



**GUIDELINES OF THE ENEL GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT
SYSTEM**

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1. GENERAL PRINCIPLES

The internal control and risk management system (“**ICRMS**”) of Enel S.p.A. (“**Enel**” or the “**Company**”) and the group it controls (the “**Enel Group**” or the “**Group**”) consists of the set of rules, procedures, and organizational entities aimed at an effective and efficient identification, measurement, management, and monitoring of the main corporate risks, in order to contribute to the sustainable success of the Company, which consists of creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to Enel.

In this regard, the Group has adopted a risk governance model and a uniform taxonomy of risks (so-called “**Risk Catalogue**”) (1), which facilitate the management and organic representation of these risks.

The **ICRMS** is an integral part of the more general organizational and corporate-governance structures adopted by the Company and the Group and is based on domestic and international best practices. In particular, the system takes into account the recommendations of the Italian Corporate Governance Code (the “**Corporate Governance Code**”) and is consistent with the “Internal Controls – Integrated Framework” model issued by the Committee of Sponsoring Organizations of the Treadway Commission (the so-called CoSO), which constitutes the internationally recognized benchmark for the integrated analysis and assessment of the effectiveness of the ICRMS.

An effective ICRMS contributes to corporate management consistent with the objectives determined by the Board of Directors, because it allows the major risks to be identified, measured, managed, and monitored with regard to their ability to influence the achievement of the aforesaid objectives. In particular, the ICRMS contributes to ensuring the safeguard of corporate assets, the efficiency and effectiveness of corporate processes, the reliability of information provided to the corporate bodies and to the market, and the compliance with laws and regulations, as well as with the corporate bylaws and internal procedures.

In this context, the Board of Directors defines the nature and the level of risk compatible with the identified strategic objectives, including in its assessments all elements that may be relevant for the Company’s sustainable success. Therefore, the ICRMS plays a major role in the corporate organization, contributing to the adoption of decisions that are well informed and consistent with the propensity for risk, as well as to the dissemination of appropriate information regarding risks, the law, and corporate values. In effect, the culture of control occupies a significant position on the Group’s scale of values, involving the entire corporate organization in the development and application of methods for identifying, measuring, managing, and monitoring risks.

More specifically, the ICRMS:

- provides for control actions at every operating level and clearly identifies duties and responsibilities, so as to avoid duplications of tasks and ensure coordination among the persons involved in the ICRMS itself;
- provides for the separation of duties and responsibilities among distinct organizational units or within the same, in order to prevent incompatible tasks being concentrated under common responsibilities. In particular, it ensures the necessary separation of operating and control activities, so as to prevent or – if that is not possible – manage conflicts of interest;
- is integrated, providing for the dissemination of a common language, the adoption of methods and instruments for measuring and assessing complementary risks, as well as information flows among the different functions with regard to the results of the tasks respectively entrusted to them;
- aims to ensure information systems that are reliable and appropriate for the reporting processes at the different levels to which control functions are entrusted;

(1) Within the Risk Catalogue, risk types are divided into several categories, concerning strategic risks, financial risks, operational risks, non-compliance risks, governance and corporate culture risks, and digital technology risks.

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- guarantees the traceability of the tasks of identifying, assessing, managing, and monitoring risks, ensuring over time the reconstruction of the sources and elements of information that support such tasks;
- is endowed with procedures (so called “whistleblowing”), consistent with the national and international best practices, that allow employees (as well as the other individuals listed in the relevant regulations who have acquired information within their work environment) to report any irregularity or violation of the applicable laws provisions and/or internal procedures. Such “whistleblowing” procedures ensure the protection of the reporting person against retaliatory acts and are characterized by specific information channels aim at ensuring the reporting person to remain anonymous;
- reveals abnormal situations that may constitute indicators of inefficiency in the systems for measuring and controlling risks;
- ensures that the anomalies observed are promptly brought to the attention of appropriate levels of corporate responsibility, which are able to effectively implement suitable corrective measures.

