enel

SUSTAINABILITY-LINKED FINANCING FRAMEWORK

2025

CONTENTS

This Sustainability-Linked Financing Framework (the "Framework", "SLFF") aims to provide guidelines on Enel S.p.A.'s sustainability strategy and targets to foster best market practice, presenting a unified and coherent suite of Sustainability-Linked financing instruments. The Framework outlines, among other things, the Key Performance Indicators (KPIs) embedded by Enel in its financial transactions and associated, among others, to the UN's SGDs relating to climate change or environmental degradation, namely SDG 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) and SDG 13 (Take urgent action to combat climate change and its impacts), as well as to the environmental objectives set out by the European Union in the EU Taxonomy Regulation, with a particular focus on the climate mitigation objective.

1 INTRODUCTION

1.1
WHO WE ARE

Enel S.p.A. ("Enel") and its subsidiaries (the "Group" or the "Enel Group") are a multinational integrated energy group deeply committed to the energy transition through the development and enhancement of grid networks and renewable energy capacity as well as the progressive electrification of customers' uses.

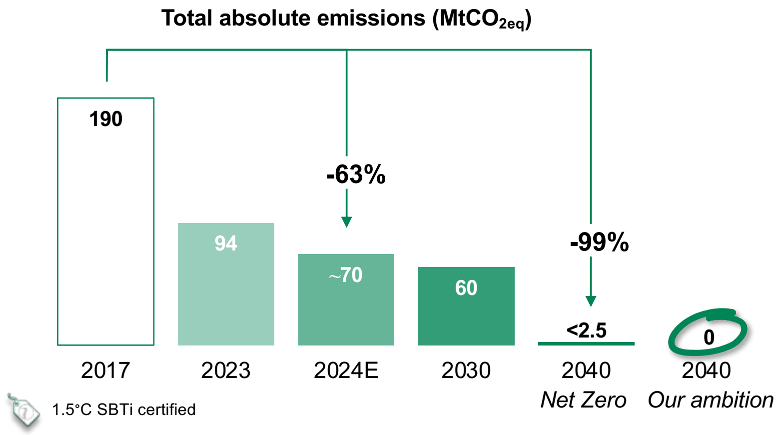
In November 2021, Enel further increased its commitment by bringing forward from 2050 to 2040 its Net Zero decarbonization target, covering both direct and indirect emissions.

In December 2022, Enel's commitment to fight against climate change achieved a new historic milestone as its comprehensive decarbonization roadmap was certified by the Science Based Targets initiative ("SBTi") as consistent with limiting global warming to 1.5°C, hence aligned to the most ambitious temperature goal of the Paris Agreement adopted by the United Nations in 2015.

Enel's Zero emissions by 2040 roadmap includes the following targets:

- New renewable capacity deployed with a 100% GHG-free fleet by 2040;
- The exit from coal-based generation by 2027 and from gas-based generation by 2040;
- The exit from the gas retail business by 2040 and the achievement of 100% electricity sold to customers from GHG-free sources by 2040;
- The roll out of a capex plan in full alignment with the 2040 Zero Targets.

WELL ON TRACK TO ACHIEVE NET ZERO



2027

Exit coal power generation[1]

2040

Zero GHG emissions from both generation and retail business

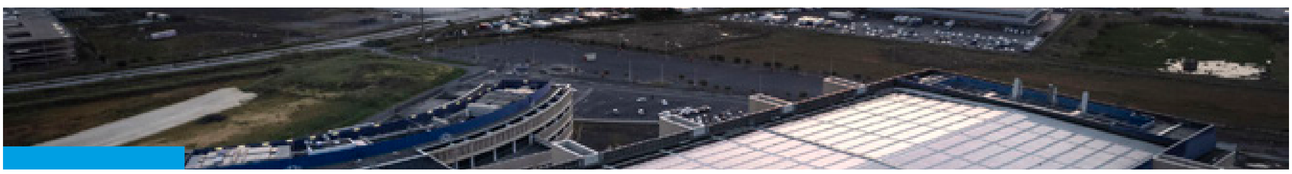
Just Transition

A **plan** that preserves the social and economic context

Net Zero - A roadmap aligned with the Paris Agreement (1.5°C pathway)
SBTi certification for 2030 and 2040 emission reduction targets across all scopes

1. The closure of a coal-fired power plant is not solely the Group's responsibility, but it is subject to an authorization process

At the end of 2024, 83%[1] of the Enel Group's electricity production is expected to be GHG free, the renewable energy capacity under the Group's management is expected to be equal to 66GW[2] and 67% of Enel customers are expected to be digitalized, through the deployment of "smart meters"[3].



1 It includes managed production
2 It includes consolidated capacity (ownership and partnership), capacity under stewardship model and BESS
3 As of November 18th 2024 Capital Markets Day

1.2

THE GROUP IN THE ENERGY CONTEXT

In the coming years, electricity will continue to play a leading role in the energy transition, with an increase in consumption driven by electrification. Against this background, renewables are expected to grow even further and power systems to continue to require baseload and flexibility technologies with the aim to meet demand at any time of day as well as minimize price volatility.

Distribution networks will continue to be the enablers of the energy transition, requiring higher investments to host the growing renewable capacity as well as guaranteeing increased resilience to extreme weather events that are even more frequent, severe and that have become the new normal due to the effects of climate change.

In this context, new power market designs and adequate regulatory frameworks will be necessary to remunerate investments and sustain growth both in renewables and grids.

OPERATING POSITIONING TO REACH SHORT AND MEDIUM-TERM DECARBONIZATION TARGETS

Capex plan aligned with our climate-related targets

>80% 2025-27 capex aligned to EU Taxonomy[1]

>90% 2025-27 capex aligned to the SDGs[2]

	2023	2024E	2027	2030
RES capacity on total[3]	71%	**73%**	**79%**	**~85%**
GHG free production on total[4]	75%	**83%**	**86%**	**~90%**
Unitary consumption (MWh/cl/Y)[5]	2.65	**~2.8**	**~2.9**	**~3.5**
Gas volumes (bcm)	8.3	**7.5**	**7.2**	**5.3**
Distributed generation connections (mn)	~2	**2.2**	**3.4**	**~6**
Digitalized grid customers	64%	**67%**	**70%**	**~100%**

1. Alignment to EU Taxonomy criteria (Climate change mitigation) 2. SDG 7: renewable generation and power retail; SDG 9: distribution; SDG 11: beyond commodity services and other. All contributing to SDG 13
3. It includes managed capacity and BESS. Share of RES consolidated capacity (excluding BESS): 75% in 2027 and ~ 80% in 2030 4. It includes managed production 5. Power B2C free Italy and Iberia

1.3

ENEL'S 2025-2027 STRATEGIC PLAN[4]

In its 2025-2027 Strategic Plan, the Group confirms its focus on three pillars:

- Profitability, flexibility and resiliency to generate value through selective capital allocation that optimizes the risk/return profile while maintaining a flexible approach;
- Efficiency and effectiveness with a continued optimization of processes, activities and portfolio of offerings, strengthening cash generation and developing innovative solutions to enhance the value of existing assets;
- Financial and environmental sustainability to maintain a solid structure, ensuring the flexibility required for growth and addressing the challenges posed by climate change

PILLARS AND KEY BUSINESS DRIVERS CONFIRMED

OUR STRATEGIC PILLARS

1. **Profitability, flexibility** and **resilience**
2. **Efficiency** and **effectiveness**
3. **Financial** and **environmental sustainability**

Grids

- **Investments** tailored according to **returns**
- Continued enhancement of **grid resilience**, operating **efficiency** and **quality**
- Leverage on **digitalization** and **innovation** to enable the **energy transition**

Generation

- Selective capital allocation driven by a weighted **risk-reward matrix**
- Greenfield and brownfield assets **opportunities** to **enhance profitability**
- **Optimize LCOE** by improving **supply chain processes**

Customers

- **Focus on Customers** to **enhance value** of **portfolio** through bundled offers
- **Optimization** of **customer relations management channels** and **acquisitions**
- Rationalization of **product portfolio** and **geographic footprint**

Risk-return profile **optimization** and **innovative solutions** to enhance **value creation**

4 For further information: https://www.enel.com/investors/strategy

1.3.1

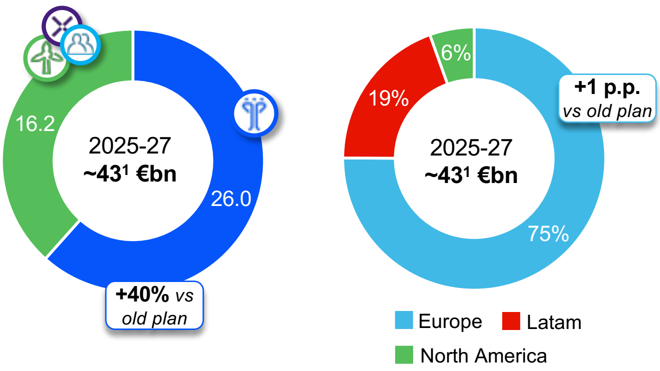
PROFITABILITY, FLEXIBILITY AND RESILIENCY

Between 2025 and 2027, the Group has planned a total gross capex of approximately 43 billion euros, an increase of around 7 billion euros on the previous Strategic Plan, allocated to geographies in proportion to their EBITDA contribution. The main areas for investment will be:

- Europe, with about 75% of the overall gross capex;
- Latin and North America, with around 25% of the overall gross capex.

