

Subject: CSV Process definition and management**Application Areas**Perimeter: *Global*Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

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THE HEAD OF INNOVABILITY

Ernesto CIORRA

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1. DOCUMENT AIMS AND APPLICATION AREA

Enel's business model prioritizes addressing climate change, a just energy transition and continually ethical, transparent relations with all our stakeholders.

Innovation and Sustainability lies at the foundation of all we do and is central to our strategy. Enel's focus on the Creating Shared Value (CSV) model is one of the ways we integrate sustainability into business, with an inclusive approach and leaving no one behind, creating long-term value for all stakeholders, in order to minimize the risks and environmental and social impacts related to our assets and at the same time enhance the socio-economic-environmental identity of the territory, generating value for the company and for the country.

First introduced in 2012 with specific application in Enel Green Power and Thermal Generation (former Enel Green Power), as the business has evolved, answering to the new needs of the external environment, the CSV Model has evolved itself by deploying its implementation within and throughout the whole value chain of all the BLs.

The aim of this document is to reflect the evolution of the CSV framework by processes and principles in accordance with the evolution of BLs and Countries business peculiarities to facilitate the Enel's Purpose through Shared Value following the drivers established by Group's Strategic Plan and related Group Sustainability Plan.

Specific Organizational Procedures and related Operating Instructions issued at BLs and Country level and Innovability® R.A.C.I., regulate the application of the CSV model in line with the specific businesses and country peculiarities.

2. DOCUMENT VERSION MANAGEMENT

Version	Data	Main changes description
1	01/10/2016	First version of the document
2	24/12/2021	Update of the document in accordance to the evolution of Enel's Business Model, focusing on: <ol style="list-style-type: none"> 1)Evolution of the CSV framework within all BLs and Countries, based on their own peculiarities and specific Value Chain process. 2)Contribution to put Purpose into practice through implementation of the CSV Model 3)Enhance Social Innovation and inclusive business solutions throughout the Open Innovability Ecosystem. 4)Contributing to amplify and disseminate a Circular Economy approach also with regards to external partners selection, through the definition of <i>Sustainability K</i> within Procurement. 5)Global Market Innovability, consisting in developing innovative and sustainable services and solutions; platformization and data driven approach; social impact through proximity with our communities. 6)PPM Platform Evolution consisting in digitalization of data; process optimization & efficiency of operating tools; <i>sustainable business activities</i>.

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		7) <i>Proactive Communication</i> approach for a continuous open dialogue with our communities, local communities monitoring & sentiment analysis, disclosure and storytelling.
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3. UNITS IN CHARGE OF THE DOCUMENT

Responsible for drawing up the document:

- Innovability - Sustainability

Responsible for authorizing the document:

- Innovability
- People and Organization Staff Function

4. PROCESS DESCRIPTION

4.1 DEFINITION OF THE ACTIVITIES

The steps that lead to the definition and implementation of the CSV Model are the following:

- Definition and Evolution of the CSV Process
- Application and execution of the CSV Model
- Monitoring, Evaluation and Reporting
- Expenses Definition and Partner selection
- Storytelling and Disclosure

Each step is described below:

4.2 DEFINITION AND EVOLUTION OF THE CSV PROCESS

The vision of Enel is to tackle some of the world’s biggest challenges as captured in the United Nations Sustainable Development Goals (SDGs). Enel’s commitment towards a just energy transition is reflected in its corporate purpose: “Open Power for a brighter future. We empower sustainable progress” that alongside its mission, vision and values, guides the entire organization’s goals.

In our vision, progress springs from ideas and co-creation, powered by such values as trust, responsibility, proactivity and resilient innovation to pursue the core SDGs our business contributes to: decarbonization of our generation capacity, electrification and energy efficiency of consumption, while simultaneously extending access to affordable and clean energy, supporting the achievement of SDG 7; infrastructure development and electrification solutions in line with SDG 9 promoting the digital and platform development journey and sustainable cities in line with SDG 11. In addition, climate change has become the most relevant driver for the company, since we will be affected by it across multiple dimensions, geographies and over long periods of time; SDG 13 is the backbone of our strategy and guides our value creation throughout the entire value chain. In addition, in the process of Creation of Value for territories and countries a particular importance refers to ensure inclusive, equitable and quality education (SDG 4) and to promote sustained, lasting, inclusive and sustainable economic growth (SDG 8).

