ASSESSMENT
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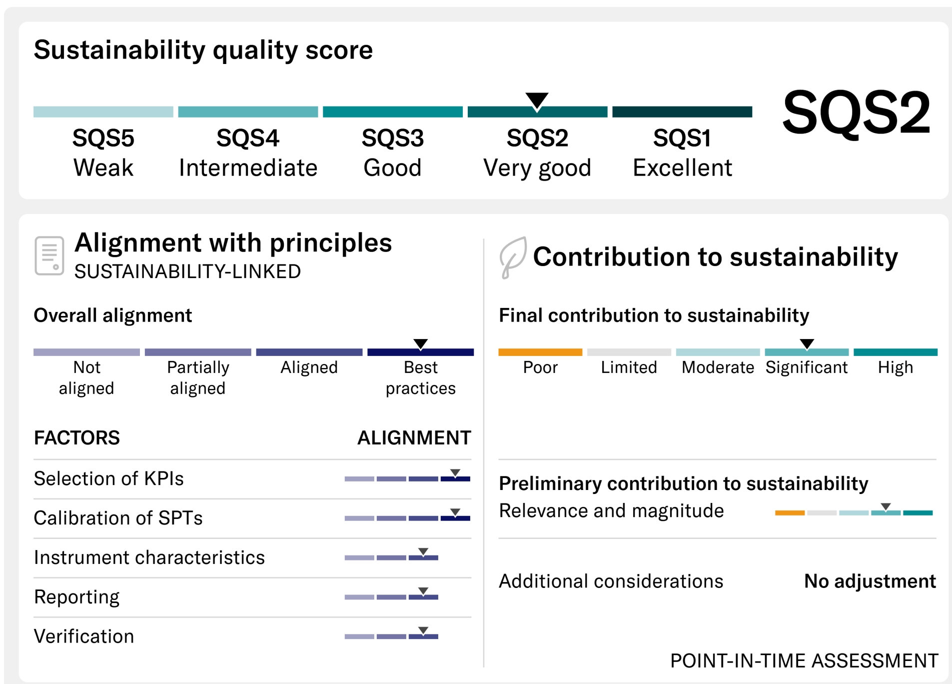
ENEL S.p.A.

Second Party Opinion – Sustainability-Linked Financing Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 sustainability quality score (very good) to ENEL S.p.A.'s sustainability-linked financing framework, dated January 2025. Enel has created a new version of its sustainability-linked financing framework to issue sustainability-linked instruments to finance general corporate purposes, and has selected five key performance indicators (KPIs) covering greenhouse gas (GHG) emissions, renewable installed capacity and alignment of capital spending with EU taxonomy. The issuer has retained the sustainability performance targets (SPTs) defined in the January 2024 framework and added new SPTs for 2027 for all KPIs. The framework is aligned with the five core components of ICMA's SLBP 2024 and the LMA/APLMA/LSTA's SLLP 2023. The company also incorporates recommended practices under these principles and all Moody's-identified best practices. The framework demonstrates a significant contribution to sustainability.



Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of Enel's sustainability-linked financing framework, including the framework's alignment with the International Capital Market Association's (ICMA) Sustainability-Linked Bond Principles (SLBP) 2024 and the Loan Market Association, the Asia Pacific Loan Market Association, and the Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Sustainability-Linked Loan Principles (SLLP) 2023. The main feature of this type of financing is the change in the instruments' financial or structural characteristics, depending on whether or not the issuer achieves predefined sustainability targets. The company has selected five sustainability KPIs covering such areas as reduction in GHG emissions, increase in the share of renewable installed capacity and the alignment of future capital spending with EU taxonomy, as outlined in Appendix 3 of this report.

Our assessment is based on the last updated version of the framework received on 9 December 2024, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in November 2024.

Issuer profile

ENEL S.p.A. (Enel) is a leading European utility and the largest electric utility in Italy. It accounted for around 17% of total domestic power generation, 70% of electricity distribution and 36.2% of the end-customer sales market by volume in Italy in 2023. The company has a widely diversified geographic footprint outside Italy, with a particularly strong presence in Spain and Latin America through various holdings. Enel's renewable activities worldwide are operated through its Global Renewable Energies business line, although ownership of its renewable assets may be held by the respective local market entities, such as those in Spain and Latin America.

Enel is an established issuer in the sustainable debt markets, having issued green bonds since 2017 and sustainability-linked instruments since 2019. Further issuance is likely on a significant scale, as the company has publicly communicated that it aims to achieve a ~75% share of sustainable financing instruments from all funding sources by 2027. The company's installed renewable capacity is expected to increase to 76 GW by 2027. In terms of GHG emissions reduction, Enel targets to become net zero across all scopes by 2040.

Strengths

» The KPIs address environmental challenges that are highly relevant for the issuer and the overall energy sector.