HIGHER FOCUS ON GRIDS AND COUNTRIES WITH AMPLE VISIBILITY AND ENHANCED RISK-RETURN PROFILE

Cumulated gross capex (€bn)



Boosting investments in **grids**
Investments sized reflecting **EBITDA contribution**

Grids

7.2% Blended regulated return[2] over 2025-27
+22% RAB growth **+14 p.p.** vs old plan

Renewables

300 bps **average** spread IRR-WACC

Customers

Leverage on **bundled offerings** and **customers loyalty** to expand customer base and marginality

1. Split does not include "Other"
2. Real, pre-tax

GRIDS

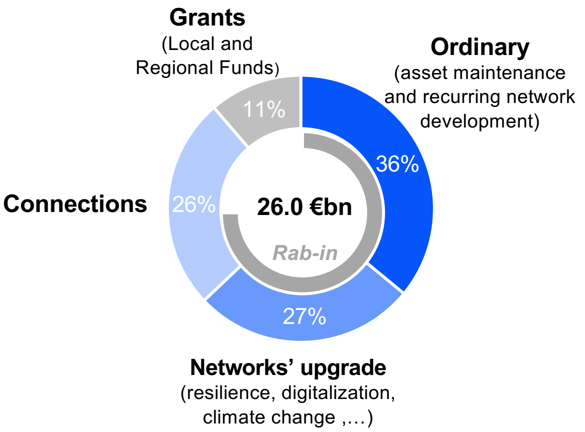
In the 2025-2027 Plan, gross capex in Grids is expected to amount to approximately 26 billion euros, an increase of 40% compared with the previous Plan. Out of the total capex in Grids, around 78% is expected to be allocated in Italy and Spain, countries characterized by regulatory frameworks that can support investments, while around 22% will be addressed to Latin America. Specifically, the Group plans to invest:

- In Italy, over 16 billion euros;
- In Iberia, approximately 4 billion euros;
- In Latin America, about 6 billion euros.

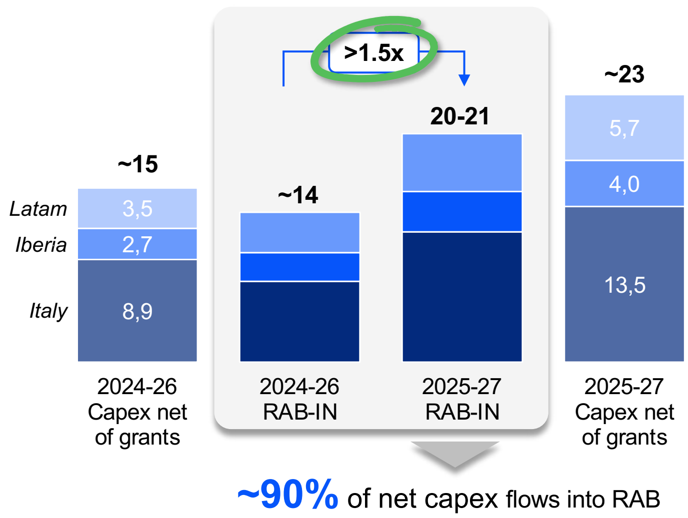
The increase in investments in Grids is expected to drive the Group's Regulated Asset Base (RAB)[5] to approximately 52 billion euros in 2027 from around 43 billion euros estimated in 2024. On the back of these investments, the Group's power grids are expected to be more resilient, digitalized and efficient. Furthermore, the Group will maintain its commitment to advocacy activities in favor of regulatory frameworks that support the central role grids play in the energy transition. As a result of investments allocated to Grids, this business segment is expected to account for about 40% of Group Ordinary EBITDA in 2027

PROCTIVE ATTITUDE ACROSS GEOGRAPHIES TO FOSTER A SUSTAINABLE NETWORK UPGRADE WITH FAIR VISIBLE RETURNS

2025-27 Gross capex by nature



From Gross to "RAB-in" eligible Capex[1] (€bn)



1. Core countries

5 In core countries

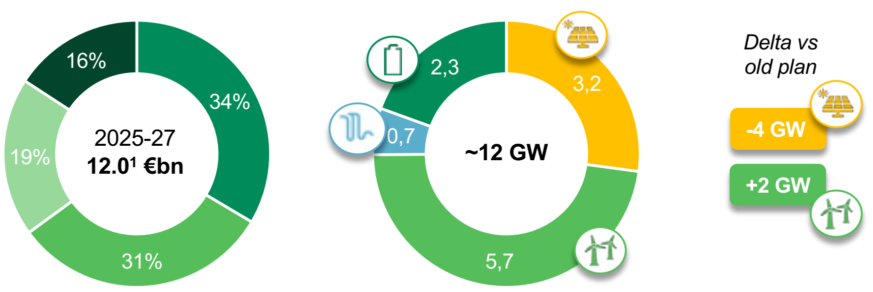
INTEGRATED BUSINESS

In the 2025-2027 Plan, gross capex in the Integrated Business is expected to amount to more than 16 billion euros. In Renewables, the Group plans to invest approximately 12 billion euros with flexible capital allocation and a selective approach aimed at maximizing returns while minimizing risks, also seizing on brownfield asset opportunities with the aim to further enhance profitability. The Group plans to add around 12 GW of capacity, with an improved technological mix that foresees more than 70% from onshore wind and dispatchable technologies (hydro and batteries), reaching a total installed renewable capacity of about 76 GW in 2027. Group total renewable production is expected to increase by over 15% in the Plan period across all geographies, mainly in Europe and the United States, which will account for about 55% of total Group renewable production in 2027. From a geographical standpoint, gross capex in Renewables will be allocated as following:

- Around 65% in Europe (of which approximately 34% in Italy and about 31% in Iberia), where new regulatory frameworks are deemed to support decarbonization plans;
- Approximately 35% in Latin and North America.

SELECTIVE INVESTMENTS IN RENEWABLES TO SUPPORT PROFITABILITY

Gross capex **Additional capacity**



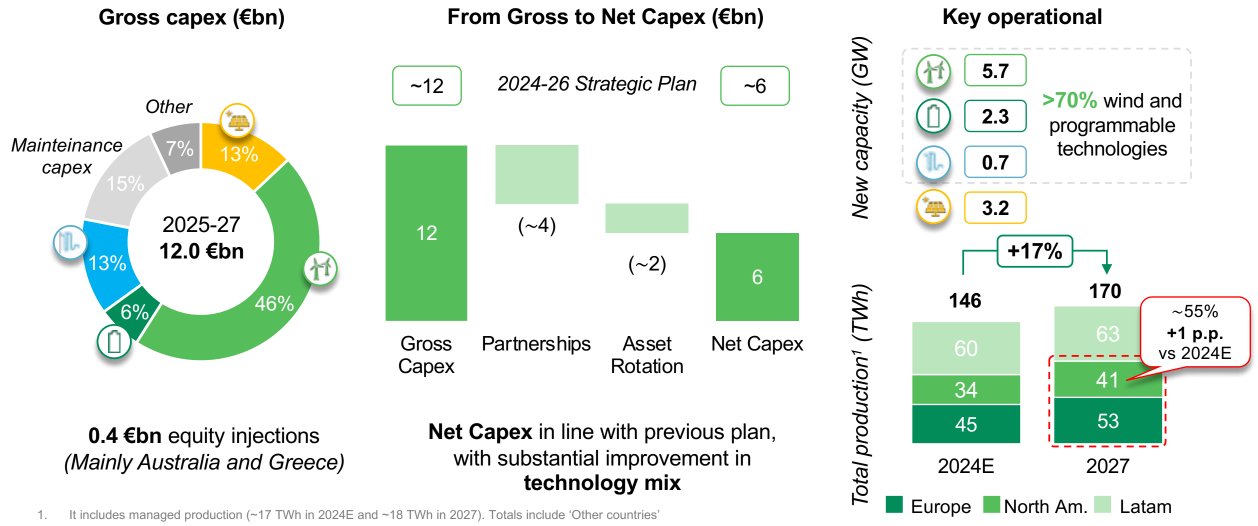
Italy Iberia Latam North America

2024E		2027
66	Total renewable capacity² (GW)	76
83%	Emission free production³	86%

Renewable development concentrated in **core countries**, **streamlining** of assets portfolio

1. It does not include "Other" and 0.4 €bn equity injection
2. It includes managed capacity and BESS
3. It includes renewable managed production and nuclear

NEW RENEWABLE CAPACITY: SHIFT IN TECHNOLOGY MIX TO FURTHER IMPROVE RETURNS' RISK PROFILE

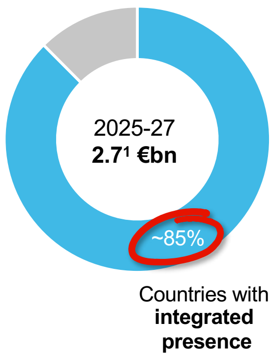


1. It includes managed production (~17 TWh in 2024E and ~18 TWh in 2027). Totals include 'Other countries'

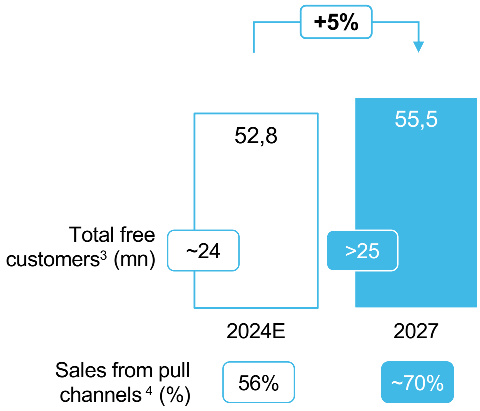
In the 2025-2027 Plan, the gross capex in the Customers' segment is expected to amount to approximately 2.7 billion euros, around 85% of which in countries where the Group has an integrated presence, offering a portfolio of bundled solutions with energy, products and services. The Group expects to increase its free-market power customer base in Italy and Spain to over 19 million in 2027.

