



## **ADDITIONAL ESG KEY PERFORMANCE INDICATORS**

The information disclosed in this document is intended to enhance Enel's transparency on additional ESG KPI in order to meet the S&P Global Corporate Sustainability Assessment requirements.



## 1. Introduction

This document contains **additional qualitative and quantitative KPIs**, which integrate what is already reported in the Enel Group's 2023 Sustainability Report, in order to **increase transparency** with respect to the S&P Global Corporate Sustainability Assessment (S&P CSA) requirements.

The KPIs have been divided into the **macro-categories** *Economic dimension* and *Environmental dimension*, in line with the structure of the S&P CSA.

## 2. Economic Dimension

### Risk culture:

Enel promotes an effective risk culture throughout the organization by:

- **Fostering regular risks management education for board members.** Based on the provisions contained in the organizational regulation of the board of directors, the chairman, with the support of the secretary, ensures that all directors and statutory auditors may participate - after their election and during their term of office - in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company and the Group it heads operate, of corporate dynamics and their evolution (also in view of pursuing Sustainable Success), as well as of the principles of proper risk management and of the reference regulatory and self-regulatory framework. In this regard, following the appointment of the board of directors resolved by the ordinary shareholders' meeting held on May 10, 2023, and given the renewal of the entire board composition, the Company organized a specific induction program aimed at equipping directors with adequate knowledge of the business sectors in which the Group operates, including topics related to risk management.
- **Developing focused risk training for employees.** Among the different courses that are available in the education catalogue for all employees, it is noteworthy the Risk Academy, an internal training project that aims to disseminate the risk culture in the company, consolidating and increasing skills, know-how and experiences in this area. It provides a valuable opportunity of knowledge sharing and mutual enrichment among the various Functions of Enel in relation to issues relevant to Risk, in all its implications. The Risk Academy represents not only a precious opportunity to improve skills and knowledge, but also to share best practices among colleagues. Furthermore, Enel provides also training focused on specific risks included in the Enel Group Risk Model, among which health and safety risks, environmental risk assessment, industrial risk or cyber security risk.
- **Incorporating risk criteria the regulation of the Investment approval and control policy.** This policy aims at establishing the general principles, responsibilities and operating method to manage Group investments and it requires to carry out a preliminary risks assessment in the investment proposal preparation, involving the Risk Control unit in such task, while also to incorporate the risk assessment results in the financial valuation for the investment approval process.
- **Developing financial incentives that incorporate risk management metrics.** The short-term variable component (MBO) available for management, middle management and other employees may include risk metrics related to their role or the activities they manage. Some examples of metrics affecting the AFC unit include: (i) Cyber Security Risk ; (ii) Catastrophic risk coverage for the Italy perimeter in compliance with what is expected and introduced by the financial regulations in 2024 and (iii) Group Risk Governance. In the case of the Business Line Enel Green Power, the metrics concern in particular the issue of activities related to Climate Change Risk (C.C.R.), while



in the case of the Business Line Global Energy and Commodity Management and Chief Pricing Office function, the metrics relate to the risk/return ratio of the global trading book.

**Reporting on breaches:**

Reporting Areas	Number of breaches in FY 2023
Corruption or Bribery	2
Discrimination or Harassment	5
Customer Privacy Data	0
Conflicts of Interest	5
Money Laundering or Insider trading	0

**KPIs for Supplier Assessment and Development**

Supplier Assessment	FY2023	Target for FY2023
Total number of significant suppliers assessed via desk assessments/ on-site assessments	<b>6312</b>	<b>100%</b>
% of unique significant suppliers assessed	<b>100</b>	
Number of significant suppliers assessed with substantial actual/potential negative impacts	<b>2018</b>	
% of significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	<b>100%</b>	
Number of significant suppliers with substantial actual/potential negative impacts that were terminated	<b>17</b>	

Corrective action plan support	FY2023	Target for FY2023
Total number of significant suppliers supported in corrective action plan	<b>2018</b>	<b>100%</b>
% of significant suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	<b>100%</b>	



### Smart meters coverage

The figures disclosed below refers to the Italian and Iberian Markets, where the company has the majority of distribution customers.

