Reporting

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Acting with honesty and integrity is one of the main cornerstones of Enel tax strategy, as is our commitment to transparency.
The publication of **Country-by-Country Reporting (CbCR)**[19] supplemented with details of our **overall tax contribution in the main economies in which the Group operates** (hereafter also "Tax Transparency Report"), underlines the importance that the Group attributes to tax related issues, to their social role and, in general, to transparency as a factor that facilitates sustainable development.
The approach followed also aims to eliminate potential ambiguities that may derive from complex accounting and tax treatments, while supporting and, at the same time, improving other annual financial information and continuing along a pathway targeted at supplying an increasingly in-depth and clear vision of our tax position.

As of 2019 (FY 2018-2017), we have adopted a Total Tax Contribution model for the main countries where we operate, providing evidence of taxes paid and of withholding tax deductions.
Beginning in 2021 (FY 2020), on the other hand, we adopted an integrated model: the Tax Transparency Report. This is prepared consistently with the rules provided for under OECD Country-by-Country Reporting[20] and includes information and data for Total Tax Contributions in the main countries where we are present.
The integrated model of the Tax Transparency Report is available on our site (https://www.enel.com). The Group believes that this model ensures a broad vision and a detailed measurement of the organization's contributions to economic and social development in the regions/countries in which it operates.

Tax Transparency Report - principles

The Tax Transparency Report adopts the **cash basis accounting criterion** as a general principle for representing tax data, considering it to be the most adequate for disclosing the actual tax contribution. More specifically, the total tax data, as defined and detailed in what follows, is determined through the various taxes paid[21] by all the entities in the scope of each tax jurisdiction in the year subject to reporting, regardless of the tax year to which the taxes refer. As anticipated previously, on applying an approach adopted by the OECD,[22] the Tax Transparency Report classifies the different taxes into categories and distinguishes them between those that constitute an expense for the Company (**taxes borne**) and those that the Company pays due to rebate mechanisms, substitution etc. (**taxes collected**) but that, at any rate, are the result of the Company's own economic activities.
Specifically, taxes, both borne and collected, are classified into the following five macro-categories.
Profit - Income taxes: this category includes taxes on company income that can be both borne (e.g. tax on the income of companies at State or local level, taxes on production, solidarity contributions, tax levied on income deriving from specific activities such as the extraction of natural resources, the generation and sale of hydroelectric energy as well as taxes withheld at source) and collected, in the case where they are applied to a third party or to a physical person (for example, withholding taxes on interest income, royalties, subcontractors and suppliers). Income taxes do not include taxes on dividends paid by Enel Group entities.
People - Taxes on labor: this category generally includes taxes on labor, comprising those on incomes and social welfare contributions. Taxes applied to the employer are considered taxes borne (e.g., social welfare contributions, health insurance, pensions, disability contributions), while income taxes applied to workers are considered as taxes collected (e.g., taxes on incomes of physical persons or social welfare contributions debited to workers that are normally withheld by the employer).
Products - Taxes on products and services: indirect tax-

(19) See the circular Assonime (Association of Italian Joint Stock Companies) no. 1/2021. "Gli obblighi di trasparenza in materia di tassazione nelle dichiarazioni non finanziarie secondo lo standard GRI 207" (Transparency obligations in the matter of taxation in Non-Financial Disclosures according to standard GRI 207), in which it is clarified that it is possible to make reference to Country-by-Country reports sent to the Agenzie delle Entrate (Italian Revenue Agency) made public voluntarily, even if they are related to the preceding tax period with respect to the time period considered in the Non-Financial Disclosure. In this regard, the Group has decided to report the information for the current year, prepared consistently with the rules provided for under OECD Country-by-Country Reporting, actually anticipating by a year the activities required for tax reporting.
(20) Beginning 2018, the Enel Group presented the Country-by-Country Reports for the years 2016-2021. This was by way of transmission thereof to the Italian Agenzia delle Entrate which in turn supplied them to the other States with which an agreement is in force for the exchange of information, in compliance with the indications of Action 13 of the BEPS project, as amended. Action 13 is a project in which the OECD and the countries of the G20 have participated in order to reply in a coordinated and shared manner to the strategies of aggressive tax planning put in place by MNEs with a view to "artificially shifting" profits in jurisdictions characterized as tax havens.
(21) The data for taxes paid includes payments on account, taxes for previous years, including after assessments, net of repayments and rebates obtained. Interest and penalties are not considered.
(22) Working Paper no. 32, "Legal tax liability remittance responsibility and tax incidence".