INVESTMENTS FOCUSED ON THE MOST VALUABLE INITIATIVES AND GEOGRAPHIES

Gross capex



Customers[2] (mn)



Bundled offers **tailored** on **customer needs** and geographies, leveraging on **scale-up** and **valorization** of **new businesses**

1. Split does not include "Other"
2. It includes power customers (liberalized and regulated markets) and gas customers. 2024E net of 'vulnerable' customers in Italy
3. Power, gas and fiber customers
4. Italy and Iberia

GROUP ORDINARY EBITDA

In the Plan period, Group cumulated Ordinary EBITDA is expected to exceed 70 billion euros, around 90% of which (about 64 billion euros) will result from regulated or contracted activities, reducing risks and enhancing visibility on future results. More specifically, the Group expects:

- approximately 27 billion euros addressed to grids;
- around 4 billion euros related to power generation covered by long-term regulatory schemes;
- approximately 23 billion euros referring to Power Purchase Agreements (PPAs), mainly in Latin America and North America;
- about 10 billion euros relating to end users with volumes sold at fixed prices.

1.3.2
EFFICIENCY AND EFFECTIVENESS

In 2027, the Group plans to achieve efficiencies of around 1.5 billion euros on the 2022 baseline, increasing the target by about 500 million euros compared to the previous Plan, by continuing process optimization and the insourcing of external activities.

Furthermore, efficiencies and value creation can be achieved also through innovation and new business models. Specifically, the Group is setting up a NewCo aimed at consolidating existing and new connection assets that are both proprietary and of third parties, handling operation and maintenance (O&M) as well as construction activities. Moreover, the Group is defining value propositions in the fast-growing Data Center sector, in relation to which optimized grid connection solutions and integrated renewable energy offers are expected. The associated potential economic benefits are not included in the 2025-2027 Plan.

1.3.3
FINANCIAL AND ENVIRONMENTAL SUSTAINABILITY

Financial equilibrium will continue to guide the Group's strategy. Through the results registered and the completion of the disposal plan that was re-engineered last year, the Group achieved its deleverage objective, with a Net Financial Debt/EBITDA ratio expected at around 2.4x at the end of 2024, compared with 3.1x in 2022, a much lower level than that of its peers (with a sector average of around 3.1x). The financial solidity obtained provides the Group with the flexibility required to seize market opportunities, fund its growth ambitions and maximize shareholder remuneration. At the end of the Plan period, the Net Financial Debt/EBITDA ratio is expected to stand at around 2.5x, remaining well below the sector average.

When it comes to **environmental sustainability**, the Group plans to continue reducing its direct and indirect greenhouse gas emissions, in line with the Paris Agreement and compliant with the 1.5°C pathway, as certified by the Science Based Targets initiative ("SBTi"). Specifically, the Group confirms its target to close all of its remaining coal plants by 2027, subject to the authorizations of competent authorities. For coal plant reconversion, the Group will evaluate the best available technologies, based on the needs indicated by the transmission grid operators. The Group confirms its ambition to reach zero emissions across all scopes by 2040. Furthermore, along this path, the Group aims to continue to preserve the social and economic context through its **Just Transition** plan.

Finally, due to their substantial contribution in terms of mitigating climate change, more than 80% of the consolidated investments planned for the 2025-2027 period are aligned with the European Union Taxonomy criteria.

The Enel Group's climate strategy leverages on decarbonization of the generation mix as well as the electrification of end customers' uses, partnering with all relevant stakeholders in the fight against climate change.

In 2023, generation activities account for 22.7% of total revenues; Enel derives only 9.5% of its revenues from electricity generation with a GHG intensity of more than 100 gCO_{2eq}/kWh.

ENEL'S SUSTAINABLE FINANCE JOURNEY AND RATIONALE FOR ESTABLISHING A SUSTAINABILITY-LINKED FINANCING FRAMEWORK (SLFF)

2

2.0
LEADING SUSTAINABLE FINANCE INNOVATION

The Enel Group is at the forefront of Sustainable Finance innovation, setting standards and evolving its strategy since the inception of its journey in the space by anticipating global trends and proactively contributing to the design of new instruments and approaches.

Below is a summary of the key milestones in Enel's sustainable finance journey.

2.1
STARTING A SUSTAINABLE FINANCE JOURNEY: EMBRACING GREEN INSTRUMENTS (2017-2019)

Enel entered the sustainable finance market in 2017 with the issuance of its first Green Bond. Over the next two years, the company raised a total of €3.5 billion in green bonds and loans to support strategic investments aimed at accelerating the transition to a low-carbon economy. This step positioned Enel as a leading player in the nascent corporate sustainable finance space.

2.2
LAUNCH OF THE WORLD'S FIRST SUSTAINABILITY-LINKED BOND (SLB) (2019)

Following the positive experience with Green Bonds, Enel pushed further its ambition to drive impact by introducing in 2019 a groundbreaking financial instrument: the Sustainability-Linked Bond (SLB). A first 1.5 billion US Dollar Sustainability-Linked Bond, anchored to Group KPIs reflecting the United Nations' Sustainable Development Goals, was succesfully issued in September 2019 and represented a worlwide primer.

This innovation allowed Enel to align its financing strategy with its sustainability goals, regardless of asset-based constraints, and introduced a new model for sustainable financing which is nowadays an internationally recognized asset class.

As of January 1st, 2021, bonds with coupon structures linked to certain sustainability performance targets (SPTs) can be considered eligible by the European Central Bank as (i) collateral for Eurosystem credit operations and also (ii) for outright purchases in the Eurosystem monetary policy operations, provided that they comply with all other eligibility criteria set forth by European Central Bank for debt instruments.

2.3
ENEL'S SUSTAINABILITY-LINKED FINANCING FRAMEWORK (2020)

Building on the success of SLBs, Enel published the world's first Sustainability-Linked Financing Framework (SLFF) in 2020, reinforcing its pledge to establish a structural link between the Group's financial instruments and its sustainability objectives.

The framework extended the SLB approach to cover all financial instruments of the Group (bonds, loans, credit lines, commercial papers, guarantees, interest and foreign exchange derivatives), ensuring that sustainability criteria were structurally embedded in the company's overall financial toolkit.

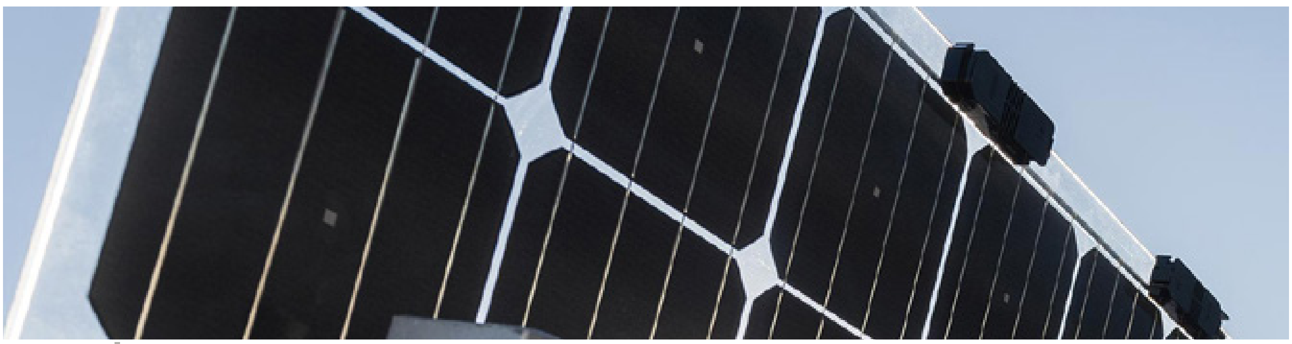
To this end, a set of ambitious and transparent KPIs, targets and principles governing the development of sustainable finance throughout the Group was established, demonstrating how sustainability can be integrated across the whole portfolio of financing and risk management tools of the company. Examples in this sense include operations such as:

- Enel's Euro Commercial Paper Programmes linked to the UN's SDG 7 (known as the "SDG 7 - Euro Commercial Paper Programme") launched in May 2020 and April 2022 of respectively 6 and 8 billion euros.
- Enel's largest Sustainability-Linked revolving credit facility signed in March 2021 by Enel S.p.A. and its Dutch subsidiary Enel Finance International N.V. for an amount of 10 billion euros and a maturity of five years.

2.4
ZERO EMISSION COMMITMENT (2021-2022)

As a further step in its Sustainable Finance strategy, during Enel's 2021 Capital Markets Day, the Group announced its commitment to fully decarbonize the company by 2040, anticipating by ten years the previous publicly shared target for both direct and indirect emissions. The Group's decarbonization roadmap was certified by the Science Based Targets initiative (SBTi) as consistent with limiting global warming to 1.5°C, and hence aligned to the most ambitious temperature goal of the Paris Agreement adopted by the United Nations in 2015. Specifically, the plan envisages Enel to reach 100% GHG-free electricity generation by 2040 and to exit from gas sales to end customers, confirming the Group's leadership role in the energy transition.

Building on its zero emissions commitment, in the same year, the Group was the first company in the world to issue a bond linked to a path of complete decarbonization, by including a tranche linked to the goal of achieving zero direct greenhouse gas emissions by 2040.



2.5
ALIGNING TO THE EU TAXONOMY (2023-24)

In 2023, Enel updated its Sustainability-Linked Framework (SLFF), unveiling a new set of KPIs, demonstrating its continued commitment to sustainability. Among these, the core addition was represented by a KPI associated with the EU Taxonomy (KPI #5). This KPI commits the Group to have >80% of its aggregate CAPEX aligned with the EU Taxonomy criteria, for the period 2023-2025. KPI #5 receives the recommendation of the EU Commission released in June 2023 and highlights Enel's commitment to the most stringent sustainability standards for large corporate entities.