» The SPTs are set in accordance with international standards, and are considered ambitious in our analysis of contribution to sustainability.

» The timeline, baseline, trigger events and interim targets are clearly disclosed.

» KPI data will undergo external verification, which will be conducted until the maturity of the respective instruments.

Challenges

» Some KPIs, if used on a standalone basis in an issuance, are relatively narrow in scope, limiting the KPIs' relevance.

» Commercial paper issued under the framework will not directly link to a financial variation mechanism[2], although we note that Enel's approach is in line with current market expectations in the absence of formal standards.

Alignment with principles

The sustainability-linked financing framework is aligned with the five core components of the SLBP 2024 and SLLP 2023, and incorporates recommended practices under these principles and all identified best practices. For a summary alignment with principles scorecard, please see Appendix 1.

- ○ Green Bond Principles (GBP)
- ○ Green Loan Principles (GLP)
- ○ Social Bond Principles (SBP)
- ○ Social Loan Principles (SLP)
- ☑ Sustainability-Linked Bond Principles (SLBP)
- ☑ Sustainability Linked Loan Principles (SLLP)

Selection of key performance indicators

Not aligned	Partially aligned	Aligned	Best practices ▼

Definition – ALIGNED

Enel has clearly defined the KPIs, including the units of measurement, the rationale and the process for the selection of the KPIs, the calculation methodologies and coverage of the environmental footprint. These details are disclosed in Enel's sustainability-linked financing framework, which will be publicly available on the company's website, together with its annual report. The company has selected five KPIs related to reduction in GHG emissions, increase in installed renewable capacity and the alignment of capital spending with EU taxonomy (see Appendix 3 for details).

Measurability, verifiability and benchmark – BEST PRACTICES

The KPIs selected by the company are measurable and externally verifiable by an independent auditor. The calculation methodologies are consistent. In case of any changes to the methodology in the future, the company commits to a post-issuance external review of such changes, which is considered best practice. The definitions of the KPIs rely on external references, such as the GHG Protocol, which allows them to be benchmarked. Historical performance data for the KPIs or their individual components has been disclosed and verified in Enel's public documentation for at least three years in line with best market practices.

Relevance and materiality – ALIGNED

The selected KPIs are relevant, core and material to Enel's business strategy for its current and future operations, and reflect relevant sustainability challenges as identified in the company's materiality analysis and as identified by our own analysis. The scope of coverage varies for the different KPIs. Scope 1 GHG emissions from power generation, covered under KPI 1, account for around 35% of the group's total carbon footprint, while scopes 1 and 3 from integrated power emissions, captured under KPI 2, make up around 60% of the total. Scope 3 gas retail emissions, covered under KPI 3, represent 17.8% of the group's total carbon footprint, which is only a small share of the issuer's total GHG footprint on a standalone basis. However, we expect the share of Scope 3 emissions from gas retail, relevant for KPI3's coverage, to increase in the next years, where Scope 1 emissions reductions are expected to outpace Scope 3 emissions reductions. In addition, Enel has not used KPI3 in any issuance on a standalone basis so far, although the issuer retains the flexibility to do so in the future. Overall, we view the low coverage of the sustainability footprint of KPI3 to be only temporary and not weighing on the KPI's materiality. Per our assessment, KPIs 4 and 5 capture 100% of the ESG challenges they address, namely Enel's renewable installed capacity for all of its electricity generation business and the alignment with EU taxonomy of Enel's entire capital spending plan for the periods 2023-2025, 2024-26 and 2025-27. The degree of relevance and magnitude of the KPIs are analyzed in greater detail in the "Contribution to sustainability" section.

Calibration of sustainability performance targets

Not aligned | Partially aligned | Aligned | Best practices

Consistency and ambition – BEST PRACTICES

Enel's SPTs are consistent with its overall sustainability strategy and demonstrate a significant improvement compared with the company's business-as-usual (BaU) scenario. These improvements include the target to become net zero across all scopes of GHG emissions by 2040, the deployment of renewable capacity to have a 100% renewable fleet by 2040 and the roll out of a capital spending plan in alignment with the 2040 net-zero targets.

Benchmarking against external references was possible for all KPIs, and Enel is considered among the top performers in its sector, except for KPI 5. The SPTs for KPIs related to reduction in GHG emissions are aligned with the Science-Based Targets initiative's (SBTi) 1.5°C pathway[3], where applicable. The SPTs for KPI 4 can be benchmarked against scenarios of the International Energy Agency (IEA), while the SPTs for KPI 5 are linked to the EU taxonomy, which is an internationally recognized standard. The level of ambition of the SPTs is analyzed in detail in the "Contribution to sustainability" section.

The means for achieving the SPTs have been disclosed in detail, and are considered credible and transparent, which is in line with best practices in the market. The company's plans include an expected exit from coal-based power generation by 2027, 12.0 GW of renewable additional capacity in the 2025-27 period (including Battery Energy Storage Systems and managed capacity) and substantial divestments in conventional power generation technologies.