es applied on production, sale or use of goods and services, trade and international transactions. This category includes taxes that can be paid by businesses with reference to their own consumption of goods and services, regardless of the fact that they are paid to the supplier of the goods and services rather than directly to the government. This category includes both taxes borne (e.g., taxes on consumption, turnover taxes, excise duties,[23] customs duties, import duties, taxes on insurance contracts, non-deductible VAT) as well as taxes collected (e.g., VAT paid, excise duties,[24] taxes on goods and services).

Property – Property taxes: taxes on property, the use or transfer of property, plant and equipment or intangible assets. This category includes both taxes borne (e.g. taxes on property and the use of real estate, capital tax applied on the increase of risk capital, taxes on the transfer, purchase or sale of assets, net equity and capital transactions, stamp duty, stamp duty for the transfer of real estate, stamp duty for the transfer of shares, taxes on financial transactions that imply loans or borrowings from a foreign source), and taxes collected (e.g. taxes on leases collected by the lessor and paid to the government).

Planet – Environmental taxes:[25] these include taxes and duties on energy products (including fuel for vehicles), on motor vehicles and transport services, and on the supply, use or consumption of goods and services considered harmful to the environment, as well as the management of waste, noise, water, land, soil, forests, biodiversity, wild animals and fish stocks to be paid by the entity. Examples of taxes borne: taxes on the value of the generation of electricity, taxes on the production of nuclear fuels and carbon tax. Examples of taxes collected: taxes on electricity, taxes on hydrocarbons and duties on gas and electricity.

Furthermore, the financial-equity data represented follow the **accounting requirements** below.

Data source: the data represented in the report are expressed on the basis of IFRS-EU accounting principles adopted by the Group and are at stand-alone entity level. Subsequently, these data are aggregated by tax jurisdiction. To take account of intercompany relations, the data are represented according to logic of aggregation by tax jurisdiction (that is, the country in which the entities are resident for tax purposes and where they enjoy fiscal autonomy) and not according to a logic of consolidation.

Entities within the scope: falling within the scope of the report are all those companies consolidated using the full consolidation method or the proportional method (hereafter also "entity within the scope") on the basis of accounting principles used for the drafting of the Consolidated Financial Statements on the part of the Ultimate Parent Entity (Enel SpA).[26] With reference to the list of companies in the Group and their activities, please refer to the specific prospectus in the ss.[27] **Currency**: the report considers the euro as the currency of reference in that it is the one used by the Parent Company. Since IFRS-EU accounting data are extracted in local currencies, economic data (such as revenues, earnings before taxes, taxes accrued and taxes paid) have been converted into the euro at the average exchange rate of the currency, while balance sheet data (property, plant and equipment) have been converted into the euro at the exchange rate in force at year's end.

Third party revenues: the sum of third party revenues accounted for by the entities within the scope in the pertinent tax jurisdiction in the reporting year. The term "revenues" is understood in the broadest possible sense[28] to include all revenues, comprising those from extraordinary operations.

Cross-border inter-company revenues: the sum of revenues from transactions carried out between entities within the scope resident in different jurisdictions in the tax reporting year, including income from extraordinary operations and excluding dividends.[29]

Profit (Loss) before income taxes: the sum of profits (losses) before income taxes generated in the year of reference and involving all entities within the scope in each tax jurisdiction. The Profits (Losses) before income taxes must include all items involving revenues and extraordinary

(23) With the exception of those recorded under environmental taxes (e.g. duties on gas and electric energy).

(24) With the exception of those recorded under environmental taxes (e.g. duties on gas and electric energy).