The ICRMS consists of three distinct kinds of activities:

- “line” or “first-level” control, consisting in all the control tasks performed by the individual operating units within the companies of the Group on their processes in order to ensure that operations are carried out properly. Such control tasks are entrusted to the primary responsibility of operating management and are considered an integral part of every corporate process. Thus the operating units have first-level responsibility for the process of internal control and risk management. During every day operating activity such units are entrusted with identifying, measuring, assessing, managing, and monitoring the risks arising from ordinary corporate operations in accordance with the applicable internal procedures;
- “second-level” controls, which are entrusted to specific corporate functions and aimed at ensuring, to the extent required, the monitoring of the types of risks described within the Risk Catalogue;
- internal audit (“third-level” controls), aimed at checking the effectiveness and adequacy of the overall ICRMS, including by monitoring the line controls, as well as the second-level ones.

The ICRMS is subject to periodic tests and checks, taking into account the evolution of corporate operations and the situation in question, as well as both national and international best practices.

2. ROLES, RESPONSIBILITIES, AND PROCEDURES OF COORDINATION OF THE PERSONS INVOLVED IN THE ICRMS

The following is a list of the persons who, in their different capacities, are involved in the ICRMS, as well as the role and responsibilities entrusted to them and the coordination procedures provided for in the performance of their respective duties.

2.1 *The Board of Directors*

The Enel’s Board of Directors plays a role in guiding and assessing the adequacy of the ICRMS. More specifically, it is the duty of the Board of Directors, upon consultation with the Control and Risk Committee (as defined below), to:

- define the guidelines of the ICRMS, so that the main risks regarding the Company and its subsidiaries – including those risk that may be relevant for the sustainable success – are correctly identified, as well as properly measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives;
- evaluate, at least on an annual basis – unless unforeseen events occur that could require special investigation aimed at checking the effectiveness of controls with regard to particular

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situations – the adequacy of the ICRMS taking into account the characteristics of the Company and the Group and the types of risks taken, as well as its effectiveness;

- on the basis of the proposals of the Chief Executive Officer, in accordance with the Chairman of the Board of Directors (consistently with the powers assigned to the latter) and upon consultation with the Board of Statutory Auditors, appoint and remove the Head of the Audit Function, defining his/her remuneration in accordance with the corporate policies and ensuring that him/her is provided with adequate resources to carry out his/her duties;
- approve, at least on an annual basis, upon consultation with the Board of Statutory Auditors and the Chief Executive Officer, the work plan prepared by the Head of the Audit Function (the “**Audit Plan**”);
- evaluate the opportunity to adopt any measures to enhance the effectiveness and impartiality of judgement of the corporate functions – other than the Audit Function – which are involved in the control system, verifying that they have adequate professionalism and resources;
- approve the Compliance Program of Enel pursuant to Legislative Decree n. 231 of June 8, 2001 (“**Compliance Program**”) and the related amendments, as well as to appoint and remove the members of the Supervisory Body (“**SB**”) established within Enel pursuant to the aforesaid Compliance Program;
- evaluate, upon consultation with the Board of Statutory Auditors, the results presented by the auditing firm in any letter of suggestions and in the additional report addressed to the Board of Statutory Auditors.

In addition, with the support of the Control and Risk Committee, the Board of Directors describes in the corporate governance report the main characteristics of the ICRMS and the methods of coordination among the subjects involved, indicating the national and international reference models and best practices, and expresses in the same report an overall assessment of the adequacy of the system itself, also providing an explanation of the choices made regarding the composition of the SB.

In order to ensure the proper performance of the tasks entrusted to its responsibility, the Board of Directors also:

- sets up among its members a control and risk committee (the “**Control and Risk Committee**”) with the task of supporting, after an appropriate preliminary investigation, having a proposing and consultative nature, the assessments and decisions of the Board of Directors regarding the ICRMS, as well as those regarding the approval of the periodic financial and non-financial reports;
- upon consultation with the Board of Statutory Auditors, appoints and removes the Executive in Charge of preparing Enel’s corporate accounting documents (the “**Executive in Charge**”), verifying that he is provided with adequate powers and resources to perform the duties entrusted to him or her, as well as ensuring actual compliance with the administrative and accounting procedures for preparing both the stand-alone and consolidated financial statements, as well as all other financial communications prepared by the aforesaid Executive in Charge;
- examines the periodic reports prepared by the SB, regarding the activity carried out in the first half of the financial year, following the verification activities carried out in the entire financial year and the supervision plan prepared for the next financial year, as well as the proposals for updating the Compliance Program and/or improving the control system, which it receives from the Control and Risk Committee.