Disclosure – BEST PRACTICES

The timeline, baseline and annual trigger events have been disclosed in the framework. In line with market best practices, relevant intermediary targets to allow for sufficient visibility into the KPIs' performance have been set in the form of SPTs for all KPIs and the selected baselines are considered relevant and reliable.

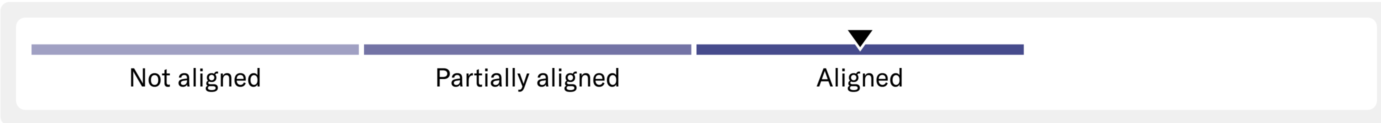
Instrument characteristics

Not aligned | Partially aligned | Aligned

Variation of structural characteristics – ALIGNED

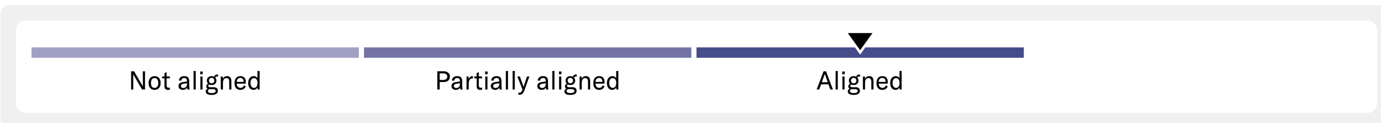
The financial variation structure has been clearly defined, and will be disclosed to investors and lenders. The exact mechanism and impacts, such as a step-up margin, for each instrument will be detailed in the corresponding documentation and are described in the framework for different types of sustainability-linked instruments. Enel has stated in its framework that the step-up may not be triggered as a result of specific circumstances outside the company's control, and that a recalculation of the SPTs may occur following changes in the calculation methodology or major events that have a significant impact on Enel Group's structure. In addition, while the commercial paper program is not directly linked to a financial variation mechanism in case of failure to achieve an SPT, all other types of instruments issued under this framework do possess such a feature. Because the treatment in market standards of commercial paper issued under sustainability-linked financing frameworks is still under development, Enel's approach is in line with current market expectations as recently described by ICMA[4], and we expect a financial impact on the company in case of failure to achieve an SPT via other instruments to be issued under this framework. The issuer has stated in internal communication that it may revisit its approach to commercial paper as and when standards emerge.

Reporting



Transparency of reporting – ALIGNED
The company has committed to disclose all relevant information in its public documentation, including information on the performance of the KPIs, and information enabling investors/lenders to monitor the level of ambition of the SPTs and baselines. Reporting on the KPIs will be published annually and in the event of significant changes until the last trigger event.

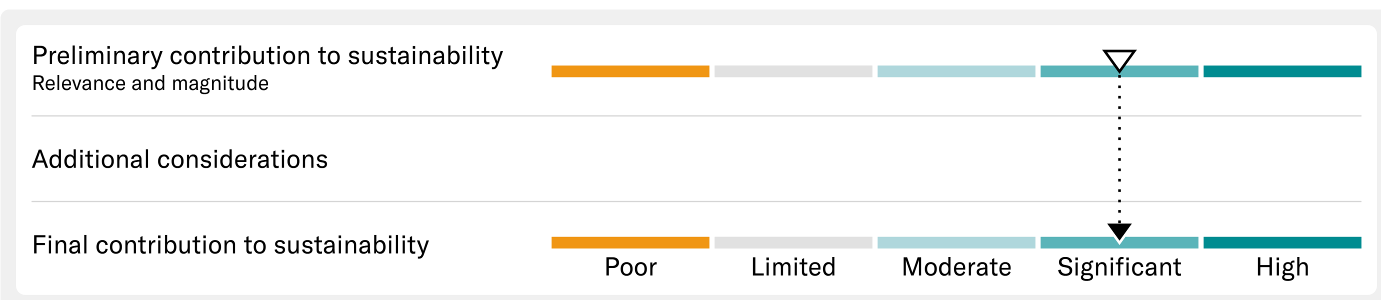
Verification



Verification process – ALIGNED
The performance of each KPI against the relevant SPTs will be externally verified on an annual basis and in the event of significant changes affecting the instrument's financial or structural characteristics until the maturity of the instrument. The verification assurance report will be publicly available.