(25) The classification of taxes as environmental is based on the shared definition within the harmonized statistic framework developed jointly, in 1997, by Eurostat, the European Commission, the Organization for Economic Co-operation and Development (OECD), and the International Energy Agency (IEA), according to which environmental taxes "are taxes whose tax base is a physical quantity (or the proxy of a physical quantity) of an element that has a proven and specific negative impact on the environment (https://ec.europa.eu/eurostat/statistics-explained/index.php,title=Glossary:Environmental_tax). All taxes on energy, transport, pollution and resources are included, whereas all taxes on added value are excluded. For further details, see Eurostat: "Environmental taxes – a statistical guideline", para. 2.3 and 2.6 (https://ec.europa.eu/eurostat/documents/3859598/5936129/KS-GQ-13-005-EN.PDF) e OECD: Special feature: Identifying environmentally-related tax revenues in Revenue Statistics (https://www.oecd-ilibrary.org////sites/52465399-en/index.html,itemId=/content/component/52465399-en#).

(26) However, the companies consolidated using the equity method are excluded. Furthermore, the data of Permanent Establishments are reported in the jurisdiction of their operations and not in the jurisdiction of residence of associated companies. Therefore, the data of the latter do not include the data of the Permanent Establishment. Finally, all stateless companies of the Enel Group are flow-through entities incorporated in the same country in which income is imputed and is effectively taxed in the partner company (e.g., the United States).

(27) See circular Assonime no. 1/2021. Gli obblighi di trasparenza in materia di tassazione nelle dichiarazioni non finanziarie secondo lo standard GRI 207 (Transparency obligations in the matter of taxation in Non-Financial Disclosures according to standard GRI 207), where it is clarified that it is possible to make reference to other sources (known as "incorporation by reference") such as the Directors' Report in the Consolidated Financial Statements or in the annexes for the list of Group companies and their main activities, and the Directors' Report or other sections of the NFD with regard to information already contained therein on uncertain tax positions and on any other information relevant for the purposes of GRI 207.

(28) Specifically, also included are (i) other income, (ii) all extraordinary income (e.g., capital gains from the sale of real estate, unrealized capital gains/capital losses and (iii) financial income (with the exception of dividends from other companies within the scope) or any extraordinary item. Revenues from income taxes (deriving from deferred tax liabilities or from tax consolidation) are excluded.

(29) Revenues do not include payments received from other entities within the scope that are considered dividends in the tax jurisdiction of the payer.

costs.[30]

Income taxes accrued for companies (current taxes): the sum of current taxes (i.e., for the year in progress) on taxable income in the reporting year of all entities within the scope in each tax jurisdiction, regardless of whether or not they have been paid. The data for these does not take account of provisions for tax debts that are not yet certain as regards either their amount or existence, of adjustment of current taxes for previous years and of prepaid and deferred taxes.

Tangible assets: the sum of net accountable values of tangible fixed assets resulting from the balance sheet, of all entities within the scope in each tax jurisdiction.[31]

Number of employees and remuneration: the number of employees at the end of the period considering all the entities within the scope; conversely, as regards their remuneration, please see the Sustainability Report as well as the Tax Transparency Report.

Capital:[32] the accounting value of share capital as taken from the financial statements of all the entities within the scope.

Profit reserves: this item represents the amount of net profit realized by the entities within the scope in each tax jurisdiction over the past years, net of dividends paid and any other reduction due to losses, capital increases, etc.

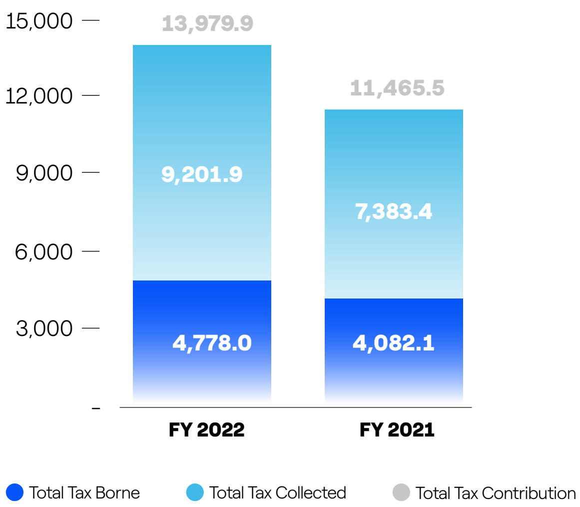
(30) Consistent with the reporting criteria applied to Revenues, Profits (Losses) before income taxes are indicated net of dividends paid by the companies within the scope (as also indicated by the OECD in the report "Guidance on the Implementation of Country-by-Country Reporting" published in 2019 point II.7).