2.2 The Control and Risk Committee

Enel’s Control and Risk Committee has the task of assisting, with appropriate preparatory work, having a proposing and consultative nature, the assessments and decisions of the Board of Directors

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regarding the ICRMS, as well as those regarding the approval of the periodic financial and non-financial reports.

More specifically, the Control and Risk Committee is entrusted with the following duties:

- to express its opinion in the cases indicated in the paragraph 2.1., thus supporting the Board of Directors in performing the activities regarding the ICRMS entrusted to the Board by the Corporate Governance Code;
- to assess, upon consultation with the Executive in Charge, the auditing firm and the Board of Statutory Auditors, the proper application of the accounting principles and their uniformity for the purposes of preparing the periodic financial reports;
- to assess whether the periodic financial and non-financial information is suitable to correctly represent the business model, the strategies of the Company and the Group, the impact of the Company's activities and the performance achieved, in coordination with the Corporate Governance and Sustainability Committee as regards non-financial periodic information;
- to examine the issues relevant to the ICRMS dealt with in the non-financial statement pursuant to Legislative Decree No. 254/2016 and in the sustainability report – possibly summarized in a single document – issuing in this regard a prior opinion to the Board of Directors, which is called upon to approve them;
- to express opinions on specific aspects regarding the identification of the main corporate risks;
- to review the reports – prepared by the Risk Control Unit – concerning the performance of key risk indicators;
- to review the periodic reports, concerning the evaluation of the internal control system on corporate reporting, prepared by the Internal Control over Reporting Unit;
- to review the periodic reports regarding the assessment of the ICRMS, as well as other report prepared by the Audit Function that are particularly significant;
- to monitor the independence, adequacy, effectiveness, and efficiency of the Audit Function;
- to examine the main corporate rules and procedures related to the ICRMS that are relevant for stakeholders, including the Compliance Program, the Code of Ethics, the “Zero Tolerance of Corruption” Plan, and the “Human Rights Policy”, submitting these documents to the Board of Directors for approval and assessing any possible subsequent amendments or supplement to the same;
- to report to the Board of Directors at least once every six months, on the activity carried out and on the adequacy of the ICRMS;
- to support, with adequate preliminary activities, the Board of Directors in its assessments and resolutions regarding the management of risks arising from detrimental facts which the Board may have become aware of;
- to perform any additional tasks assigned to it by the Board of Directors.

In addition, the Control and Risk Committee:

- may ask the Audit Function to perform checks on specific operating areas, giving simultaneous notice to the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors, and the Chief Executive Officer of such request, with the exception of the cases in which the subject matter of the request specifically concerns such persons' activity;
- exchanges promptly with the Board of Statutory Auditors information that is significant for performing its own duties;
- receives the periodic reports prepared by the SB, regarding the activity carried out in the first half of the financial year, following the verification activities carried out in the entire financial year and the supervision plan prepared for the following financial year, as well as the proposals for updating the Compliance Program. On the occasion of the review of these reports and

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proposals – which it sends to the Board of Directors, together with any evaluations it may make – the Control and Risk Committee also meets with the SB.

On the other hand – like the Chairman of the Board of Directors, the Chief Executive Officer, and the Chairman of the Board of Statutory Auditors – the Chairman of the Control and Risk Committee receives:

- the periodic reports prepared by the Head of the Audit Function containing adequate information on the activities carried out by the latter on the ways in which the risk management is conducted, as well as on the compliance with the plans established to contain the same;
- the reports on particularly significant events prepared by the Head of the Audit Function;

which he/she shares in the meetings of the Control and Risk Committee, in the presence of the Head of the Audit Function. Cases in which the matter of these reports specifically concerns the activities of the Chairman of the Control and Risk Committee are excepted.

The Chairman of the Control and Risk Committee is also informed – at the same time as the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors – about the controls on specific operational areas and on the compliance with the internal rules and procedures in carrying out corporate operations requested to the Audit Function by the Chief Executive Officer.