Contribution to sustainability

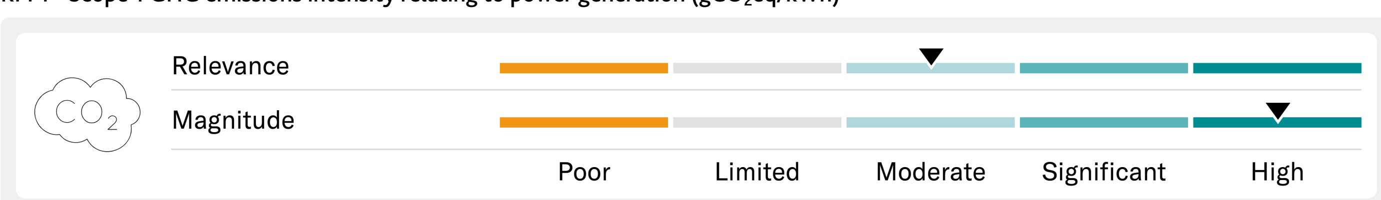
The framework demonstrates a significant overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the KPIs and SPTs. The KPIs were weighted equally because there is no visibility into each of the issuances' financial structure. A detailed assessment is provided below.

KPI 1 - Scope 1 GHG emissions intensity relating to power generation (gCO_2eq/kWh)



GHG emissions are the most significant issue for the utilities sector. The Intergovernmental Panel on Climate Change (IPCC) emphasizes that the energy sector is responsible for around two-thirds of global GHG emissions, highlighting the need for a transformation of the world's energy system with an immediate, large-scale shift to renewable energy and energy efficiency, including the dismissal of carbon-intensive power generation units like fossil fuel-powered plants. Scope 1 emissions from the combustion of fossil fuels (coal, gas and oil) are therefore considered one of the major environmental issues in the electricity production process.

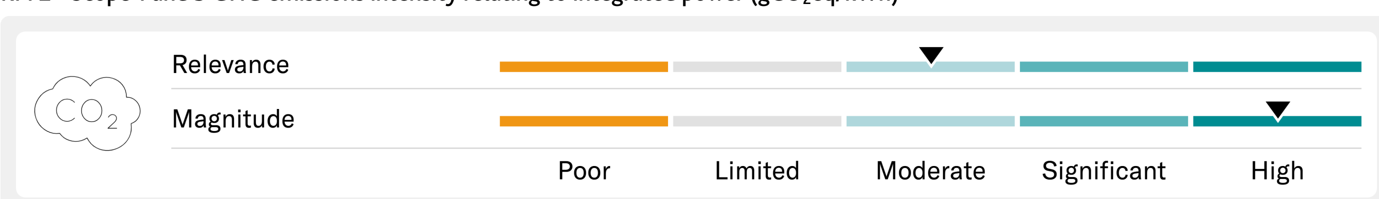
However, to effectively pursue efforts to limit global warming to 1.5°C, as defined in the Paris Agreement, it is important to address the entire carbon footprint across all scope 1, 2 and 3 emissions. Scope 1 emissions from power generation account for around 35% of Enel's total carbon footprint. If used on a standalone basis, KPI 1 would not address the vast majority of Enel's carbon footprint, which explains the low coverage of the KPI, ultimately driving the moderate relevance score. The issuer has included three GHG emissions-related KPIs in the framework, which together cover a significant share of Enel's carbon footprint (around 78% of 2023 GHG inventory). However, the issuer has not committed to use two or more KPIs together, which would increase the coverage of the company's impact because of GHG emissions.

The magnitude of the SPTs related to KPI 1, which reflects their ambition, is considered high, based on a combination of benchmarking approaches. Enel has actively reduced scope 1 emissions from power generation over recent years with an average annual reduction in scope 1 carbon intensity of around 15% since its 2017 baseline. Despite the significant decreases, the company slightly exceeded its Scope 1 GHG emissions intensity target for 2023, as initially announced at the Capital Markets Day held in November 2020 due to extraordinary events and policy measures related to the European energy crisis during 2022 and 2023 and restricted EU gas imports from Russia. Going forward, Enel aims to continue the decarbonization of its power generation, although potentially at a slower pace for the near-term SPTs in 2025, 2026 and 2027. However, average annual reduction rates are likely to reach around 10% until 2030, ultimately reaching zero emissions by 2040, highlighting a significant improvement from the BaU scenario.