(31) Tangible fixed assets do not include cash and cash equivalents, intangible assets or financial assets.

(32) The introduction of the disclosure related to the "Capital" and "Undistributed profit" items in the Sustainability Report 2021 further enriches the Report content in relation to OECD CbCR. Furthermore, the introduction of this information, in particular that related to "Undistributed profit" supplements the disclosure with that required by the Directive 2013/34 (amended by Directive (EU) 2021/2101) on the topic of the publication of income tax information (the so-called public CbCR). This additional information provides the disclosure with this content in advance of what is required under Article 48-(8) of the above-mentioned Directive.

Tax Transparency Report – general analysis

Total Tax Contribution (€/mil)



In 2022, the **Total Tax Contribution**[33] **(TTC)**, with respect to all the countries in which we operate, was **13,979.9** million euros.

2022 showed an increase in the total tax contribution of **2,514.4** million euros (**+21.9%**) compared to 2021.[34]

This trend is the result of an **increase** in both **tax borne** and **tax collected** and reflects the **economic conditions of the market** in question characterized by a significant increase in raw material procurement costs and a sharp rise in electricity and gas prices.

In this context, on an overall level, both revenue-related indirect taxes and, albeit more moderately, profit-, labor- and property-related taxes grew significantly. More specifically, an **analysis of the total tax contribution data** broken down into the five tax categories shows:

i. a significant **increase in taxes on products and services**, mainly as a result of higher revenues due to the increased quantities of electricity and gas (especially in Italy and Spain) sold at growing average prices;

ii. an **increase in environmental taxes**, influenced by the extraordinary repayments received in 2021 in Spain. Net of this effect, environmental taxes have in fact decreased mainly due to the suspension/reduction of energy excise taxes adopted by the governments of some countries to cope with high energy prices;

iii. an **increase in taxes on profits** due to both the introduction of extraordinary levies on companies operating in the energy production and distribution sectors and the effects of mechanisms for payment on account and balance of income taxes;[35] and

iv. an **increase in property and labor taxes**, consistent with the dynamics of the business, in which there are increasing levels of investment and staff remuneration.[36]

In general, the **value of taxes paid** highlights once again the importance of the **Group's tax contribution** to the **communities** and the economic and social systems of the countries in which it operates, something which has become even more relevant as we face the challenges of the post-pandemic period.

An analysis of the tax contribution from a **geographical perspective** shows that the **distribution** of taxes paid is **consistent** with that of the **revenues generated** and the number of **staff employed**: **Italy, Spain and Brazil** together account for **85%** of the **tax contribution**, around **84%** of **revenues** and around **75%** of **employees**.

The distribution of the total contribution in the various countries in which the Group operates is shown in the table below.

(33) The total tax contribution has been calculated considering the main countries in which the Group is present. These represent more than 99% of revenues and more than 99% of income taxes paid. For all the other countries, the income taxes have nonetheless been indicated in detail. The following countries are included: Italy, Spain, Brazil, Colombia, Portugal, Peru, Argentina, Romania, Chile, France, the United States, Canada, Germany, the Netherlands, Panama, Mexico, Greece, Guatemala, India, South Africa and Costa Rica.