In order to ensure appropriate coordination among the different bodies and functions involved in the ICRMS, in line with the principles defined in this regard in Chapter 3 below, the Chairman of the Board of Statutory Auditors or another regular Statutory Auditor designated by him/her participates in the meetings of the Control and Risk Committee. However, the other regular Statutory Auditors may also participate. As a rule, moreover, the Head of the Audit Function and the Head of the Risk Control Unit also participate in the aforesaid meetings. The Control and Risk Committee and the Board of Statutory Auditors meet jointly whenever they consider it necessary or appropriate to discuss questions of common interest, and in particular when they have to examine – consistent with their respective duties – the procedures for the preparation and the content of the periodic financial and non-financial reports, as well as the outcomes of the evaluation of the internal control system on corporate reporting.

Finally, the Chairman of the Control and Risk Committee shall report to the first useful Board of Directors on the meeting held by the Committee.

2.3 The Chairman of the Board of Directors

Without prejudice to the additional functions provided for by the law, the corporate bylaws, and the Company's division of powers, the Chairman of the Board of Directors:

- contributes, upon consultation with the Chief Executive Officer, in the submission of proposals to the Board of Directors regarding the appointment, removal, and compensation of the Head of the Audit Function and exercises with respect to the latter a supervisory role (without prejudice to the hierarchical dependence of the same Head of the Audit Function on the Board of Directors and the management of its functional relationship by the Chief Executive Officer);
- is informed, at the same time as the Chairman of the Board of Statutory Auditors and the Chief Executive Officer, about the controls on specific operational areas requested to the Audit Function by the Control and Risk Committee, with the exception of the cases in which the request for control regards specifically his/her own activities;
- is informed, at the same time as the Chairman of the Board of Statutory Auditors, about the controls on specific operational areas and on the compliance with the internal rules and procedures in carrying out corporate operations requested to the Audit Function by the Chief Executive Officer;
- receives, as do the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee, and the Chief Executive Officer:

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- the periodic reports prepared by the Head of the Audit Function containing appropriate information on the tasks performed by the latter and on the procedures for conducting the management of risks, as well as on the compliance with the plans established to contain the same;
- the reports on particularly significant events prepared by the Head of the Audit Function;
- in this regard, cases in which the matter of these reports specifically concerns the activities of the Chairman of the Board of Directors are excepted;
- meets on an annual basis – jointly with the Chief Executive Officer – with the SB, which informs him/her about the monitoring and supervisory activities on the operation of Compliance Program carried out during the current financial year and outlines the plan of activities scheduled for the following financial year.
- with the support of the Secretary of the Board of Directors, ensures that Directors and Statutory Auditors may participate, after the appointment and during the office, to activities aimed at providing them with adequate knowledge of, among others, the principles of correct management of risks.

2.4 The Chief Executive Officer

The Enel Chief Executive Officer is attributed the role of director in charge of the establishment and maintenance of the ICRMS.

In performing this role, he/she is responsible for:

- ensuring that the main corporate risks are identified, taking into account the characteristics of the business carried out by the Company and its subsidiaries, and periodically submitting them to the Board of Directors for its review;
- implementing the guidelines established by the Board of Directors, providing for the design, implementation, and management of the ICRMS, and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape;
- presenting, upon proposal of the Chairman, proposals to the Board of Directors regarding the appointment, removal, and compensation of the Head of the Audit Function, ensuring that the latter is provided with adequate resources to the performance of his/her tasks;
- managing, within the powers granted to him/her by the Board of Directors, the functional relationship of the Head of the Audit Function, without prejudice to the latter's hierarchical dependence on the Board of Directors and the supervisory role exercised over him/her by the Chairman of the Board of Directors;
- examining the Audit Plan prepared by the Head of the Audit Function and transmitting his/her related evaluations to the Board of Directors before they approve the aforesaid Plan;
- requesting, whenever appropriate, the Audit Function to perform specific controls on defined operational areas and on the compliance with the internal rules and procedures in the implementation of corporate transactions, at the same time informing the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, and the Chairman of the Board of Statutory Auditors;
- reporting promptly to the Control and Risk Committee on problems and critical issues that emerged in the performance of his/her activities or of which he/she nevertheless has information, so that the Committee can take the appropriate measures.