The updated toolkit was reflected in two innovative SLB issuances respectively in 2023 and 2024:

- On February 2023, Enel Finance International N.V. launched a dual-tranche 1.5 billion "Sustainability-Linked Bond" in the Eurobond market, being the world's first issuance coupling EU Taxonomy with the United Nations Sustainable Development Goals, also including full decarbonization targets in 2040.
- On January 2024, Enel Finance International N.V. launched a dual tranche Sustainability-Linked Bond for institutional investors in the Eurobond market for a total of 1.75 billion euros, with reference KPIs linked both to decarbonization targets and to the EU Taxonomy.

This further step reinforced Enel's commitment to embracing the highest international standards in sustainability financing.

2.6
INNOVATING DEVELOPMENT AND ECA FINANCING

Sustainable finance also means synergy between private and public finance. Private finance conveys private capital towards sustainable investments, i.e. for the benefit of companies whose strategic action is intended to achieve certain sustainability objectives, reflecting the economic and financial value of sustainability in a lower cost of debt. Public finance, on the other hand, stimulates the creation of sustainable investments, through grants and loans at concessional interest rates. Blending these sources of financing may result in significant and scalable solutions for pushing ahead the Global Climate Agenda, especially in emerging and developing markets.

Since 2021, Enel has innovated the Development and Export Credit Agencies (ECA) financing space through ground-breaking operations aimed at catalyzing private finance for development, accounting at 9.6€ billion sustainable loans, of which 4.5€ billion in the Sustainability-Linked format.

A new international public finance architecture for development was pushed forward by Enel, partnering and blending resources and tools with leading International Financial Institutions (IFIs) and Export Credit Agencies (ECAs) and commercial finance actors.

While the traditional approach was based on transactions focused on single investment programs and/or projects accompanied by extensive and complex requirements, the Enel Group promoted a shift towards simpler and innovative solutions, leveraging on Sustainability-Linked instruments:

- Multi-project, Sustainability-Linked loans agreements. A framework-based approach which allows to encompass a multitude currencies, geographies, and categories of projects (not strictly predetermined). Once the framework is established, operations benefit from processing speed and flexibility in resources allocation. The first agreement of this type was signed with a European Multilateral Bank in July 2021 and has been replicated over time in the Latin American perimeter, mostly in partnership with Development Finance Institutions (DFIs) and within the context of the EU Global Gateway Investment Agenda.
- General corporate purpose, Sustainability-Linked partnerships. In this approach financing is untied from projects and typically faster and leaner in terms of origination and execution. Moreover, it offers flexibility and competitiveness. This innovative type of agreement was inked for the first time in October 2022 and has been since then used by Enel to the benefit of various geographies of the Group, often with the collaboration of private banks and Export Credit Agencies (ECAs).

2.7

CHALLENGES AND RESILIENCE (2023)

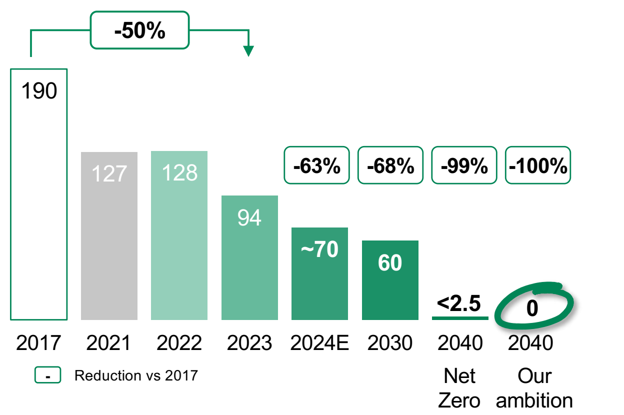
The recent global energy crisis, exacerbated by the Russian-Ukrainian conflict, led to European governments mandates requiring Enel to maximize coal-fired electricity production. As a result, the company's emissions intensity for 2023 was higher than the target of 148 grams of CO_{2eq} per kWh, reaching 160 grams per kWh, which triggered the activation of the step-up mechanism in all transactions associated with this 2023 SPT. In the absence of the energy crisis and related government policies, Enel would have been able to reach an emissions intensity level below the target of 148 gCO_{2eq}/kWh.

Despite this setback, the company remains aligned with the Science-Based Targets Initiative (SBTi) and the Paris Agreement, demonstrating resilience in its long-term decarbonization trajectory.

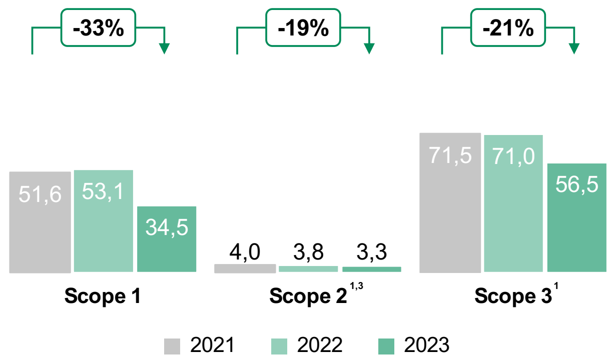
We believe that, the activation of the step-up mechanism proved that the Sustainability-Linked format is robust and meaningful, challenging companies to adjust their trajectory to the committed sustainability targets.

TOTAL GHG EMISSIONS

Total absolute emissions[1,2] ($MtCO2_{eq}$)



Absolute emissions by scope ($MtCO2_{eq}$)



1. 2021 and 2022 restated figures
2. Figures include Scope 2 emissions following the "location based" calculation methodology. Figures for Total absolute emissions following the "market based" calculation methodology are: ~129 $MtCO2_{eq}$ for 2021, ~129 $MtCO2_{eq}$ for 2022 and ~96 $MtCO2_{eq}$ for 2023
3. Figures refer to Scope 2 emissions following the "location based" calculation methodology. Figures for Scope 2 emissions following the "market based" calculation methodology are: 5.6 $MtCO2_{eq}$ for 2021, 5.1 $MtCO2_{eq}$ for 2022 and 4.5 $MtCO2_{eq}$ for 2023

2.8
THE WAY AHEAD

As of today, Enel is the largest issuer of Sustainability-Linked instruments in the world, having issued, in the 2019-2024 period, Sustainability-Linked bonds for a value of almost 32 billion euros equivalent (of which 30.6 billion euros equivalent of outstanding SLBs), around 14 billion euros equivalent of Sustainability-Linked loans, 19 billion euros equivalent of SDG Revolving Credit Facilities and around 18 billion euros equivalent of SDG Commercial Papers.

Sustainable finance thus remains at the core of the Group's financial strategy: by 2027, the share of the total gross debt coming from sustainable financing sources is expected to increase to ~75% from 64% achieved in 2023.

Enel is committed to maintaining a sustainable growth trajectory and playing a significant role in the global energy transition, in line with its pledge to be a carbon free company by 2040. The company's financial strategy will continue to evolve, integrating innovative sustainable financing models that expand opportunities for investors while supporting the objective of driving the global transition to a low-carbon economy.

Enel's continuous innovation and leadership in sustainable finance ensures that the Group remains at the forefront of efforts to achieve global sustainability goals while creating value for investors and society.

ENEL'S SUSTAINABLE FINANCE JOURNEY

JANUARY 2017
Enel issues its first Green Bond

SEPTEMBER 2019
Enel issues world's first Sustainability-Linked Bond

JANUARY 2020
Enel issues world's first Sustainability-Linked Financing Framework (SLFF)

MARCH 2021
Enel signs the largest Sustainability-Linked RCF in the EU linked to the UN's SDGs

JUNE 2021
Enel signs its first Sustainability-Linked loan agreement with a DFI

NOVEMBER 2021
Enel announces Group Zero Emission Commitment aligned with limiting global warming to 1.5°C by 2040

DECEMBER 2021
Enel signs a first of a kind platform-based, multi-country, multi-currency facility with a DFI

OCTOBER 2022
Enel issues world's first Sustainability-Linked Bond linked to full decarbonization targets

OCTOBER 2022
Enel signs its first Sustainability-Linked facility with general purpose features with an ECA