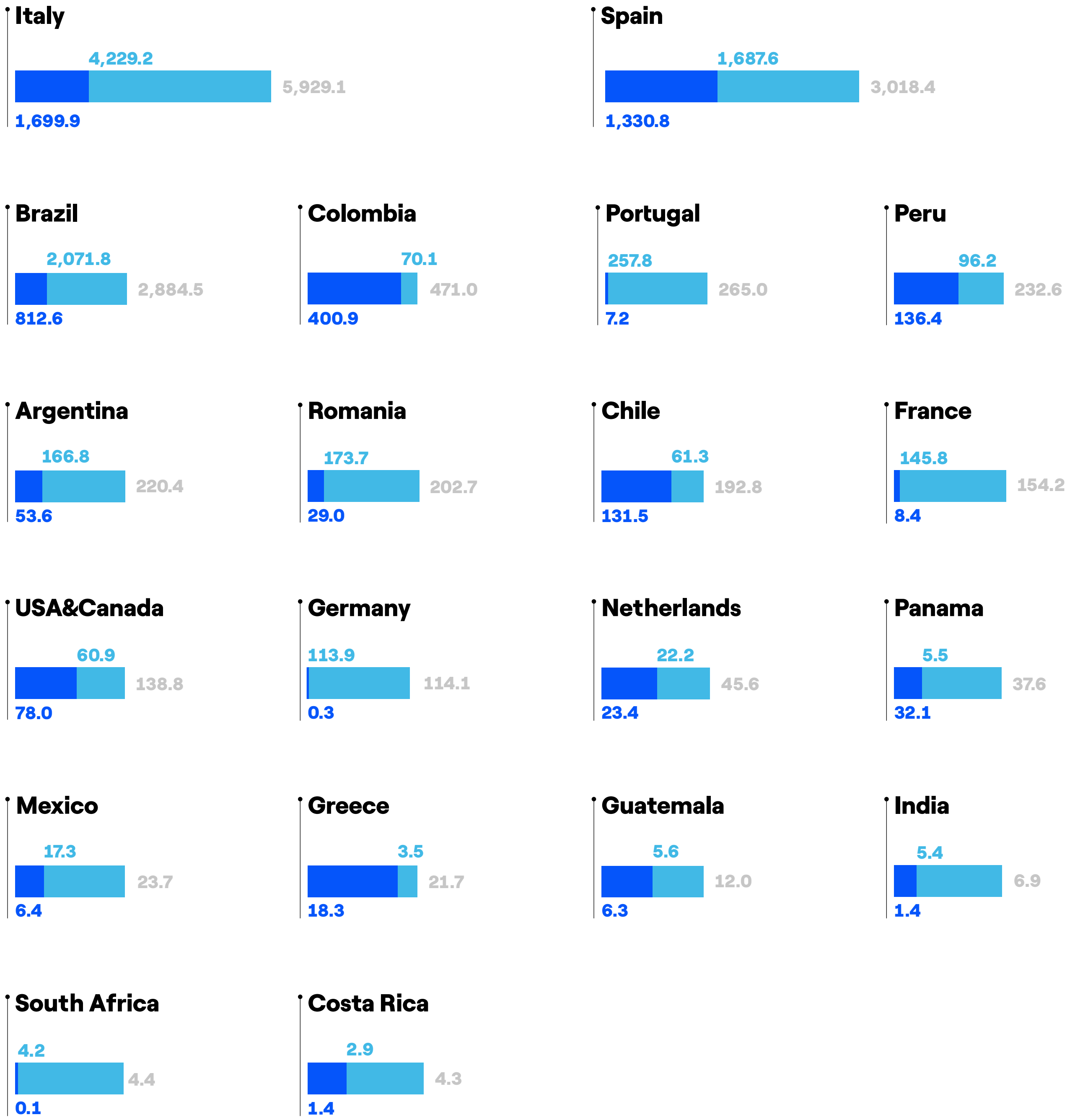
(34) It should be noted that refinements and changes to the scope of consideration have been introduced for the purpose of preparing this section of the document. The 2021 figures presented in this document may not coincide with that represented in the Enel Group's "Sustainability Report 2021".

(35) In the majority of countries where Enel operates, Income Taxes are paid for the reporting year based on the historical values of the previous year (so-called "historical method"). Therefore, the financial effects of the overall value of income taxes for the reporting year are fully recognized only the following year.