In addition, the Chief Executive Officer:

- is informed, at the same time as the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors, about the controls on defined operational areas requested to

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the Audit Function by the Control and Risk Committee, with the exception of the cases in which the request for control specifically regards his/her own activities;

- receives, as do the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, and the Chairman of the Board of Statutory Auditors:
 - the periodic reports prepared by the Head of the Audit Function containing appropriate information on the tasks performed by the latter and on the procedures for conducting the management of risks, as well as on the compliance with the plans established to contain the same;
 - the reports on particularly significant events prepared by the Head of the Audit Function;in this regard, cases in which the matter of these reports specifically concerns the activities of the Chief Executive Officer are excepted.
- meets on an annual basis – jointly with the Chairman of the Board of Directors – with the SB, which informs him/her about the monitoring and supervisory activities on the operation of Compliance Program carried out during the current financial year and outlines the plan of planned activities for the following financial year.

2.5 The Board of Statutory Auditors

Within the duties assigned to it by the law, including in its capacity as the Committee for Internal Control and Auditing pursuant to Legislative Decree n. 39 of January 27, 2010, and in compliance with the recommendations of the Corporate Governance Code with regarding the verification of the effectiveness of the ICRMS, the Board of Statutory Auditors oversees:

- the observance of the law and the corporate bylaws;
- the observance of the principles of correct administration;
- the adequacy and effectiveness of the ICRMS;
- the process of financial reporting;
- the adequacy of the Company's organizational structure with regard to the aspects under its responsibility, and of the administrative-accounting system, as well as on the latter's reliability in correctly representing operating events;
- the external audit of the annual and consolidated accounts, as well as the independence of the auditing firm;
- the procedures of concrete implementation of the corporate governance rules provided for by the Corporate Governance Code, which Enel declares to comply with;
- the adequacy of the instructions issued by Enel to its subsidiaries for the latter to disclose the information necessary to ensure that the Company proper fulfills the reporting obligations provided for by the law.

In performing the aforesaid duties, the Board of Statutory Auditors:

- is consulted by the Board of Directors when the latter:
 - appoints, removes, and determines the remuneration of the Head of the Audit Function, as well as when it ascertains whether the latter has the appropriate resources for the performance of his/her tasks;
 - approves the Audit Plan prepared by the Head of the Audit Function;
 - evaluates the results presented by the auditing firm in any letter of suggestions and in the additional report addressed to the same Board of Statutory Auditors.
- may ask the Audit Function to perform specific controls on defined operational areas or corporate transactions;

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- promptly exchanges with the Control and Risk Committee information that is significant for the performance of its own duties.

In addition, the Chairman of the Board of Statutory Auditors:

- is informed, at the same time as the Chairman of the Board of Directors, about the controls on defined operational areas and on the compliance with the internal rules and procedures in carrying out corporate transactions requested to the Audit Function by the Chief Executive Officer;
- is informed, at the same time as the Chairman of the Board of Directors and the Chief Executive Officer, about the controls on defined operational areas requested to the Audit Function by the Control and Risk Committee, with the exception of the cases in which the request for control specifically regards his/her own activities;
- receives, as do the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, and the Chief Executive Officer:
 - the periodic reports prepared by the Head of the Audit Function containing appropriate information on the actions carried out by the latter and on the procedures by which the management of risks is conducted, as well as on the compliance with the plans established to contain the same;
 - the reports on particularly significant events prepared by the Head of the Audit Function;which he/she shares in the meetings of the Board of Statutory Auditors, in the presence of the Head of the Audit Function. Cases in which the matter of these reports specifically concerns the activities of the Chairman of the Board of Statutory Auditors are excepted.

Finally, in order to ensure appropriate coordination among the different bodies and functions involved in the ICRMS, in line with the principles defined in this regard in Chapter 3 below, it is also prescribed that:

- without prejudice to the participation of the Board of Statutory Auditors in the meetings of the Board of Directors, the Chairman of the Board of Statutory Auditors (or another regular Statutory Auditor designated by him/her) participates in the meetings of the Control and Risk Committee; however, the other regular Statutory Auditors may also participate;
- as a rule, the Head of the Audit Function participates in the meetings of the Board of Statutory Auditors;
- the Board of Statutory Auditors and the Control and Risk Committee meet jointly whenever they consider it necessary or appropriate to discuss questions of common interest, and in particular when they have to examine – in accordance with their respective duties – the procedure for drafting and the content of the periodical financial and non-financial reports, as well as the outcomes of the evaluation of the internal control system on corporate reporting.