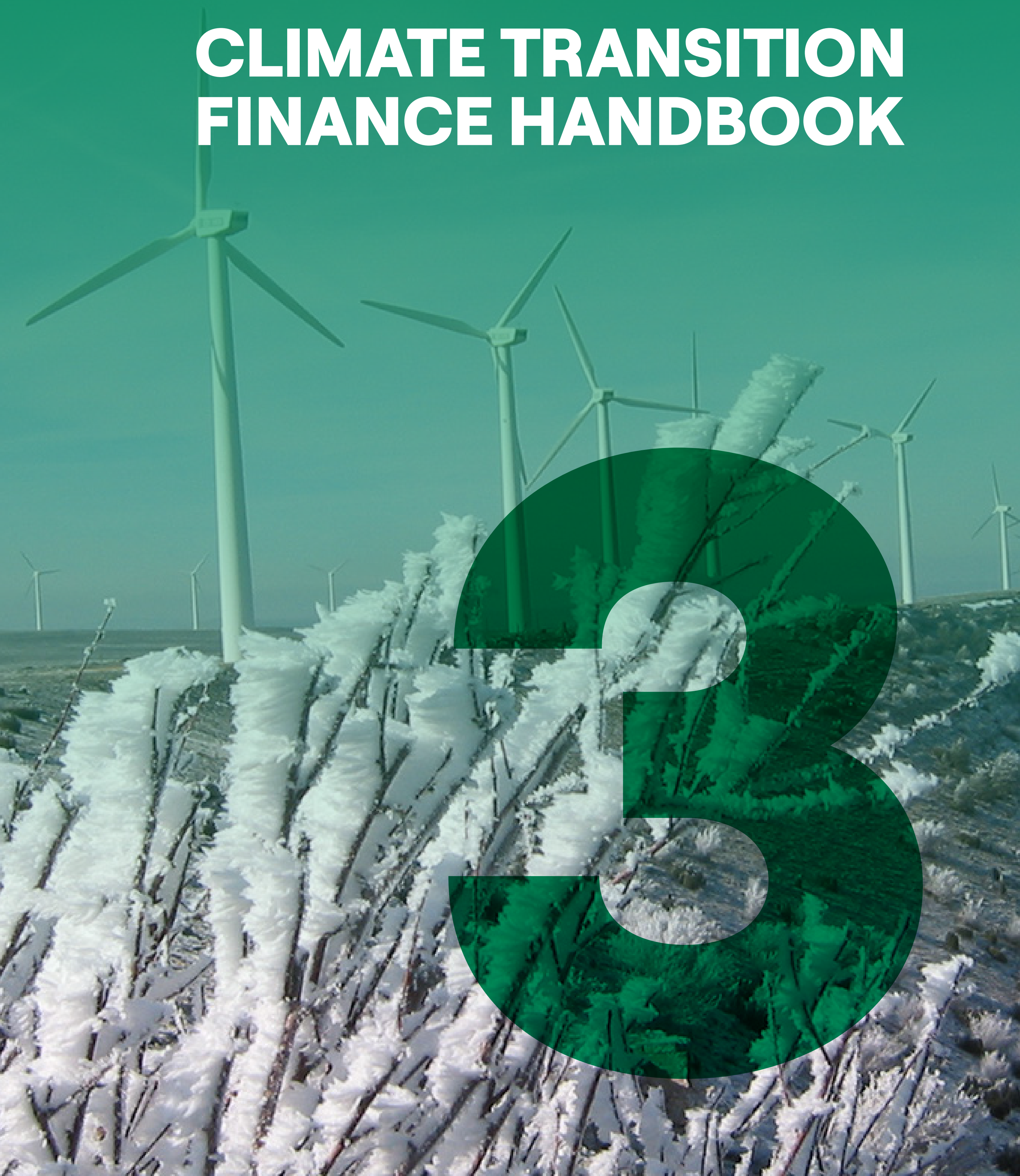
FEBRUARY 2023
Enel issues world's first bond coupling EU Taxonomy with the UN's SDGs and Group's full decarbonization targets

JUNE 2024
Enel is the first Italy-based company to issue a senior dollar bond with D&I Broker-Dealers acting as Co-Managers

SEPTEMBER 2024
84% of Enel's energy production is GHG Free

ROADMAP

CLIMATE TRANSITION FINANCE HANDBOOK



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3.0
CLIMATE TRANSITION FINANCE HANDBOOK

Enel will follow on a best effort basis, the disclosure guidelines found in the Climate Transition Finance Handbook, 2023 version[6], as administered by ICMA.

As such, Enel will be transparent with regards to its:

1. Climate transition strategy and governance;
2. Business model's environmental materiality, with focus on climate change;
3. 'Science-based' climate transition approach, including targets and pathways;
4. Climate implementation transparency.

Relevant disclosures will be included in Enel's annual report, sustainability report, annual reporting, or investor presentation, or any other publicly accessible document for investors.

6 Climate-Transition-Finance-Handbook-CTFH-June-2023-220623v2.pdf (icmagroup.org)

ALIGNMENT WITH SUSTAINABILITY-LINKED BOND PRINCIPLES 2024 AND SUSTAINABILITY-LINKED LOAN PRINCIPLES 2023

4.0

ALIGNMENT WITH SUSTAINABILITY-LINKED BOND PRINCIPLES 2024 AND SUSTAINABILITY-LINKED LOAN PRINCIPLES 2023

This Sustainability-Linked Financing Framework has been established in accordance with the Sustainability-Linked Bond Principles 2024 ("SLBP") as administered by the ICMA[7].

The following five components form the basis of Enel's SLFF:

1. Selection of Key Performance Indicators (KPIs);
2. Calibration of Sustainability Performance Targets (SPTs);
3. Financial characteristics;
4. Reporting;
5. Verification.

Substantially similar core components are outlined under the Sustainability Linked Loan Principles 2023, published, among others, by the LMA, in connection with Sustainability-Linked Loans[8].
This Framework covers the following financing and risk management instruments: Sustainability-Linked Bonds, Sustainability-Linked Loans, Sustainability-Linked Foreign Exchange Derivatives, Sustainability-Linked Rates Derivatives and Sustainability-Linked Guarantees, as well as SDG Commercial Paper Programmes (together the "Sustainability-Linked Financing Instruments").
For the avoidance of doubt, please note that the abovementioned financing instruments falling within this version of the Framework will be those issued and/or executed after the publication of this version of the Framework on Enel's website.

7 International Capital Market Association SLB Principles 2024 : Sustainability-Linked Bond Principles (SLBP) » ICMA (icmagroup.org)
8 Loan Market Association SLLP 2023: Documents (lma.eu.com)

4.1
KEY PERFORMANCE INDICATORS (KPIs)

Enel has selected the following five KPIs, which are core, relevant, and material to its business and suitable for the purpose of measuring the sustainability performance improvements of the Group:

1. Scope 1 GHG emissions Intensity relating to Power Generation (gCO_{2eq}/kWh);
2. Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO_{2eq}/kWh)
3. Absolute Scope 3 GHG emissions relating to Gas Retail ($MtCO_{2eq}$)
4. Renewable Installed Capacity Percentage (%)
5. Proportion of CAPEX aligned to the EU Taxonomy (%)

These five KPIs contribute to SDG 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) and SDG 13 (Take urgent action to combat climate change and its impacts), both relating to climate change or environmental degradation, which are – amongst others – acceptable environmental goals to which coupon structures may be linked in order for Sustainability-Linked bonds to be considered eligible by the European Central Bank as collateral for Eurosystem credit operations and for outright purchases in Eurosystem monetary policy operations, provided that all other eligibility criteria are met.

In addition, the five selected KPIs contribute to the EU Environmental Objective of Climate Change Mitigation, as defined in the EU Taxonomy Regulation[9].

9 Taxonomy Regulation (EU) 2020 /852: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852

KPI #1

SCOPE 1 GHG EMISSIONS INTENSITY RELATING TO POWER GENERATION (gCO_{2eq}/kWh)

Group Scope 1 greenhouse gas emissions (GHG) intensity (gCO_{2eq}/kWh)

DEFINITION/METHODOLOGY:

Group Scope 1 greenhouse gas emissions (including CO_2, CH_4 and N_2O) from power generation measured in grams of CO_{2eq} per kWh, as defined and detailed in the documentation of the relevant Sustainability-Linked transactions and in line with the GHG Protocol[10]

RATIONALE:

The KPI measures Enel's performance on decarbonizing its energy production mix, which will be fully accomplished by 2040, while mitigating direct emissions from its most relevant Scope 1 source, which represented 95% of total Scope 1 emissions in 2023.

MATERIALITY:

In 2023, KPI#1 Scope 1 GHG emissions Intensity relating to Power Generation represented 34.7% of Enel's total carbon footprint with 32.7 $MtCO_{2eq}$

CONTRIBUTION TO EU ENVIRONMENTAL OBJECTIVE:

Climate Change Mitigation

CONTRIBUTION TO UN SDGs

SDG 13: Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION

10 The GHG Protocol supplies the world's most widely used greenhouse gas accounting standards (https://ghgprotocol.org/)

KPI #2

SCOPE 1 AND 3 GHG EMISSIONS INTENSITY RELATING TO POWER GENERATION (gCO_{2eq}/kWh)

Combined Group Scope 1 greenhouse gas emissions (including CO_2, CH_4 and N_2O) from power generation and Group Scope 3 greenhouse gas emissions from the generation of purchased electricity that is sold to end customers measured in grams of CO_{2eq} per kWh

DEFINITION/METHODOLOGY:

Intensity metric calculated as the combination of Group Scope 1 greenhouse gas emissions (including CO_2, CH_4 and N_2O) (measured in gCO_{2eq}) and Group Scope 3 greenhouse gas emissions from the generation of purchased electricity that is sold to end customers (measured in gCO_{2eq}) (which constitutes an element of subcategory 3-Fuel and Energy Related Activities of GHG protocol-Scope 3 standard), divided by electricity production (measured in kWh) and purchased electricity (measured in kWh). The methodology is defined and detailed in the documentation of the relevant Sustainability-Linked transactions and in line with the GHG Protocol

RATIONALE:

The KPI #2 measures Enel's performance on decarbonizing the electricity sold by Enel to end customers, sourced from both Enel's own production and by electricity purchases made from third parties in countries in which the Group falls short in production

MATERIALITY:

In 2023, KPI #2 Scope 1 and 3 GHG emissions Intensity relating to Integrated Power represented 60.2% of Enel's total carbon footprint with 56.7 $MtCO_{2eq}$[11], of which Group Scope 1 CO_2 equivalent emissions from power generation accounted for 34.7% and 32.7$MtCO_{2eq}$[12], and Group Scope 3 CO_2 equivalent emissions from the generation of purchased electricity accounted for 25.4% and 24.0$MtCO_{2eq}$[13]

CONTRIBUTION TO EU ENVIRONMENTAL OBJECTIVE:

Climate Change Mitigation

CONTRIBUTION TO UN SDGs

SDG 13: Take urgent action to combat climate change and its impacts

11 Restated figure. It excludes GHG scope 1 emissions from assets disposed in 2022, in compliance with SBTi validation process
12 The GHG Protocol supplies the world's most widely used greenhouse gas accounting standards (https://ghgprotocol.org/)
13 The GHG Protocol supplies the world's most widely used greenhouse gas accounting standards (https://ghgprotocol.org/)