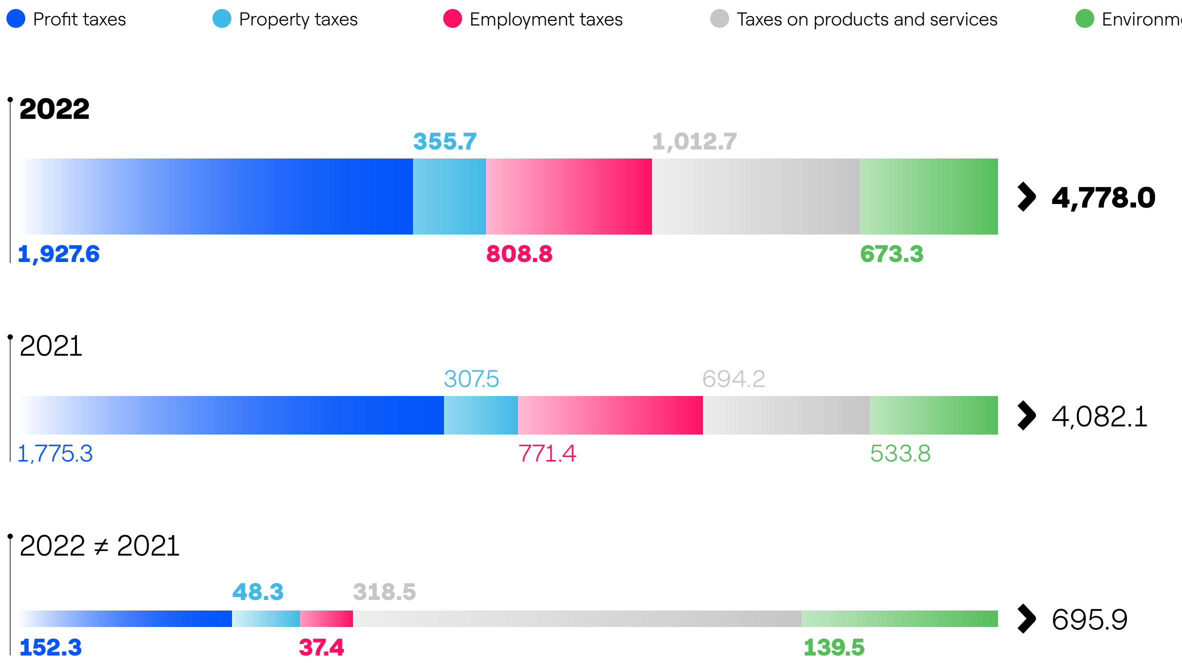
(36) Net of the effect related to Russia, whose activities are effectively divested.

Total Tax Contribution per country (€/mil)

- Total Tax Borne (cash accounting)
- Total Tax Collected (cash accounting)
- Total Tax Contribution (cash accounting)



Tax Borne (€/mil)



In 2022, the **Total Taxes Borne**[37] amounted to **4,778.0 million euros**,[38] an overall increase of **695.9 million euros** (**+17.0%**) compared to 2021.

This increase affected **all tax borne categories** and especially **taxes on products and services, environmental taxes** and **taxes on profits**.

The payment of **taxes on products and services increased** by **318.5 million euros**, due to higher payments in (i) Brazil (+185.6 million euros), mainly as a result of an increase in social taxes PIS ("*Programa de Integração Social*") and COFINS ("*Contribuição para Financiamento de Seguridade Social*"[39]) following new clarifications provided by the competent authorities for the application of these taxes, and Spain (+114.1 million euros) where revenues increased as a result of rising electricity prices.

The payment of **environmental taxes increased** overall **by 139.5 million euros**. The largest increases were recorded in:

i. Spain (+80.7 million euros) where, on the one hand, taxes paid relating to the "*canon hidráulico*" (water tax) increased compared to 2021 (+270.6 million euros), a year in which extraordinary repayments[40] were received, and on the other hand, payments relating to the "*Impuesto sobre el valor de la producción eléctrica*" (tax on electricity production) decreased (-204.2 million euros), due to the suspension of this tax for the entire year;
ii. Italy (+41.2 million euros) as a result of paying the coal excise duty adjustments for 2021, due to higher consumption in 2021 compared to 2020;
iii. Chile (+16.0 million euros) due to the increase in electricity production.

The payment of **income taxes** has **increased** overall by **152.3 million euros**. The **largest increases** were recorded in:

i. Italy (+167.3 million euros) due to the introduction of extraordinary contributions charged to companies operating in the energy production and distribution sectors and higher advance payments made in 2022 compared to 2021 as a result of the method used to calculate the same[41] and the inclusion of a new company in the scope;[42]
ii. Spain (+95.3 million euros) due to both lower depreciation and amortization as a result of extending the tax life of certain production facilities and the payment of taxes