	Smart meters 2023	
	mn	Coverage
Italy	31.7	100%
Iberia	12.4	100%

## 3. Environmental Dimension

### Environmental violations

	FY 2020	FY 2021	FY 2022	FY 2023
Number of violations of legal obligations/regulations	150	132	70	27
Amount of fines/penalties related to the above (Euro)	0.34	10.60	0.01	3.98
Environmental liability accrued at year end (Euro)	1.62	5.70	1.61	0.11

### Climate Risk Management - Value chain stages covered

Enel is exposed to multiple risks, notably financial, industrial, environmental, and strategic risks connected with the evolution of markets, sustainability trends and climate change. An Internal Control and Risk Management system (ICRMS) is in place, updated periodically, and composed of a set of rules, procedures, and organizational structures designed to allow identification, measurement, management, and monitoring of the main corporate risks. Hence, climate-related risks are integrated into multi-disciplinary company-wide risk management processes, as climate change is a cross-cutting topic that influences all of our business activities globally.

Every year, the Control and Risk Committee is presented with a reviewed quantitative analysis of the risks and opportunities related to the Group's strategic positioning, which includes climate-related aspects. Climate risks and opportunities are identified in a structured manner consistent with the TCFD categories.



Two main macro-categories of risks/opportunities are associated to **our direct operations, upstream and downstream value chain**:

- those connected with developments in physical variables (acute and chronic) and;
- those connected to the evolution of the transition scenarios (policy and regulation, market, technology, products and services).

The Control and risk Committee oversees climate-related risks twice a year at least, prior to the approval of the strategic plan and for the approval of the sustainability and annual reports. To facilitate the identification and management of climate-related risks and opportunities of our direct operations and our upstream and downstream value chain, a “Climate change risks and opportunities” policy was published in 2021 and recently reviewed and updated, informing industrial and strategic choices to improve business resilience and value creation.

The main steps considered in the policy are:

- prioritizing phenomena and scenario analysis: Identification of physical and transition phenomena relevant to Enel and the consequent development of scenarios to be considered and developed through analysis and processing of data.
- impact assessment: All analyses and activities necessary to quantify the effects at the operational, economic and financial levels, depending on the processes into which these are integrated. These effects can be assessed over three time horizons: the short- (1-3 years), medium- (2027-2034) and long-term (2035-2050);
- Integrate the information in relevant activities and processes to inform operational and strategic actions.

Enel climate risk framework covers also upstream and downstream activities to progressively deepen the understanding of the impacts through qualitative and quantitative analyses:

- **Upstream:** The risks and opportunities connected with a potential increase or decrease in electricity demand under the influence of temperature, may impact on the forecasted production from thermoelectric sources and ultimately on the fuel provision (particularly natural gas provision). On the other hand, GHG emissions from supply chain are considered in the boundaries of the decarbonization roadmap and the Net Zero target validated by SBTi in 2022. Enel carried out a scenario analysis (including 1.5C scenario) to forecast the evolution of the carbon intensity factors from most relevant components and materials for 2030 and 2040.
- **Downstream:** Enel has integrated specific elements connected with customers within its overall framework for climate risks and opportunities, among which the electrification of residential and industrial processes and the electric mobility. Concerning electrification, we have analyzed the opportunities from an increase in electricity consumption as consequence of the customers’ switch from fossil fuel to electricity sources to satisfy their energy demand.

### **Electricity capacity mix**

The following tables summarize the data reported publicly by Enel with regards to its electric capacity mix, more specifically:

- a) the current consolidated capacity for electricity generation per source (2023)
- b) the indicative expected consolidated capacity for electricity generation per source (2026)

While the figures at point a) are explicitly published in a specific section of the Group Sustainability Report (*Performance indicators: Enel’s commitment to sustainable development*, p.373), the targeted capacity for 2026 was not explicitly published in one single report.