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To make good on this promise, “Open Power” is the defining feature that connects Enel’s purpose, mission, and strategy. Openness is fundamental to how the company puts these ambitions and plans into practice. In this context, two interrelated concepts are critical:

- Creating Shared Value (CSV)¹, which refers to the notion that Enel’s long-term success depends on creating value for both businesses and the communities in which we operate.
- Open Innovability® (Innovation and Sustainability) which is grounded in the belief that sustainability will be the driver of innovation and that open collaboration is the best way for businesses and society to address the complex challenges that humanity faces.

Both concepts work in tandem to ensure Enel creates value for all stakeholders through innovation towards a just energy transition.

Open Innovability® integrates the CSV Model by working as an enabler in expanding the ecosystem of partnerships and collaborations. Through Open Innovability® platforms, Enel is able to continually seek ideas and talents within and outside of the company, to find better solutions to common problems and create more value for all.

Moreover, as a general framework, CSV is both an objective and a structured methodology. It is part of the Sustainability Plan, which is revised on a yearly basis, defined at Country, BLs and Group level and has to be applied to all asset management and business activities (e.g., plants including repurposing, networks, inclusive and circular products and services for customers), and are linked to Enel overall strategy, to SDGs targets, with digitalization, circular economy and a social inclusive approach as a key element.

Enel principles of Ethics and Human Rights need to be conveyed to all the stakeholders in relation to any process and project. We built an integrated business model where sustainability allows us to address environmental issues shaping our business roadmap, with an equity-oriented approach to pursue a sustainable progress creating profitable solutions by solving social needs, bring about mutual beneficial relationships with stakeholders leaving no one behind, creating long-term value for all stakeholders to contribute to resilient and equitable society.

Responsible community relations constitute a pillar of Enel’s strategy. Constantly and proactively considering the needs and priorities of society allows to accept new challenges and redefine an increasingly competitive business model, developing new Creating Shared Value strategies and innovating in processes, also through scalable solutions.

At Enel, the approach of Creating Shared Value was initially developed within Enel Green Power in 2012 and progressively extended in recent years to all Group’s BLs and through the entire value chains of Enel, translating CSV from an academic concept into a practical model for understanding societal needs in specific local contexts to create a long-lasting shared value relation with stakeholders.

Through specific context analysis tools, mapping local stakeholders, definition of local priorities matrices and action plans, the development of a business opportunity is accompanied from the initial exploratory approaches to its final definition. These analysis enable the identification of short, medium and long-term actions combining the corporate perspective with the needs of local communities. The CSV Plan is the result of these specific

¹ Creating Shared Value (CSV) refers to the idea that companies are successful when the communities in which they are embedded are also prospering. By effectively addressing societal challenges, companies can generate value for business and wider society alike. Initially proposed by Michal E. Porter and Mark R. Kramer, two Harvard academics, the concept of Shared Value can be defined as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates”.

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analysis carried out proactively through specific CSV tools and allows to get a deep understanding of the context, identifying key priorities, risks, impacts and key stakeholders related to the business project, and correlate them with company goals in order to identify actions and projects to respond to local priorities emerged by the local materiality matrix. In response to the new evolving context which has also been strongly impacted by the COVID-19 health emergency (March 2020), new scenarios have emerged, from digitization to new forms of entrepreneurship (startups and micro-entrepreneurship), reinforcing the need of creating a collaborative ecosystem, a stronger link with the territory with a focus towards the centrality of communities involving employees, partners, suppliers and innovators in co-designing solutions to facilitate a tangible contribution to the development and social and economic growth of local areas: from the expansion of infrastructure to education and training programs, from initiatives aimed at social inclusion to projects designed to support cultural and economic activities. Specific initiatives were intended to promote access to energy, tackle energy poverty and promote social inclusion for the weaker categories of the population, by adopting new technologies and approaches of the circular economy, adopting a strategy that fully incorporates sustainability in its business model and operations.

The evolution of CSV framework stands on three primary pillars that must be reflected accordingly both at Global and Local level:

- Making the value chains of the Business Lines sustainable by minimizing the use of natural resources and maximizing the value created for community (i.e.: sustainable construction sites and assets designed and operated according to methodologies aiming at sustainability fostering decarbonization and access to electricity, or developing with a “circular by design” approach resilient energy infrastructure and networks);
- Developing sustainable and inclusive products and services, stemming from the social needs of clients and communities (services for vulnerable clients, people with disability and electrification of consumption by platformization as an example);
- Expanding the ecosystem of partnerships and collaborations, to continually seek ideas and talents within and outside the company through our Open Innovability® platform and ecosystem of SME’s, Startups or NGO’s

In addition, another path for applying the CSV approach is represented by the role of the private sector in delivering greater equity. The Covid 19 pandemic has introduced new challenges to the business environment, calling for a proactive response from the private sector to create a more equitable society and putting equity at the center of corporate purpose and shared value.² Equity is about creating fair access and opportunities for all the stakeholders involved. It’s about ensuring equal playground, where everyone has the possibility to access products and services through detailed procedures, processes and guidelines.