(37) Taxes borne are taxes that constitute a cost for a company.
(38) Taxes borne include, among income taxes, specific corporate income taxes of 1,799.8 million euros paid in 2022 and 1,723.3 million euros paid in 2021.
(39) The exclusion of the ICMS ("Imposto sobre Circulação de Mercadorias e Serviços") from the basis for calculating the PIS ("Programa de Integração Social") and COFINS ("Contribuição para Financiamento de Seguridade Social") on which Brazil's Federal Supreme Court (STF) ruled in 2021, was a controversial topic in the country and the subject of much debate in that year. In 2022, Enel revised its methodology for calculating PIS/COFINS taxes in light of new clarification provided by the competent authorities, which resulted in an increase in taxes paid.
(40) The repayment refers to the amounts paid during the period 2013-2020. Following a judgment of the Spanish Tribunal Supremo, the charge was repaid as it was declared non-applicable.
(41) In the case in question, the payments on account (calculated using the historical method and partly using the forecast method) made in 2022 increased due to an increase in taxable income between 2020 and 2021, as well as a higher expected income in 2022 than in 2021.
(42) Taxes on Enel Hydro Appennino Centrale, the company acquired in 2022, were paid in 2022.

related to previous years, made following a restatement of the tax base; and

iii. Colombia (+18.7 million euros) due to an increase in taxable income of some companies related to an improvement in operating results.

This was partially offset by a **reduction in taxes on profits** in:

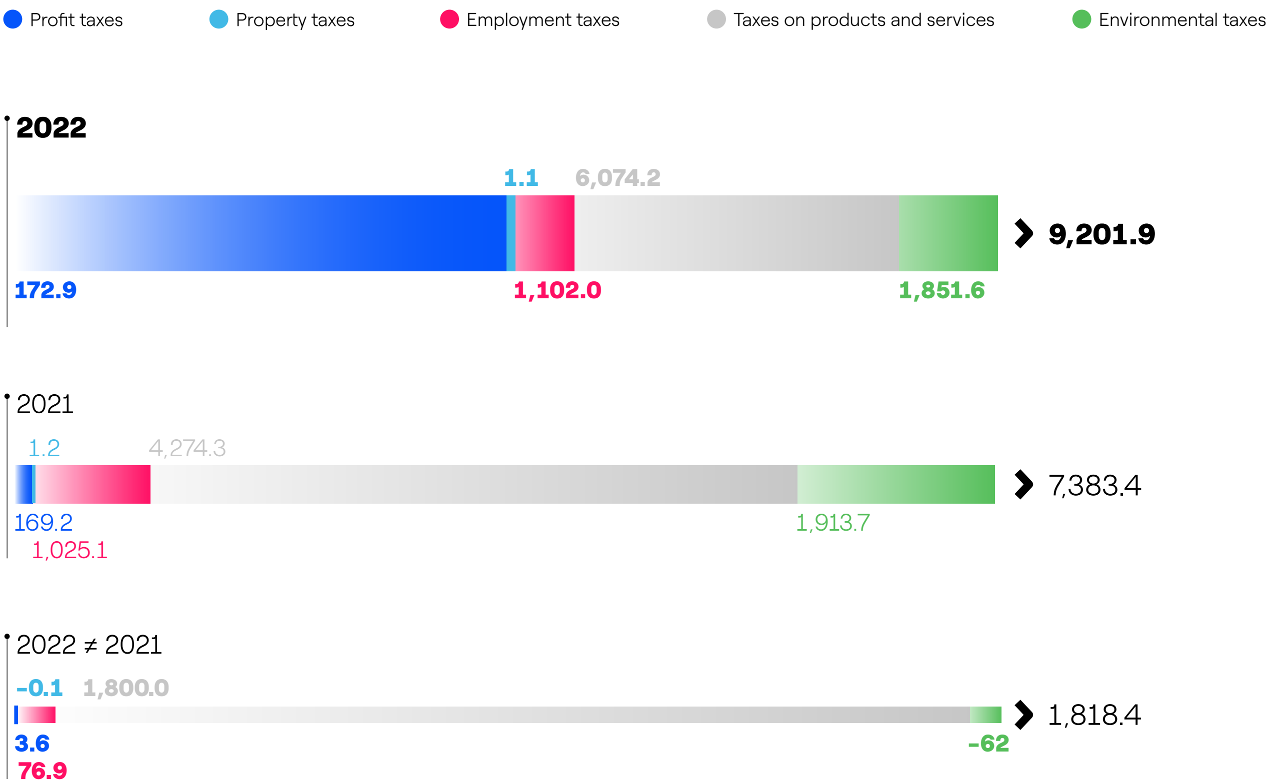
iv. Brazil (-63.7 million euros) due to both a change in the way some entities[43] pay taxes during the year and a reduction in taxable income;

v. Chile (-48.8 million euros) due to the reduction of taxable income caused by exchange losses;

vi. Holland (-26.5 million euros) due to a reduction in taxable income in 2021,[44] which, based on the historical payment mechanism, affected the taxes paid in 2022.