KPI #3

ABSOLUTE SCOPE 3 GHG EMISSIONS RELATING TO GAS RETAIL ($MTCO_{2eq}$)

Group Absolute Scope 3 greenhouse gas emissions from the use of the gas sold by Enel Group to its end customers (measured in $MtCO_{2eq}$)

DEFINITION/METHODOLOGY:

Group Absolute Scope 3 CO_2 equivalent emissions from use of sold gas by the Group to its end customers, as defined and detailed in the documentation of the relevant Sustainability-Linked transactions and in line with the GHG Protocol. In 2024, Enel updated the methodology to align the calorific value considered for the natural gas volume sold to end customers with the corresponding IPCC factor, restating the 2017 baseline, 2023 actual figures and the corresponding targets

RATIONALE:

The KPI #3 supports Enel's target to fully decarbonize, including the value chain of the Gas Retail business

MATERIALITY:

In 2023, KPI #3 Absolute Scope 3 GHG emissions relating to Gas Retail represented 17.8% of Enel's total carbon footprint with 16.8 $MtCO_{2eq}$

CONTRIBUTION TO EU ENVIRONMENTAL OBJECTIVE:

Climate Change Mitigation

CONTRIBUTION TO UN SDGs

SDG 13: Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION

KPI #4

RENEWABLE INSTALLED CAPACITY PERCENTAGE (%)

Proportion that Renewable Energy Installed Capacity represents of Total Installed Capacity (expressed as a percentage)

DEFINITION/METHODOLOGY:

	Calculation
Renewable Energy Installed Capacity[14]	(a) MW
Total Installed Capacity[15]	(b) MW
Renewable Installed Capacity Percentage	(a) / (b) %

Terms referring to the KPI #4 and the SPT #4 are detailed in the documentation of the relevant Sustainability-Linked transactions

RATIONALE:

The KPI #4 supports Enel's target to fully decarbonize its technology mix by 2040

MATERIALITY:

In 2023, KPI #4 Renewable Installed Capacity Percentage was equal to 68%.

CONTRIBUTION TO EU ENVIRONMENTAL OBJECTIVE:

Climate Change Mitigation

CONTRIBUTION TO UN SDGs

SDG 13: Take urgent action to combat climate change and its impacts

14 Excluding BESS and Managed Capacity
15 Excluding BESS and Managed Capacity

KPI #5

PROPORTION OF CAPEX ALIGNED TO THE EU TAXONOMY (%)

Proportion of total Capital Expenditure accounted over a stated period in activities that qualify as environmentally sustainable according to the criteria set out in article 3 of EU Taxonomy Regulation (2020/852) (expressed as a percentage)

DEFINITION/METHODOLOGY:

	Calculation
Capital Expenditures aligned with the EU Taxonomy	(a) EURbn
Total Capital Expenditures	(b) EURbn
Capital Expenditures aligned with the EU Taxonomy Percentage	(a) / (b) %

Terms referring to the KPI #5 and the SPT #5 are detailed in the documentation of the relevant Sustainability-Linked transactions and in the annual report/consolidated non-financial statements

RATIONALE:

KPI #5 supports Enel's strategic plan to invest to decarbonize Group activities

MATERIALITY:

Transitioning to zero GHG emissions by 2040 will require substantial investments by Enel in the coming two decades. The share of Enel's total capital expenditures which are aligned with the EU Taxonomy is the key measure showcasing how much Enel is investing towards a carbon free business model. In 2023, KPI #5 Proportion of CAPEX aligned to the EU Taxonomy (%) was equal to 84.8%

CONTRIBUTION TO EU ENVIRONMENTAL OBJECTIVE:

All six environmental objectives defined in EU Taxonomy Regulation, with a particular focus on Climate Change Mitigation

CONTRIBUTION TO UN SDGs

SDG 13: Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION

4.2

SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

SPT #1

SCOPE 1 GHG EMISSIONS INTENSITY RELATING TO POWER GENERATION (GCO_{2eq}/KWH)

The amount of Group Scope 1 greenhouse gas emissions (including CO_2, CH_4 and N_2O) from power generation, measured in gCO_{2eq} per kWh, as defined above, as of the relevant date was equal to or lower than the relevant threshold, as applicable)

INTERMEDIATE AND LONG-TERM GOALS:

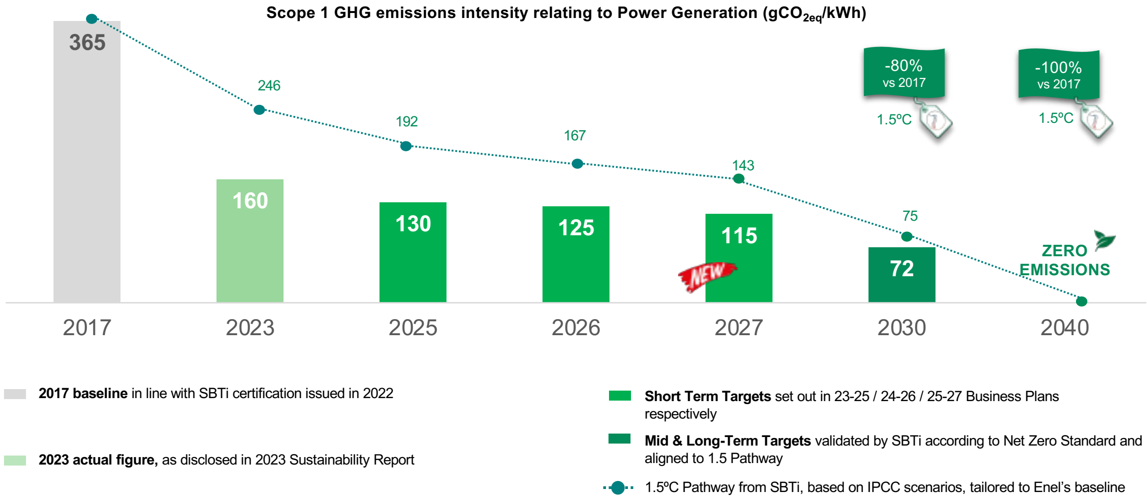
Since 2015 Enel has set various targets to reduce its direct greenhouse gas emissions from its power generation activity, increasing the level of ambition in each upgrade performed and always seeking alignment to the most ambitious climate scenario available at any time.

Thus, Enel set up its first science-based target aligned to a 2 degrees scenario in 2015, aimed at reducing its carbon intensity by 25% with respect to 2007 (reaching 350 gCO_{2eq}/kWh).

In 2019, once the 2020 target was already accomplished one year ahead, Enel announced a new science-based target for 2030 aligned to a well below 2 degrees scenario that was upgraded one year later from 70% to 80% reduction with respect to 2017 (from 125 gCO_{2eq}/kWh down to 82 gCO_{2eq}/kWh), now aligned to a 1.5 degrees pathway.

In 2021, Enel brought forward its full energy mix decarbonization goal from 2050 to 2040, which was validated by SBTi in 2022 along with a new upgrade of the 2030 target that increased the ambition, from 82 gCO_{2eq}/kWh down to 72 gCO_{2eq}/kWh.

In parallel, since 2020 Enel has defined short term targets every year in each business plan update to increase the ambition over time and showcase alignment with the ultimate decarbonization goal. These targets set in different business plan upgrades envisaged the following thresholds: 130 gCO_{2eq}/kWh by 2025,125 gCO_{2eq}/kWh by 2026 and 115 gCO_{2eq}/kWh in 2027.



The relevant threshold will be specified in the relevant documentation of the specific transaction, as applicable (e.g. in the Final Terms of the relevant Sustainability Linked Bond or in the facility agreement of the relevant Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the targets might be disclosed in the relevant documentation of the Sustainability-Linked transactions, in line with applicable regulation.

Metrics/Year	2025	2026	2027	2030	2040
SPT	130 gCO_{2eq}/kWh*	125 gCO_{2eq}/kWh**	115 gCO_{2eq}/kWh***	72 gCO_{2eq}/kWh****	0 gCO_{2eq}/kWh****

* 2025 SPT defined in the context of 2023-2025 Strategic Plan
** 2026 SPT defined in the context of 2024-2026 Strategic Plan
*** 2027 SPT defined in the context of 2025-2027 Strategic Plan
***** 2030 and 2040 SPTs have been validated by SBTi in December 2022

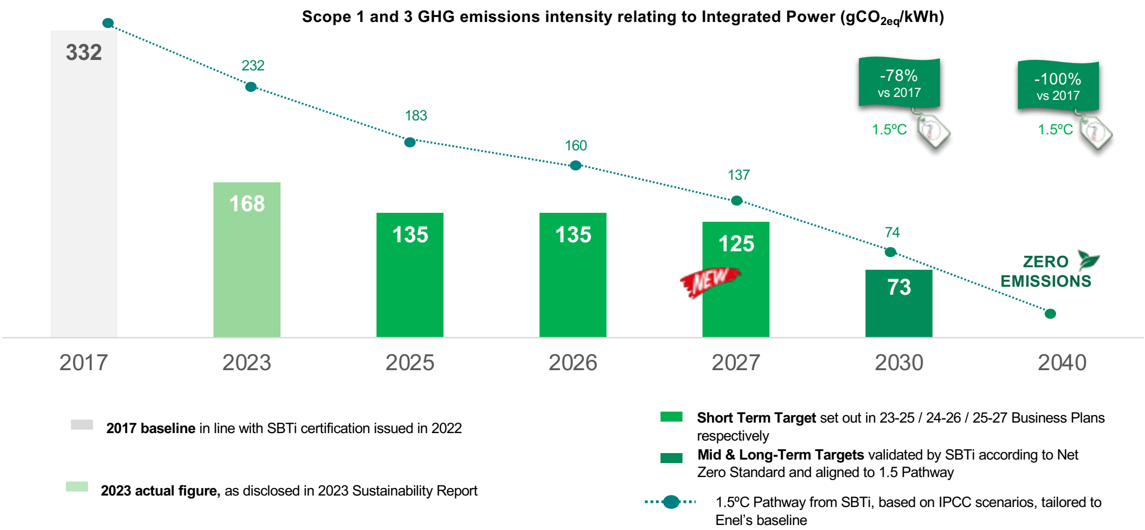
SPT #2

SCOPE 1 AND 3 GHG EMISSIONS INTENSITY RELATING TO INTEGRATED POWER (gCO_{2eq}/kWh)

The amount of combined Group Scope 1 greenhouse gas emissions (including CO_2, CH_4 and N_2O) from power generation and Group Scope 3 greenhouse gas emissions from the generation of purchased electricity that is sold to end customers, measured in gCO_{2eq}/kWh, as defined above, as of the relevant date was equal to or lower than the relevant threshold, as applicable.