2.6 The Head of the Audit Function

The Audit Function is entrusted with reviewing the effectiveness and adequacy of the ICRMS as a whole.

Specifically, the Head of the Audit Function of Enel:

- prepares at least on an annual basis the Audit Plan. based on a structured process of analysis and prioritization of the main risks, for review by the Chief Executive Officer and by the Board of Statutory Auditors and subsequently for approval by the Board of Directors, upon consultation with the Control and Risk Committee;
- monitors – both on an ongoing basis and with regard to specific needs, and in compliance with the international standards – the functioning and suitability of the ICRMS through the Audit Plan and the performance of specific, unplanned controls;

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- performs specific controls, whenever he/she considers it appropriate or at the request of the Board of Directors, the Control and Risk Committee, the Chief Executive Officer, or the Board of Statutory Auditors;
- reports directly to the Board of Directors and is not responsible for any operating area. Without prejudice to his/her position in the division of powers, the Board of Directors has entrusted the Chief Executive Officer with the task of managing the functional relationship of the Head of the Audit Function;
- has direct access to all the information useful for performing his/her duties;
- prepares periodic reports containing adequate information on his/her activity and on the ways in which risk management is conducted, as well as on the compliance with the plans established for containing the same. The periodic reports contain an assessment of the suitability of the ICRMS;
- also upon request of the Board of Statutory Auditors, promptly prepares reports on particularly significant events;
- submits his/her periodic reports and those on particularly significant events to the Chairmen of the Board of Statutory Auditors, of the Control and Risk Committee, and of the Board of Directors, as well as to the Chief Executive Officer, with the exception of the cases in which the matter of these reports specifically concerns their activities;
- verifies, as part of the Audit Plan, the reliability of the information systems, including the accounting systems.

2.7 The Group Risk Committee

In order to enhance the involvement of top management in strategic choices regarding the management of significant risks, strengthening the integration between risk control and decision-making processes, the following tasks are assigned to the Group Risk Committee, chaired by Enel's Chief Executive Officer:

- to approve and periodically update Group and individual Region/Country/Business Line policies and risk limits, as well as to authorize any exceeding of these limits beyond certain thresholds;
- to examine key findings regarding the Group's overall risk exposure, overseeing the related management and monitoring activities;
- to define guidelines for risk management and mitigation tools, identifying actions to be taken following extraordinary or major transactions, situations of particular complexity or criticality, or operations in new markets/products.

2.8 The second-level control system

In accordance with the provisions of the law and following the domestic and international best practices, the Enel Chief Executive Officer identifies the corporate functions to which the second-level controls are entrusted and of which he/she avails him/her self to measure and monitor the main risks connected with the Group's operations.

Without prejudice to the Company's authority to adapt the control structure to operating necessities, as well as to align it with the pro-tempore regulatory requirements in force, among the main corporate structures currently assigned to the second-level controls by the Chief Executive Officer appear:

- the Risk Control Unit, which ensures the effective implementation at the Group level of the process of identifying, assessing, analyzing, prioritizing, controlling and reporting of the main risks, developing quantitative indicators where necessary. Furthermore, this Unit formulates proposals to the Group Risk Committee regarding policies and limits related to risk management, and periodically informs it about trends in exposures to the major risks, as well as mitigation actions and compliance with established limits;

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- the Group Planning and Control Unit, tasked with monitoring the Company's and the Group's operating and economic-financial performance, as well as with the control and management of the process of authorization of expenses regarding the investments proposed by the different business units and with checking the progress of the same.

2.9 The Executive in Charge

The Executive in Charge of Enel, whose duties are performed as part of the second-level controls, is responsible pursuant to the law for devising and implementing an appropriate internal control system regarding financial reporting at the Company and Group level and, to such end, establishes appropriate administrative and accounting procedures for the preparation of the stand-alone and consolidated financial statements, as well as all of Enel's other financial communications.

