passive fight against corruption

| 3-3 | 205-1 | 205-2 |

In compliance with the 10th Global Compact principle, according to which “companies are committed to combating corruption in all its forms, including extortion and bribery”, Enel intends to pursue its commitment to fighting corruption in all its forms – whether direct or indirect – by applying the principles expressed in the pillars of its Anti-Bribery Management System.

Enel’s Anti-Bribery Management System (ABMS) is based on the Group’s commitment to fighting corruption by applying the criteria of transparency and conduct as set out in the Zero Tolerance of Corruption Plan (ZTC Plan) and confirmed in the Anti-Bribery Policy adopted in compli-

ance with international standard ISO 37001:2016 (on anti-bribery management systems).

Together with the ZTC Plan, the pillars underpinning the ABMS are:

- the Code of Ethics;
- models to prevent the main criminal risks (for example, bribery in relations with public administrations and among private individuals, environmental offences, corporate offences and, for Italian companies, manslaughter, severe personal injury or grievous bodily harm committed in violation of the rules on the protection of occupational health and safety), as described by the

applicable regulations on corporate responsibility (i.e. "Compliance Program") in the various countries where the Group operates (for example, Organizational Model 231 for Italian companies, the "Modelo de prevención de riesgos/Programa de Integridade" for Group companies in Spain and South America);

- the Enel Global Compliance Program ("EGCP"), a governance tool aimed at strengthening the Group's ethical and professional commitment to preventing offences committed outside Italy that might result in corporate criminal liability and reputational risks. The EGCP applies to the Group's non-Italian companies and supplements any compliance programs adopted by the same companies, in compliance with local regulations.

The mentioned governance measures (in relation to which we refer you to the specific section of the website), together with the current body of procedures, outline an effective prevention system, which is an integral part of the Group's Internal Control System.

In 2022 the Audit Function plan included the analysis of the suitability of the Internal Control system relevant for the purposes of the Anti-Bribery Management System for all

Group Business Lines and the staff Functions; the specific audit work programs included verifications for the assessment of the risk and suitability of the design and operation of the controls, to complement the periodic activities on a sample basis as required by the Compliance Programs adopted by the Group companies.

In 2017 Enel SpA was among the first companies in the world to obtain certification of the conformity of its Anti-Bribery Management system to international standard ISO 37001:2016 ("Anti-Bribery Management System"). This certification was issued following an independent verification process, carried out by a primary accredited certification body, which was carried out in two separate phases, aimed primarily at certifying the adequacy of the design of the Enel Anti-Bribery Management System (in terms of governance, roles, and responsibilities, control procedures, etc.), and secondarily at assessing the level of application and effectiveness.

After Enel SpA obtained certification ISO 37001 for its anti-bribery management system, it gradually extended the 37001 certification plan to the

Data protection

3-3 | 418-1

Protection and processing of personal data are an important challenge for Enel in the era of digitalization and market globalization, and also a constant commitment to ensure continuous improvement of the service we supply to our customers.

To respond to this challenge in line with the provisions of the General Data Protection Regulation (EU 2016/679) ("GDPR"), in 2017 Enel set up a specific unit within the Legal Function (**Data Protection Office**) and appointed the data supervisors ("**Data Protection Officer**" – DPO). The DPOs are appointed based on their professional skills and knowledge, and their ability to carry out the assigned tasks in accordance with the principle of independence. The Data Protection Office is structured as follows:

- **Data Protection Governance:** a unit that monitors the evolution of data protection legislation and defines the Group's compliance. The office also carries out the role of DPO in countries in which the creation of a local Data Protection Office is not necessary;
- **Data Protection Staff Holding, Global Procurement and Global Digital Solutions:** a unit that promotes privacy by design from phase of process planning at the global level and ensures consistent development at the national level;
- **Data Protection Global Business Lines and Global Customer Operations:** a unit that supports the Global Busi-

ness Lines in compliance concerning data protection, and monitors the evolution of data protection certification mechanisms for products and services;

- **Country units:** units that monitor the evolution of regulations on a local level and support the local Business Lines as regards compliance related to data protection. In 2020 country units were set up in Latin America (Argentina, Brazil, Chile, Colombia, Peru), alongside the European area units already in place (Italy, Portugal, Romania, Spain).