INTERMEDIATE AND LONG-TERM GOALS:

In November 2022, Enel announced a target to reduce GHG intensity in integrated power to 135 gCO_{2eq}/kWh by 2025.
In December 2022, SBTi validated the following commitments for 2030 and 2040 as being consistent with the 1.5°C climate goal: reduce 100% of direct GHG emissions (Scope 1) from power generation and indirect GHG emissions (Scope 3) from fuel and energy-related activities, covering all sold electricity per kWh by 2040 from a 2017 base year (332 gCO_{2eq}/kWh), with a mid-term target of 78% reduction by 2030 (73 gCO_{2eq}/kWh). On the back of the 2024-2026 Strategic Plan, Enel will reduce GHG intensity in Integrated power to 135gCO_{2eq}/kWh by 2026 and on the back of the 2025-2027 Strategic plan a target of 125 gCO_{2eq}/kWh in 2027 has been set.



The relevant threshold will be specified in the relevant documentation of the specific transaction, as applicable (e.g. in the Final Terms of the relevant Sustainability-Linked Bond or in the facility agreement of the relevant Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the targets might be disclosed in the relevant documentation of the Sustainability-Linked transactions, in line with applicable regulation.

Metrics/Year	2025	2026	2027	2030	2040
SPT	135 gCO_{2eq}/kWh*	135 gCO_{2eq}/kWh**	125 gCO_{2eq}/kWh***	73 gCO_{2eq}/kWh****	0 gCO_{2eq}/kWh****

* 2025 SPT defined in the context of 2023-2025 Strategic Plan
** 2026 SPT defined in the context of 2024-2026 Strategic Plan
*** 2027 SPT defined in the context of 2025-2027 Strategic Plan
***** 2030 and 2040 SPTs have been validated by SBTi in December 2022

SPT #3

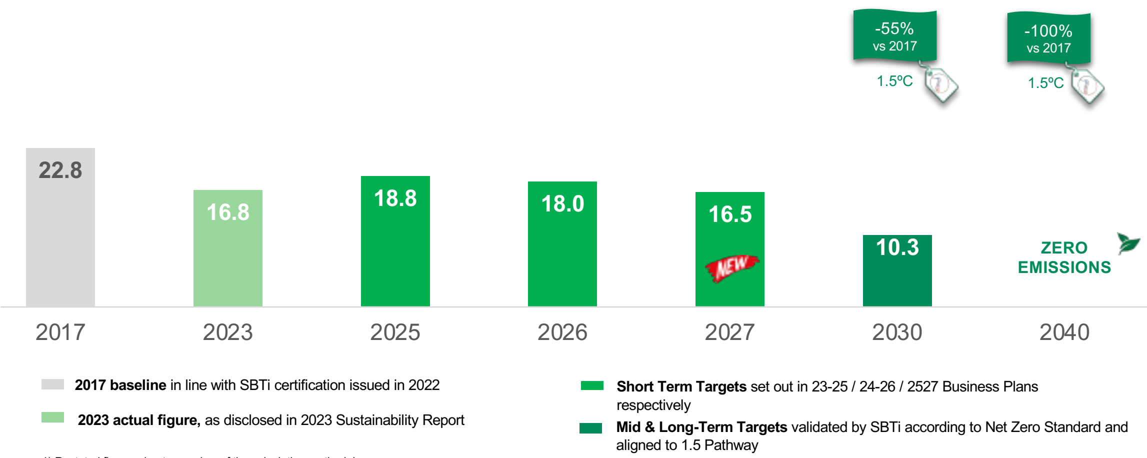
ABSOLUTE SCOPE 3 GHG EMISSIONS RELATING TO GAS RETAIL ($MTCO_{2eq}$)

The amount of Group Absolute Scope 3 CO_2 equivalent emissions from use of sold gas by the Group to its end customers, measured in $MtCO_{2eq}$, as defined above, as of the relevant date was equal to or lower than the relevant threshold, as applicable.

INTERMEDIATE AND LONG-TERM GOALS[16]:

In November 2022, Enel announced targets to reduce absolute Group Scope 3 GHG emissions from Gas Retail to 18.8 $MtCO_2$ by 2025. In December 2022, SBTi validated the following commitments for 2030 and 2040 for being consistent with the 1.5°C climate goal: reduce 100% of absolute indirect Group GHG emissions (Scope 3) from the use of sold products by 2040 from a 2017 base year (22.8 $MtCO_{2eq}$), with a mid-term target of 55% by 2030 (10.3 $MtCO_{2eq}$). On the back of the 2024-2026 Strategic Plan, Enel will reduce Scope 3 GHG emissions relating to gas retail to 18 $MtCO_{2eq}$ by 2026 and on the back of the 2025-2027 Strategic plan a target 16.5 $MtCO_{2eq}$ in 2027 has been set.

Absolute Scope 3 relating to Gas Retail ($MtCO_{2eq}$)[1]



1) Restated figures due to a review of the calculation methodology

16 Restated figures due to a review of the calculation methodology as indicated on page 30.

The relevant threshold will be specified in the relevant documentation of the specific transaction, as applicable (e.g. in the Final Terms of the relevant Sustainability Linked Bond or in the facility agreement of the relevant Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the targets might be disclosed in the relevant documentation of the Sustainability-Linked transactions, in line with applicable regulation.

Metrics/Year	2025	2026	2027	2030	2040
SPT	18.8 $MtCO_{2eq}$ *	18.0 $MtCO_{2eq}$ **	16.5 $MtCO_{2eq}$ ***	10.3 $MtCO_{2eq}$ ****	0 $MtCO_{2eq}$ ****

All SPT figures have been restated after the review of the methodology calculation implemented in 2024.

* 2025 SPT defined in the context of 2023-2025 Strategic Plan
** 2026 SPT defined in the context of 2024-2026 Strategic Plan
*** 2027 SPT defined in the context of 2025-2027 Strategic Plan
***** 2030 and 2040 SPTs have been validated by SBTi in December 2022

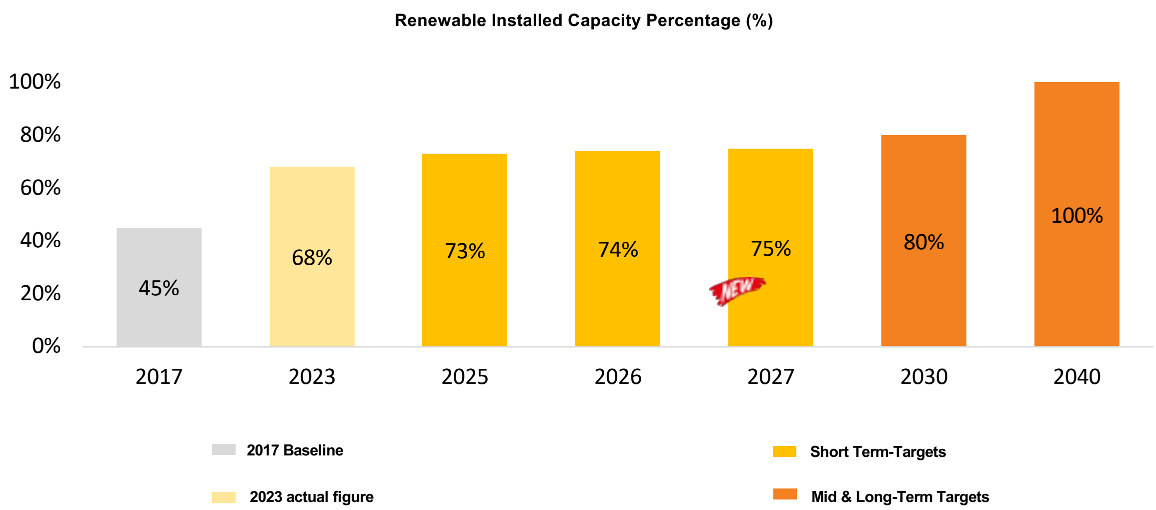
SPT #4

RENEWABLE INSTALLED CAPACITY PERCENTAGE (%)

The Renewable Installed Capacity Percentage, as defined above, is equal to or exceeded the relevant threshold.

INTERMEDIATE AND LONG-TERM GOALS:

The Group plans to add around +12 GW to its installed capacity in 2025-2027 period, in line with the achievement of its decarbonization targets aligned with the Paris agreement. Consolidated renewable capacity is expected to be equal to 75% of the Group's total consolidated generation in 2027.



The applicable threshold will be specified in the documentation of the specific transaction, as applicable (e.g. in the Final Terms of the relevant Sustainability Linked Bond or in the facility agreement of the relevant Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the Targets might be disclosed in the relevant documentation of the Sustainability-Linked transactions, according to applicable regulation.