Upon consultation with the Board of Statutory Auditors, Enel's Board of Directors appoints and removes the Executive in Charge and oversees that the latter has at his/her disposal adequate powers and resources to perform the duties assigned to him/her by the law, as well as that the aforesaid administrative and accounting procedures are actually observed.

The Executive in Charge issues a declaration that accompanies the corporate documents and Company's communications released to the market regarding financial information, including interim information, and certifies that it corresponds to what is recorded in the documents and account books. Together with the Chief Executive Officer, the Executive in Charge also issues a declaration with regard to the stand-alone financial statements, the consolidated financial statements, and Enel's half-year financial report concerning the appropriateness and actual application of the aforesaid administrative and accounting procedures during the period to which such accounting documents refer, as well as the reliability of the data contained therein and their accordance with the international accounting standards concerned. In addition, the Executive in Charge prepares on an annual basis an explanatory report on the administrative and accounting structure of the Company and the Group and the methods and instruments adopted to ensure its effective operation, which is submitted to the Board of Directors after the Control and Risk Committee and the Board of Statutory Auditors have been informed of its contents by the Internal Control over Reporting Unit.

In the performance of his/her duties, the Executive in Charge is supported by the Internal Control over Reporting Unit, which is assigned the responsibility of setting up and managing, at the Group level, an adequate and effective internal control over reporting platform ("ICR") for the management of risks and related controls concerning the financial, tax and sustainability aspects of corporate reporting. In addition, the Internal Control over Reporting Unit reports semi-annually to the Control and Risk Committee and the Board of Statutory Auditors the outcomes of the assessment of the ICR system conducted in support of the indicated attestations issued by the Chief Executive Officer and the Executive in Charge on Enel's annual financial statements, consolidated financial statements and half-yearly financial report.

2.10 The Supervisory Body

In implementation of the Legislative Decree n. 231 of June 8, 2001 – which introduced into the Italian legal system a regime of administrative (but in fact legal) liability with respect to companies for several kinds of crimes committed by their directors, executives, or employees in the interest or to the benefit of the companies themselves – the Board of Directors of Enel has adopted the Compliance Program and it appointed a SB entrusted with overseeing the functioning and observance of the Compliance Program itself and seeing to its updating. The duties of the SB, as well as the information flows that concern it, are specified in the Compliance Program, to which the reader is referred.

2.11 The Employees of the Enel Group

All the employees of the Enel Group, each in his or her own capacity, must contribute to ensuring that the ICRMS performs effectively, informing the person to whom they report of any significantly

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problematic situation they notice, so that the same is reported to the Audit Function, even availing themselves of specially dedicated channels.

3. IMPLEMENTATION OF THE ICRMS

3.1 Information Flows

In order to enable the different persons involved in the ICRMS to perform appropriately the role entrusted to them within this system, special information flows have been established among the different control levels and the relevant management and control bodies. Such information flows, suitably coordinated in terms of timing and the completeness and consistency of their contents, are guided by the principles of maximizing the efficiency of the ICRMS and reducing duplication of activities, also with a view to ensuring the effective performance of the tasks of the various subjects involved in the ICRMS.

In addition to the coordination procedures mentioned in section 2 above, special information flows are established between the corporate functions assigned to the second and third level controls. Specifically, the heads of the second-level control functions inform the Head of the Audit Function of the critical issues discovered in performing their duties that could be of interest for the controls entrusted to the Audit Function. On the other hand, the Head of the Audit Function informs the heads of the other control functions of any inefficiencies, weak points, or irregularities discovered during the controls performed regarding specific areas or matters entrusted to such functions.

3.2 Implementation procedures in the subsidiaries

As part of its activity of management and coordination, Enel adopts a unified system of internal control and risk management within the Group, which makes possible the actual control of both the strategic choices of the Group as a whole and the managerial balance of its individual components. In order to ensure the appropriate functioning of the ICRMS, the subsidiaries must therefore adhere to the present guidelines in establishing and maintaining their own systems of internal control and risk management.

In accordance with the autonomy and independence that characterizes their actions, the board of directors (or the equivalent body) of each subsidiary thus adopts the most appropriate procedures for implementing the present guidelines, taking into account the size, the complexity of the business, and the specific risk profile of the company concerned, as well as of the related regulatory context.