The Enel Group has developed a global compliance program on personal data protection, founded on the principles of the main privacy regulations, including the GDPR, the Brazilian law *Lei Geral de Proteção de Dados Pessoais* ("**LGPD**"), the California Consumer Privacy Act ("**CCPA**"), as well as the local legislation of the countries in which the Group operates. This compliance program is translated into a global policy on personal data protection, which defines the privacy principles applicable to all Group companies.

In particular, the Data Protection Office implements processes and activities in compliance with the indications of legislation concerning personal data protection and is committed to drawing up data protection agreements and clauses; planning data governance and corporate policies; providing consulting in line with the principles of privacy by design and by default; ensuring adequate risk manage-

ment and monitoring the consistency of data protection policies within the organization; as well as performing periodic and regular training and awareness campaigns for personnel on the main Data Protection issues.

Furthermore, the Audit Function includes specific activities in their work programs targeted toward evaluating the Internal Control System on Data Protection Risk Management and on compliance with GDPR: analysis activities are planned in various geographical areas, also those not subject to GDPR, that aim to evaluate the safety measures in systems that contain personal data, commercially-sensitive data and employees data managed in HR processes. In order to guarantee full and effective protection of personal data, the Group has adopted a digital platform (Data Protection Platform), which is able to ensure digital compliance, through the use of the following tools, based on the size and complexity of Enel:

- **Processing register**, which integrates the registers of the data controller and the data processor on a single platform, guaranteeing the dynamic mapping of the processing activities and their life cycle, as well as the fulfilment of the obligations required by the regulation. For the Enel Group, this tool also represents an essential resource for designing and monitoring intra-group dynamics;
- **Privacy by Design**, which makes it possible to create every new project, from the beginning, in line with the principles regarding privacy;
- **DPIA (Data Protection Impact Assessment)**, which makes it possible, not only, to perform an evaluation of the effective risks for the freedom and rights of the data subjects and to monitor the current risk of each pro-

cessing operation that is changed in light of the implementation of a remedy plan;

- **DTIA (Data Transfer Impact Assessment)**, which makes it possible to evaluate the transfer risk that accounts for the methods by means of which the data is transferred, as well as the regulatory aspects of the country where this data is transferred;
- **Data Breach Management**, which permits the structured and timely management of all possible incidents that involve multiple companies and countries, and the possibility to study these events in order to implement common prevention solutions;
- **Analytics**, that, with the definition of precise KPI, makes it possible to continuously analyze, compare and monitor the data and processes processed by the companies.

With specific reference to relationships with its suppliers, the Enel Group Code of Ethics and Policy on Human Rights expressly require suppliers to have a clear commitment and to respect the main obligations required by the applicable privacy regulation. Furthermore, a specific clause in the Group's General Contract Conditions extends the principles of the Enel privacy policies to all suppliers, requiring them to be committed to handling personal data in compliance with the obligations imposed by industry legislation. In 2022, the Group's companies handled more than **19,105 communications concerning personal data protection from customers**, of which: (i) **595** in **Romania**, (ii) **5,009** in **Iberia**, (iii) **13,376** in **Italy** and (iv) **125** in **Latin America**.

Furthermore, the same companies collaborated with the national authorities, receiving **134 requests for information and clarifications**, of which: (i) **2** in **Romania**, (ii) **105** in **Iberia**, (iii) **5** in **Italy** and (iv) **22** in **Latin America**.

Procedures started by competent Supervisory Authorities

With specific reference to **Italy**, on March 8, 2021, the Data Protection Authority started a procedure, based on some reports from consumers, for the adoption of corrective measures and sanctions against the Servizio Elettrico Nazionale (SEN) for presumed violations of privacy regulations, in particular due to the performance of undesired phone calls and the wrongful provision of personal data (POD, supply address, tax code, etc.) to unauthorized parties for the promotional purposes of third parties. SEN has filed a statement of defence, contesting the charges. On April 26, 2021 a hearing was held at the Authority and a decision is pending.