Metrics/Year	2025	2026	2027	2030	2040
SPT	73%*	74%**	75%***	80%**	100%****

* 2025 SPT defined in the context of 2023-2025 Strategic Plan
** 2026 and 2030 SPTs defined in the context of 2024-2026 Strategic Plan
*** 2027 SPT defined in the context of 2025-2027 Strategic Plan
***** 2040 SPT defined in the context of 2022-2024 Strategic Plan

SPT #5

PROPORTION OF CAPEX ALIGNED TO THE EU TAXONOMY (%)

The Proportion of total Capital Expenditure accounted over a stated period in activities that qualify as environmentally sustainable according to the criteria set out in Article 3 of EU Taxonomy Regulation (2020/852), as defined above, was equal to or higher than the relevant threshold, as applicable

INTERMEDIATE AND LONG-TERM GOALS:

In November 2022, Enel announced targets to align at least 80% of Capital Expenditure in the three-year period 2023-2025 with the EU Taxonomy. As per the 2024-2026 and 2025-2027 Strategic Plans, the Group has confirmed the same goal of 80% across the respective periods.

Factors that support and/or might put at risk the achievement of the targets might be disclosed in the relevant documentation of the Sustainability-Linked transactions, in line with applicable regulation.

Metrics/Year	2023 - 2025	2024 - 2026	2025 - 2027
SPT	80%*	80%**	80%***

* 2023-2025 SPT defined in the context of 2023-2025 Strategic Plan
** 2024-2026 SPT defined in the context of 2024-2026 Strategic Plan
*** 2025-2027 SPT defined in the context of 2025-2027 Strategic Plan

EVOLUTION OF HISTORICAL ENEL'S PATHWAYS IN TERMS OF KPIS AND SPTS

KPI	SUSTAINABILITY PERFORMANCE TARGETS (SPT)								
	2021	2022	2023	2024	2025	2026	2027	2030	2040
KPI #1 Scope 1 GHG emissions Intensity relating to Power Generation (gCO_{2eq}/kWh)	–	–	148	140	130	125	115	72	0
KPI #2 Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO_{2eq}/kWh)	–	–	–	–	135	135	125	73	0
KPI #3 Absolute Scope 3 GHG emissions relating to Gas Retail ($MtCO_{2eq}$)	–	–	–	–	18.8	18.0	16.5	10.3	0
KPI #4 Renewable Installed Capacity Percentage (%)	55%	60%	65%	69%	73%	74%	75%	80%	100%
KPI #5 Proportion of CAPEX aligned to the EU Taxonomy (%)	–	–	–	–	> 80% (2023-2025)	> 80% (2024-2026)	> 80% (2025-2027)	–	–

4.3
FINANCIAL CHARACTERISTICS

The proceeds of Enel's Sustainability-Linked Financing Instruments will be used for general corporate purposes.

This section of the Framework only applies to Sustainability-Linked Bonds, Sustainability-Linked Loans, Sustainability-Linked Foreign Exchange Derivatives, Sustainability-Linked Rates Derivatives and Sustainability-Linked Guarantees.

For Sustainability-Linked Bonds and Sustainability-Linked Loans, a step-up margin will be specified in the relevant documentation of the specific transaction (e.g. in the Final Terms of the relevant Sustainability Linked Bond or the facility agreement of the relevant Sustainability-Linked Loan). Although this Framework defines several KPIs and SPTs, the choice of KPI(s) and SPT(s) for a given transaction will be specified in the relevant documentation. Step-down margin provisions might be included and will be applicable in case the relevant SPTs are timely reached by the Enel Group.

Each Sustainability-Linked transaction may be linked to one or more KPIs and SPTs and also in such case the financial characteristics are detailed in the relevant contractual documentation.

The relevant documentation might provide that the SPTs may be subject to recalculation based on specific circumstances, such as changes in the calculation methodology or major events having a material impact on the Enel Group's structure and / or might provide certain events, outside Enel's control, resulting in the step-up not being triggered.

The failure[17] by Enel to satisfy one or more of the SPTs as of the relevant target date (identified in the contractual documentation) could trigger a step-up margin adjustment, that in case of utilization of more than one SPTs may be cumulative or not, leading to an increase in the interest rate applicable to interest periods following such reference date. The relevant documentation might provide for certain events, outside Enel's control, resulting in the step-up not being triggered.

The achievement by Enel of one or more of the SPTs as of the relevant target date (identified in the contractual documentation) might trigger a step-down margin adjustment, that in case of utilization of more than one SPTs may be cumulative or not, leading to a decrease in the interest applicable to interest periods following such reference date[18].

17 See page 126 of the Enel's "Sustainability Report 2023" for further details
18 A similar adjustment mechanism might apply to other financial terms of the transaction as well

For Sustainability-Linked Foreign Exchange Derivatives, Sustainability-Linked Rates Derivatives and for Sustainability-Linked Guarantees, an adjustment to the overall cost of the transaction (also in the form of an additional flow) will derive from Enel's transactions according to the performance over the relevant KPI, as applicable and specified in the relevant documentation of the specific transaction (e.g. Derivative's bilateral confirmation and FX's bilateral agreement).

For the avoidance of doubt, the SDG Commercial Paper Programmes (CPPs) documentation include the company's commitment to achieve certain SPTs in respect of related KPIs. However, the achievement or not of such targets will not impact the financial characteristics of the CPPs

4.4 REPORTING

Enel will annually report on its performance on five KPIs in its Annual Report and/or its website, as the case may be and as defined and detailed in the documentation of the relevant Sustainability-Linked transactions.

Reporting may include:

- Up-to-date information on the performance of the selected KPI(s), including the baseline where relevant;
- A verification assurance report relative to the SPT(s) outlining the performance against the SPT and the related impact, and timing of such impact, on a financial instrument performance; and
- Any relevant information enabling investors to monitor the progress of the SPT(s).

Information may also include when feasible and possible:

- Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis;
- Illustration of the positive sustainability impacts of the performance improvement; and/or
- Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant.

4.5
VERIFICATION

Enel's performance of the KPIs according to SPTs at the relevant reference date will be verified by an External Verifier.

"External Verifier" means KPMG S.p.A., or any such other qualified provider of third party assurance or attestation services appointed by Enel

PRE-ISSUANCE VERIFICATION

Enel's Sustainability-Linked Financing Framework has been reviewed by Moody's Ratings who provided a second party opinion, confirming the alignment of the Framework with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA and Sustainability-Linked Loan Principles (SLLP), administered by the LMA

AMENDMENTS TO THIS FRAMEWORK

Enel will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Enel will also review this Framework in case of material changes in the perimeter, methodology, and in particular KPIs and/or the SPT's calibration. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, are expected to be presented for approval to Moody's Ratings or any such other qualified provider of second party opinion. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Verifier. The updated Framework, if any, will be published on Enel's website and will replace this Framework.

Failure to meet SPTs due to factors outside the company's control may not result in step-up being triggered.

Furthermore, the SPTs may be subject to recalculation based on specific circumstances.

Both relevant factors and circumstances mentioned above are set out further in the relevant documentation of the Sustainability-Linked transactions.

DISCLAIMER

This Sustainability-Linked Financing Framework (the "Framework") contains certain forward-looking statements that reflect the Enel's management's current views with respect to future events and financial and operational performance of the Enel Group. These forward-looking statements are based on Enel's current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Enel to control or estimate precisely, including but not limited to , future market development, changes in the regulatory framework, general business and economic conditions globally, including in relation to the environment, health and safety and taxation, and political and economic uncertainty as a result of global pandemic and current geopolitical instability. You are cautioned not to place undue reliance on the forward-looking statements (as well as information and opinions) contained herein, which are made only as of the date of this document and are subject to change without notice. Enel does not undertake any obligation or responsibility to release any updates or revisions to any forward-looking statements and/or information to reflect events or circumstances after the date of publication of this Framework or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate. The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in this Framework. No representation is made as to the suitability of any Sustainability-Linked Financing Instruments to fulfil environmental and sustainability criteria required by prospective investors.

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SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

December 16, 2022

Dear Enel S.p.A.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for a net-zero validation.

Our team has assessed Enel S.p.A.'s near and long-term target(s) against the SBTi net-zero criteria and criteria (version 5) and after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

Overall Net-Zero Target
Enel commits to reach net-zero GHG emissions across the value chain by 2040.

Near-Term Targets

Enel commits to reduce scope 1 from power generation GHG emissions 80% per kWh by 2030 from a 2017 base year. Enel also commits to reduce scope 1 and 3 GHG emissions from fuel and energy related activities covering all sold electricity 78% per kWh by 2030 within the same timeframe. Enel further commits to reduce absolute scope 3 GHG emissions from the use of sold products 55% within the same timeframe. Enel finally commits to reduce absolute scope 1 and 2 non-power generation emissions and scope 3 GHG emissions covering purchased goods and services, capital goods, and all remaining fuel and energy related activities 55% within the same timeframe.*
**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

Long-Term Targets

Enel commits to reach net-zero GHG emissions across the value chain by 2040.

Enel commits to reduce scope 1 from power generation GHG emissions 100% per kWh by 2040 from a 2017 base year. Enel also commits to reduce scope 1 and 3 GHG emissions from fuel and energy related activities covering all sold electricity 100% per kWh within the same timeframe. Enel further commits to reduce absolute scope 3 GHG emissions from use of sold products 100% within the same timeframe. Enel finally commits to reduce absolute scope 1 and 2 non-power generation emissions and scope 3 GHG emissions covering purchased goods and services, capital goods, and all remaining fuel and energy related activities 90% within the same timeframe.*
**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

Since your company is in the first group of companies to receive approval for net-zero targets, the feedback report is not yet available at this time and will be sent when finalized internally.

Congratulations on your approved science-based targets!

Kind regards,
The Science Based Targets initiative

An initiative by CDP, UN Global Compact, World Resources Institute, WWF