As one of the few electric utilities that have set science-based net-zero targets (certified by the SBTi), Enel is considered to be in line with top performers of its sector in terms of GHG emissions reduction targets. This holds true for the SPTs defined under KPI 1. Enel's medium-term target of an 80% decrease in scope 1 emissions from power generation by 2030 from the 2017 baseline is almost on par with Iberdrola SA's medium-term target of an 83% reduction by 2030 from the 2020 baseline, although Iberdrola's target includes scope 2 emissions in addition to scope 1 emissions from power generation. However, Enel's long-term target of achieving 0gCO_2eq/kWh by 2040 (that is, a 100% reduction) is considered more ambitious than that of Iberdrola, which aims to reduce scope 1 emissions from power generation and scope 2 emissions by 84% by 2039 from the 2020 baseline. EDP – Energias de Portugal S.A. (EDP) and Ørsted target to reduce their scope 1 and 2 emissions by 95% by 2030 (from the 2020 baseline) and 98% by 2025 (from the 2006 baseline), respectively. These medium-term targets are considered to be more ambitious than those of Enel. Ørsted's long-term target to reduce scope 1 and 2 emissions by 99.8% by 2040 is considered to be in line with Enel's long-term target of a 100% reduction given its broader scope.

As for international standards, Enel's medium- and long-term SPTs for 2030 (72gCO_2eq/kWh) and 2040 (0gCO_2eq/kWh) have been certified by the SBTi as being in line with the 1.5°C pathway trajectory, which implies alignment with the most ambitious Paris Agreement goals. Furthermore, the company's short-term SPTs for 2025, 2026 and 2027 are considered aligned with SBTi's 1.5°C pathway based on IPCC scenarios and tailored to the applicable KPI baseline, providing further evidence of the high level of ambition of KPI 1.

KPI 2 - Scope 1 and 3 GHG emissions intensity relating to integrated power (gCO_2eq/kWh)



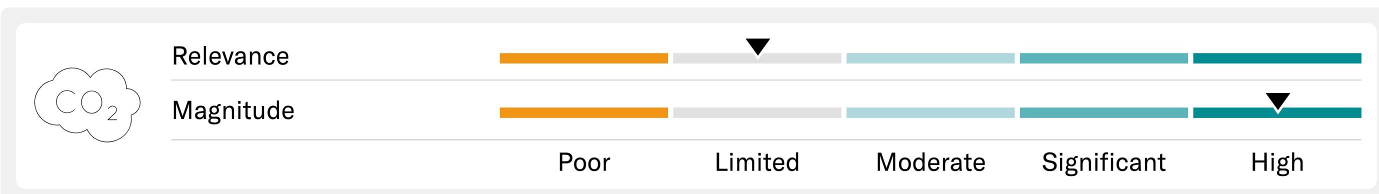
The relevance of KPI 2 — scope 1 and 3 GHG emissions intensity relating to integrated power, covering scope 1 emissions from power generation and scope 3 emissions from end consumers of the purchased electricity — is moderate. As established under KPI 1, GHG emissions are a highly relevant issue for both Enel and the utilities sector overall. However, the share of the emissions covered under this KPI represents around 60% of Enel's carbon footprint. If used on a standalone basis, KPI 2 has the capacity to address a significant share of Enel's carbon footprint, but less than two thirds of it, which explains the partial coverage of the KPI, ultimately driving the moderate relevance score.

The magnitude of the SPTs related to KPI 2, reflecting their ambition, is considered high, based on a combination of benchmarking approaches. Enel has actively reduced scope 1 emissions from power generation and scope 3 emissions from end consumers of the purchased electricity over recent years, with an average annual reduction rate of around 16% since its 2017 baseline. We expect Enel to continue to decarbonize the relevant scope 1 and 3 emissions at a slightly slower pace for all defined SPTs up until 2030, ultimately leading to full decarbonization by 2040. We note that the SPT for year-end 2026 is at the same level as the one for year-end 2025 (that is, 135gCO_2eq/kWh), which could reflect lower completion of transition projects over the year 2026. Nevertheless, we consider the decarbonization process expressed by KPI 2 toward 2030 to be a significant improvement from the BaU scenario.

As established before, Enel is among the few electric utilities that have set science-based net-zero targets (certified by the SBTi) and therefore is considered to be among the top performers in terms of GHG emissions reduction targets in its sector. More specifically, Enel's SPTs for 2030 and 2040 target 78% and 100% reduction in scope 1 and 3 emissions from fuel- and energy-related activities covering all sold electricity from the 2017 baseline, respectively. These targets are comparable with those of Iberdrola, which targets a reduction of 85% in such emissions by 2030 and net zero by 2039, from the 2020 baseline. Similarly, EDP aims for a 95% reduction in the carbon intensity of its scope 1 and 3 GHG emissions from all sold electricity by 2040, from the 2020 baseline, slightly below Enel's long-term targets.

Enel's medium- and long-term SPTs for 2030 (73gCO_2eq/kWh) and 2040 (0gCO_2eq/kWh) have been validated by the SBTi, and are assessed to be in line with the 1.5°C pathway trajectory, which implies alignment with the most ambitious Paris Agreement goals. Similarly, the short-term SPTs for 2025, 2026 and 2027 are considered aligned with SBTi's 1.5°C pathway based on IPCC scenarios and tailored to the applicable KPI baseline, providing further evidence of the high level of ambition of KPI 2. To date, the SBTi does not classify scope 3 targets by temperature. However, the SBTi mentions that it reviews scope 3 ambition to ensure it meets the temperature alignment or supplier engagement specifications outlined in the SBTi criteria. In addition, Moody's Analytics temperature alignment research, which covers scope 1, 2 and 3 emissions using the sector decarbonization approach, considers the company's targets to be in line with the 1.5°C scenario.