However, such data (point b) can be easily reconstructed by piecing together the information published by Enel group in different reports, documents, and institutional presentations (see references listed in column “Public evidence”).

The purpose of these tables is to help the reader in the assessment and identification of the requested data.



**a) 2023 consolidated generation capacity**

Generation Source	Capacity 2023 (GW)	Share of consolidated capacity 2023 (%)	Public evidence
Coal	4.6	5.7%	<a href="#">Group Sustainability Report 2023</a> , p. 373
Nuclear	3.3	4.1%	<a href="#">Group Sustainability Report 2023</a> , p. 373
Thermal not coal (CCGT + O&G)	17.9	22.0%	<a href="#">Group Sustainability Report 2023</a> , p. 373
<b>Total non-RE consolidated capacity</b>	<b>25.9</b>	<b>31.8%</b>	
Wind	15.9	19.5%	<a href="#">Group Sustainability Report 2023</a> , p. 373
Hydro	28.3	34.8%	<a href="#">Group Sustainability Report 2023</a> , p. 373
Solar	10.4	12.8%	<a href="#">Group Sustainability Report 2023</a> , p. 373
Biomass	0.0	0.0%	<a href="#">Group Sustainability Report 2023</a> , p. 373
Geothermal	0.9	1.1%	<a href="#">Group Sustainability Report 2023</a> , p. 373
<b>Total RE consolidated capacity</b>	<b>55.5</b>	<b>68.2%</b>	

**b) 2026E indicative consolidated generation capacity**

Generation Source	Expected capacity 2026 (GW)	Share of expected capacity 2026 (%)	Public evidence
Coal	0.9	1%	<a href="#">Group Sustainability Report 2023</a> , p. 109
Nuclear	3.3	4%	<a href="#">Strategic Plan 2023 Endesa</a> , p. 40
Thermal not coal (CCGT + O&G)	16.7	21%	<a href="#">H1 Bulletin 2024</a> , p. 7
<b>Total non-RE installed capacity</b>	<b>20.9</b>	<b>26%</b>	
Wind	17.0	21%	<a href="#">Investor presentation 2024</a> , p. 14



Hydro	<b>26.0</b>	33%	<a href="#">Investor presentation 2024</a> , p. 14
Solar	<b>15.0</b>	19%	<a href="#">Investor presentation 2024</a> , p. 14
Biomass	<b>0.0</b>	0%	<a href="#">Investor presentation 2024</a> , p. 14
Geothermal	<b>1.0</b>	1%	<a href="#">Investor presentation 2024</a> , p. 14
<b>Total RE installed capacity</b>	<b>59.0</b>	74%	

In terms of power storage capacity, at YE2023 the consolidated capacity amounted to 1.6 GW (Source: page 7 of Enel's FY2023 Quarterly Bulletin). In 2026 the consolidated power storage capacity is expected to reach approximately 4 GW (Source: page 14 of [Enel's Investor Presentation May 2024](#)).

### **Efficiency of generation**

	2021	2022	2023	Trend explanation	Average age of plants
Efficiency coal plants (% or BTU/kWh)	<b>35.6</b>	<b>36.0</b>	<b>35.4</b>	The efficiency remained quite constant in the last three years	<b>34</b>
Efficiency open- / combined-cycle gas plants (% or BTU/kWh)	<b>51.3</b>	<b>51.4</b>	<b>49.6</b>	The efficiency remained quite constant in the last three years	<b>25</b>

### **Availability factors of plants**

	Avg. Availability Factor 2023 [%]	Number of units
Coal plants	<b>84.7</b>	<b>7</b>
Gas plants	<b>91.8</b>	<b>42</b>