The payment of **property taxes** increased overall by **48.3 million euros**. The most significant increases were recorded (i) in the United States of America (+22.5 million euros) due to the commissioning of new renewable energy plants, (ii) in Brazil (+18.5 million euros) as a result of certain financial transactions (discharge of foreign financial debts and capital contribution) subject to capital taxation, and (iii) in Italy (+3.9 million euros) due to the updating of the "*canone unico patrimoniale*" (single property charge) introduced as of 2021.

Tax Collected (€/mil)



(43) Some Brazilian entities changed the frequency of income tax settlement from annual to quarterly during the year. Following this change, taxes for the last quarter of 2022 were paid in January 2023, with a consequent reduction in payments by 2022.

(44) 2021 was characterized by a debt restructuring operation as a result of which securities issued in the past were repurchased early, and new sustainability-linked bonds were issued, in line with the industrial objectives that the Enel Group has set for itself in terms of sustainability and decarbonization. The restructuring operation generated around 560 million euros in extraordinary costs.

Total Taxes Collected amount to **9,201.9 million euros**, up **1,818.4 million euros (+24.6%)** as compared to 2021. This increase is mainly attributable to **higher taxes on products and services**.

Indeed, the **taxes on products and services increased by 1,800.0 million euros**. The largest increases were recorded in:

i. Italy (+1,000.0 million euros), where in 2021, as a result of the first year of adoption of the so-called "VAT Group" – a measure that simplified a number of tax obligations[45] – no payments on account had been made;

ii. Spain (+516.2 million euros), Portugal (+103.7 million euros), France (+61.4 million euros) and Germany (+49.9 million euros), due to higher revenues related to the increase in prices and sales volumes as described above.

A representative global and concise index of the **Group's tax contribution** from a cash perspective is:

TTC Rate

64.7%

The **Total Tax Contribution (TTC Rate) index** provides a concise and complete measurement of the burden for all taxes that the business has effectively paid and is calculated as a percentage of taxes borne in relation to Earnings Before Taxes. In 2022, the TTC rate of 64.7% was higher than the average for the last three years (57.5%) mainly due to the increase in taxes borne already mentioned.

Another concise indicator of the tax contribution for business income is represented by:

Current income tax rate

68.1%

At Group level, in FY 2022 the **Current Income Tax Rate**, determined as the ratio of accrued corporate income taxes (3.0 billion euros) to profit before income taxes (4.41 billion euros), was 68.1%, higher than the average rate of the OECD Member States (23.1%).[46]

In line with OECD best practice,[47] the following tables show the figure for corporate income taxes paid on a cash basis and the figure for current taxes booked on an accrual basis country by country. Current taxes represent taxes calculated on the basis of income produced in the year following the tax rules of each country and normally deviate from taxes paid in the same year in so far as the definitive payment of the balance is made in the year following that in which they accrued.

The trends of the two values are substantially destined to realign over time. In 2022, the current income taxes on a Group level were equal to 3.0 billion euros, whereas the income taxes paid were equal to 1.8 billion euros.

The significant value of current taxes and the difference between current taxes and taxes paid relating to 2022 is mainly attributable to the higher cost of current taxes recorded in Italy, related to the extraordinary contribution on high utility bills and solidarity contributions (approximately totaling 721 million euros). The upward effect on taxes paid will be evident in 2023 due to tax payments based on historical data.

(45) https://www.agenziaentrate.gov.it/portale/web/guest/schede/istanze/costituzione-gruppo-iva/scheda-informativa-costituzione-gruppoiva. With this scheme, a single and autonomous taxable entity is established with a single VAT Number valid for all member companies, replacing their individual VAT Numbers. This also benefits the suppliers of the various companies (e.g., a single VAT Number of reference for the invoices to all Group Companies).
(46) Source OECD Stat, "Table II.1. Statutory corporate income tax rate – Combined corporate income tax rate".
(47) For the purposes of Country-by-Country Reporting (BEPS Project – Action 13).