KPI 3 - Absolute scope 3 GHG emissions relating to gas retail (MtCO_2eq)



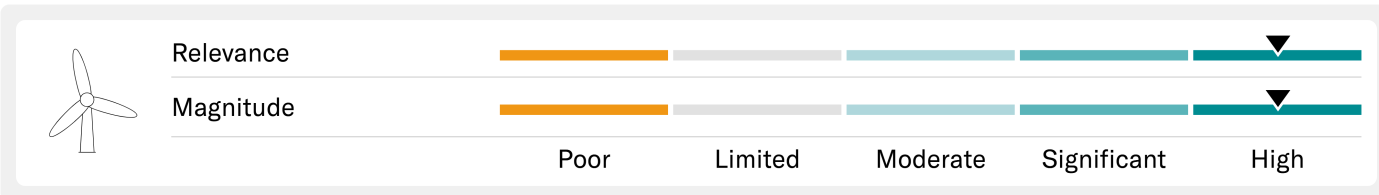
The relevance of KPI 3 — absolute scope 3 GHG emissions relating to gas retail, covering emissions from end consumers of the purchased gas — is limited. As established under KPI 1, GHG emissions are a highly relevant issue for both Enel and the utilities sector overall. The emissions covered under this KPI represent 17.8% of Enel's carbon footprint, and do not include scope 1 and scope 2 emissions and significant parts of the company's scope 3 emissions. If used on a standalone basis, KPI 3 has the capacity to address a minor share of Enel's carbon footprint, which ultimately drives the limited relevance score of the KPI.

The magnitude of the SPTs related to KPI 3, reflecting their ambition, is considered high, based on a combination of benchmarking approaches. Enel has actively and substantially reduced scope 3 gas retail emissions over recent years with an average annual reduction rate of 7.4% since its 2017 baseline. Enel is likely to continue the reduction in such emissions with lower average annual reduction rates for its short- and medium-term SPTs in 2025, 2026, 2027 and 2030. The company's long-term target is to reduce scope 3 gas retail emissions to zero by 2040. We consider this a significant improvement from the BaU scenario.

As established before, Enel is among the few electric utilities that have set science-based net-zero targets (certified by the SBTi) and therefore is considered to be among the top performers in terms of GHG emissions reduction targets in its sector. More specifically, Enel's SPTs for 2030 and 2040, targeting 55% and 100% reduction in scope 3 emissions from the use of sold products from the 2017 baseline, respectively, compare favorably with the those of Iberdrola, which targets a reduction of 42% in such emissions by 2030 and 90% across all scopes by 2039, from the 2020 baseline. Similarly, Ørsted and EDP have committed to a 90% reduction in scope 3 emissions from the use of sold products by 2040 from the 2018 baseline and the 2020 baseline, respectively, somewhat below the levels targeted in Enel's long-term SPT.

Enel's medium- and long-term SPTs for 2030 (10.3MtCO_2eq) and 2040 (0MtCO_2eq) have been validated by the SBTi, and are assessed to be in line with the 1.5°C pathway trajectory, which implies alignment with the most ambitious Paris Agreement goals, underlining the high level of ambition of KPI 3. To date, the SBTi does not classify scope 3 targets by temperature. However, the SBTi mentions that it reviews scope 3 ambition to ensure it meets the temperature alignment or supplier engagement specifications outlined in the SBTi criteria. In addition, Moody's Analytics temperature alignment research, which covers scope 1, 2 and 3 emissions using the sector decarbonization approach, considers the company's targets to be in line with the 1.5°C scenario.

KPI 4 - Renewable installed capacity percentage (%)



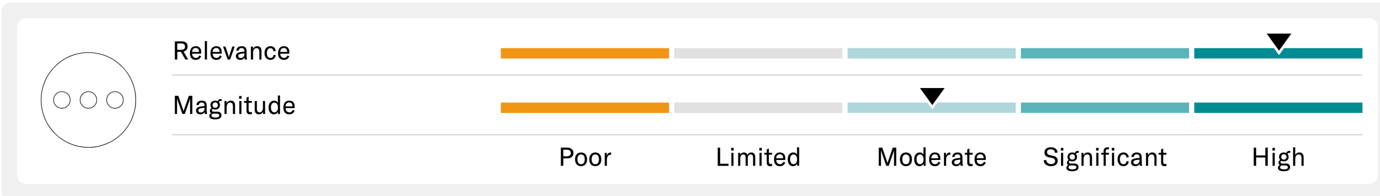
The relevance of KPI 4 is considered high. The transition toward renewable energy represents the most significant challenge for the company and its sector. This KPI covers the whole electricity generation business activity of the group linked to the conventional generation and renewables generation through Enel Green Power. Enel has committed not only to selling 100% GHG-free electricity by 2040, but also to withdrawing from the gas sales business by the same year and gradually phasing out coal-fired generation by 2027 — addressing both sides of the challenge to achieve full decarbonization.