Furthermore, on January 18, 2022, the Data Protection Authority issued an order against Enel Energia, imposing a fine for approximately 26 million euros on the Company for asserted violations of the privacy regulations. In particular, the Authority contested the inadequacy of Enel Energia's surveillance and control activities for the internal data processing processes, within the scope of telemarketing ac-

tivities, as well as the failed adoption of a comprehensive and effective action to contrast the undesired phone calls. The penalty, which also imposed a series of prescriptive measures, was contested by Enel Energia on February 9, 2022 before the Civil Court of Rome which, with an order dated March 20, 2022, ordered the immediate suspension of its effects. On February 15, 2023, the Court of Rome fully upheld Enel Energia's appeal and, as a result, canceled the penalties issued by the Authority. The publication of the reasons is pending.

Furthermore, during 2022, the Data Protection Authority carried out two inspections, the first concerning e-distribuzione, regarding the handling of personal data within the scope of the so-called "Indemnification system", which ended with the dismissal of the proceedings, and the second concerning Enel Energia, targeted toward acquiring information on marketing and telemarketing activities carried out by agencies on behalf of the company.

In 2022, in **Spain** the local control Authority, based on complaints presented by the data subjects, started 63 administrative proceedings against Endesa Energía SA, Endesa X Servicios SL, Edistribución Redes Digitales SL and Energía XXI Comercializadora de Referencia SL. Many of these proceedings have been dismissed and, in the majority of the cases, the events that triggered the complaints were resolved thanks to out-of-court settlements. During 2022, Endesa Energía SA received two penalties equal respectively to 50,000 and 40,000 euros, issued due to the conclusion of contracts without the consent of the data subject.

In **Portugal**, in 2022, the local control Authority started 23 proceedings against Endesa Energía SA – Sucursal Portugal, as a result of sending direct marketing communications to data subjects without their valid prior consent. Endesa presented their defence against these proceedings and is waiting for the decision of the local Authority. With regard to prior proceedings related to marketing communications made in 2019 and 2020, for which Endesa has already presented its defence, in 2022 the Authority issued 18 judgments, two of which led to the dismissal of the proceedings, whereas the others issued penalties with an overall value of 96,000 euros.

Data breach

Regarding data breaches, during 2022, seven violations of personal data were recorded within the scope of the Enel Group.

In particular, in **Italy**, two violations of personal data were notified to the Data Protection Authority. As regards Enel Energia, the latter notified the Authority of a violation that occurred in April 2022, concerning the personal data of some customers caused by a hacker attack against the IT systems of a supplier of Enel Energia. The company provided the data subjects with the necessary information. The analysis carried out by Enel Energia showed that there was no abnormal use of the personal data and that the supplier then reinforced their safety measures. As regards e-distribuzione, the latter reported a data breach caused by the theft of IT equipment by unknown persons who entered

In **Romania**, during July 2022, the local control Authority, after an investigation, issued a penalty equal to 49,337 lei (10,000 euros) against Enel Energie Muntenia SA for violation of article 32 of GDPR. The company has contested this penalty and is still waiting for the final judgement of the Authority.

In relation to **Brazil**, ENEL SP notified the local Authority about a data violation that took place in November 2020. This administrative procedure was dismissed without penalties by the Authority in August 2022. Furthermore, between 2021 and 2022, ENEL SP received 2 requests for information from the local Authority regarding 2 complaints from data subjects, for which the company presented the necessary clarifications and after which there were no further updates.

In **Colombia**, on February 10, 2021, the local control Authority started proceedings against Codensa due to the failure to observe the terms specified in the regulation concerning the online maintenance of the personal data of a data subject on the company's website. On February 23, 2021, Codensa filed an appeal regarding these proceedings. On November 25, 2022, the proceedings were dismissed due to lack of evidence sufficient for demonstrating the asserted violations of the local privacy regulation.

the premises of a company suppliers. The analysis carried out by e-distribuzione did not find any abnormal use of the involved personal data.

In **Spain**, the company Endesa Energía SA notified the local Authority of a data violation consisting in the publication of some advertisements in Facebook for the sale of the access credentials assigned to various suppliers for accessing some company applications, which resulted in fraudulent contracts without the consent of the data subjects.

In **Colombia**, the local control Authority was notified of four data breaches, three of which involving the unauthorized dissemination of personal data and one a ransomware attack (RansomHouse type) which affected the websites and activities of a supplier.