The magnitude of the SPTs related to KPI 4, which reflects their ambition, is also considered high. The SPTs represent a consistent and significant improvement compared with the company's BaU scenario, leading to a share of 100% GHG-free installed capacity by 2040. The significant efforts to increase renewable capacity is evidenced by the substantial increase (+23 percentage points) since the baseline in 2017. We expect the increases in the near- and mid-term future to continue at a somewhat slower pace.

Peer benchmarking shows that Enel's SPTs linked to KPI 4 align with the sector's top performers. Enel targets a share of 80% renewables over total installed capacity by 2030, which seems slightly less ambitious than EDP's renewable installed capacity target to reach 100% by the same year. However, most peers only commit to increasing renewable energy capacity in absolute gigawatt terms, without specifying a percentage relative to their total capacity generation, which limits full visibility. Furthermore, few companies have a target for renewable installed capacity linked to a reduction in fossil fuel-based electricity generation, such as Enel's commitments, which we believe are more ambitious than absolute increases in renewable capacity in gigawatt terms.

The SPTs go beyond sector standards. The International Renewable Energy Agency (IRENA) estimates that to meet the objectives of the Paris Agreement, the share of renewable energy in the power sector would need to increase from 31% in 2017 to 86% by 2050[5]. Meanwhile, according to the IEA's Net Zero Scenario, the share of renewables worldwide in the electricity and heat sectors will reach 39% by 2030 and 76% by 2050[6]. Enel's target to achieve 80% of its power generation from renewables by 2030 and 100% by 2040 is therefore much higher than the IEA's Net Zero Scenario. Furthermore, Enel is significantly exceeding the targets in the European context even after the European Commission increased the headline 2030 target for installed renewables capacity from 40% to 42.5% with the aspiration to reach 45%[7].

KPI 5 - Proportion of capital spending aligned with EU taxonomy (%)



The relevance of this KPI is considered high because it reflects 100% of Enel's capital spending plan for 2023-2025, 2024-2026 and 2025-2027, and the alignment with the EU taxonomy is a necessary tool to support companies in their transition to climate neutrality and a sustainable economy. Activities are considered aligned with the EU Taxonomy, if they meet the defined substantial contribution criteria for the relevant environmental objective and meet all relevant Do-No-Significant-Harm and the minimum social safeguards criteria. For Enel, EU Taxonomy-aligend activities include the expansion of renewable energy production and storage capacities, investments in the distribution networks that meet the required carbon-intensity threshold of maximum 100 gCO_2eq/kWh, and various measures to improve energy efficiency.

The magnitude of the SPTs related to KPI 5, which reflects their ambition, is considered moderate based on a combination of benchmarking approaches. The SPTs' ambition of achieving a minimum of 80% EU Taxonomy-aligned CAPEX in 2023-2025, 2024-2026 and 2025-2027, demonstrates continuous and substantial investments aligned with the EU taxonomy until 2027. However, the achievement of the defined SPTs is not subject to an increase of the share of CAPEX aligned with the EU Taxonomy from the levels reported in the past three years (2021: 82.0%, 2022: 81.9%, 2023: 84.8%).

Since January 2023, large financial and non-financial companies that fall within the scope of the Non-Financial Reporting Directive must report their company KPIs (turnover, capital spending and operating expenses) and not just their taxonomy-eligible activities. Given the adoption of the EU Taxonomy Regulation (2020/852) in June 2020 and the publication of the Climate Delegated Act in 2021, Enel is among the early adopters of the mandatory reporting requirements for EU taxonomy alignment by reporting since 2021. We consider Enel's 2023 share of capital spending aligned with the EU Taxonomy of 84.8% to be below the levels of top performers of the wider utilities sector, which report shares of EU Taxonomy-aligned capital spending of over 90% to 99%. Although we note that Enel's absolute EU Taxonomy-aligend capital spending is high and that differences in the asset bases may in parts impair comparability, the defined SPTs do not indicate increased shares of EU Taxonomy-aligned capital spending until 2027. The minimum 80% alignment threshold over the 2025-2027 period suggests that Enel will remain in line with the sector average and substantially below the levels that top performers in the sector report today. However, we acknowledge that Enel is among the few companies that have committed to forward-looking minimum capital spending alignment targets.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations. Given the nature of sustainability-linked instruments, additional considerations such as management of environmental and social risks and coherence are typically not material considerations in this component of our assessment, as discussed in our SPO assessment framework.

Appendix 1 - Alignment with principles scorecard for Enel's sustainability-linked financing framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Selection of key performance indicators (KPIs)	Definition	Clarity	A	Aligned	Best practices
		Disclosure	A		
	Measurability, verifiability and benchmark	Measurability	A	Best practices	
		Verifiability	A		
		Consistency of the calculation methodologies	A		
		Benchmark	A		
		BP: Commitment for any changes in KPI calculation methodology, or changes or additions to KPIs or SPTs, to be externally reviewed	Yes		
		BP: Benchmark based on external references	Yes		
		BP: Disclosure of externally verified historical performance data	Yes		
	Relevance and materiality	Relevance to the issuer's strategy	PA	Aligned	
		Relevance to sector standards	A		
Calibration of sustainability performance targets (SPTs)	Consistency and ambition	Consistency with the issuer's sustainability targets	A	Best practices	Best practices
		Ambition of the SPTs compared to historical performance	A		
		Ambition of the SPTs compared to external benchmarks	A		
		BP: Disclosure of the means for achieving the SPTs	Yes		
		BP: Credibility of the means for achieving the SPTs	Yes		
	Disclosure	Disclosure of the SPTs' achievement timeline, baseline and trigger events	A	Best practices	
		BP: Disclosure of the timeline, baseline and trigger events, including relevant intermediate targets	Yes		
		BP: Relevance and reliability of selected baselines	Yes		
Instrument characteristics	Variation of structural characteristics	Definition of the variation of the financial or structural characteristics	A	Aligned	**Aligned**
		Disclosure of the variation of the financial or structural characteristics	A		
Reporting	Transparency of reporting	Reporting frequency	A	Aligned	**Aligned**
		Intended scope and granularity	A		
Verification	Verification process	External verification of the SPTs' achievement	A	Aligned	**Aligned**
		Frequency	A		
		Duration	A		
		Disclosure	A		
				Overall alignment with principles score:	**Best practices**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping key performance indicators to the United Nations' Sustainable Development Goals

The five KPIs included in Enel's framework are likely to contribute to two of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals		SDG Targets
GOAL 7: Affordable and Clean Energy	*Renewable Installed Capacity Percentage (%)*	7.2: Increase substantially the share of renewable energy in the global energy mix
GOAL 7: Affordable and Clean Energy		7.3: Double the global rate of improvement in energy efficiency
GOAL 13: Climate Action	*Scope 1 GHG emissions Intensity relating to Power Generation (gCO2eq/kWh)* *Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO2eq/kWh)* *Absolute Scope 3 GHG emissions relating to Gas Retail (MtCO2eq)* *Proportion of CAPEX aligned to the EU Taxonomy (%)*	13.3: Improve awareness and human and institutional capacity on climate change mitigation, adaptation and impact reduction

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the key performance indicators and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of key performance indicators in Enel's framework

KPI	SPTs	Sustainability Objectives	Unit
Scope 1 GHG emissions Intensity relating to Power Generation (gCO2eq/kWh)	2025: 130 gCO2eq/kWh 2026: 125 gCO2eq/kWh 2027: 115 gCO2eq/kWh 2030: 72 gCO2eq/kWh 2040: 0 gCO2eq/kWh	Climate change mitigation	gCO2eq/kWh
Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO2eq/kWh)	2025: 135 gCO2eq/kWh 2026: 135 gCO2eq/kWh 2027: 125 gCO2eq/kWh 2030: 73 gCO2eq/kWh 2040: 0 gCO2eq/kWh	Climate change mitigation	gCO2eq/kWh
Absolute Scope 3 GHG emissions relating to Gas Retail (MtCO2eq)	2025: 18.8 MtCO2eq 2026: 18.0 MtCO2eq 2027: 16.5 MtCO2eq 2030: 10.3 MtCO2eq 2040: 0 MtCO2eq	Climate change mitigation	MTCO2eq
Renewable Installed Capacity Percentage (%)	2025: 73% 2026: 74% 2027: 75% 2030: 80% 2040: 100%	Climate change mitigation	%
Proportion of CAPEX aligned to the EU Taxonomy (%)	2023-2025: 80% 2024-2026: 80% 2025-2027: 80%	Climate change mitigation	%

Endnotes

1 Point-in-time assessment is applicable only on date of assignment or update.

2 Financial variation mechanisms usually include coupon step-ups or step-downs

3 The SBTi's framework to assess company targets on their consistency with the Paris Agreement and limiting global temperature rise to 1.5°C.

4 ICMA, The role of commercial paper in the sustainable finance market, October 2024

5 IRENA, Global Renewables Outlook: Energy transformation 2050 , April 2020.

6 International Energy Agency, World Energy Outlook 2024 , October 2024.

7 European Commission, Renewable energy targets , retrieved in November 2024.

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