To favor inclusion and empowerment of people and of the communities in which we operate, we work on assuring accessibility to our products and services to people in vulnerable conditions (including people with disabilities) on a commercially viable basis involving all internal and external stakeholders. We leverage on our “Open Innovability®” ecosystem by scouting new potential solutions answering ongoing emerging needs and challenges.

² Francesco Starace- CEO and General Director of Enel: “A major principle of a sustainable economy is stability in value creation:” if you preserve resources you can continue to generate wealth without creating inequalities, which is what happens when only part of society can access few available resources. So, first we must preserve the available resources and then we must distribute wealth in a better way, so as not to create inequality” The Covid 19 pandemic should not permanently widen injustices within our societies nor uphold an economic model that delivers growing inequality on the back of a dwindling set of resources. An organization can create a more equitable environment by accommodating the full spectrum of stakeholders needs.

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Therefore, we strive to guarantee equity and inclusion along the entire value chain. This journey to an “inclusive business” requires remain attentive to the needs of citizens, improving and maintaining access to electricity in the most disadvantaged areas and among vulnerable populations valorizing diversity and fostering “inclusion” for all our stakeholders

4.3 APPLICATION OF THE CSV MODEL THROUGHOUT ENTIRE VALUE CHAINS

The CSV process extends to all BLs business and staff functions in the field and at all stages of the value chains.

Sustainability Unit at Country Level, in accordance with guidelines and peculiarities shared by SUS/GBL Holding, is responsible for applying the CSV model and selecting sustainability projects to be included in the CSV Plan (specific CSV projects as well as CSR and Philanthropy activities); working closely with the relevant unit (BL’s Referent and AFC) contributing to the definition of the investment required as part of Capex and/or Opex, energy efficiency fund, institutional partner fund, social sub-credit or fiscal incentive resource throughout its duration. Sustainability Units, in terms of CSV applications, contribute to the Business pipeline working with BUs, to ensure the maximum value creation from the business perspective and local stakeholders.

Specific Organizational procedures and related Operating Instructions are issued at Global and local BLs and Country level according with specific business and country peculiarities, as well as Global R.A.C.I. for the different functions, regulating the application of the CSV.

In defining and executing of the CSV Plan at local level, the synergy between the different Business Lines and the Staff Units is fundamental in order to offer stakeholders as many solutions as possible that meet their needs and those of the Company.

CSV is embedded into Enel’s entire value chain – ranging from Business Development/New Development to Engineering & Construction to Operation & Maintenance, and grid operating processes. The application of the CSV model includes seven main steps with related set of Tools.

The CSV tools are therefore the means to perform CSV analysis and planning, and to monitor and control sustainable performance during the execution. While some CSV tools are specific for a business line and/or a specific phase of the value chain (e.g.: SEECA in BD, Construction site Panel and, Evaluation of job and industrial opportunities and skill development in O&M), at the same time, all CSV Tools, can be implemented in any phase of the value chain; though we have tools that cannot be missing, when starting a CSV Project, and these are the SEECA (already mentioned above), the site Materiality Matrix, Identification of Stakeholders and Social and Environmental Risk Assessment, and of course, the CSV Plan; within specific BL we also have CE Report; Social Inclusion Score, Circular Economy Score; Enel X Sustainability Boosting Program®.

According to the business evolution, SUS countries can ask Holding function for CSV model update based on their needs.

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When a business project is identified the first three steps for defining the Shared Value Plan are:

- Context analysis
- Identification of stakeholders
- Site Materiality Matrix
- Analysis of the risk/opportunities

All playing an important role as they are focused in understanding the local context, mapping the potential positive and negative impacts of Enel's activities, and identifying common needs with our stakeholders. To this end, the CSV model draws on a broad range of socio-economic, environmental, and cultural data from external consultants and public organizations. This data-driven analysis is complemented with interviews with local stakeholders and colleagues within Enel working on the project under consideration adopting digital platform at Group or local level (i.e.: PPM). Subsequently, a materiality analysis is conducted to correlate the priorities of stakeholders and Enel's priority to identify common needs and opportunities.

The subsequent steps of the CSV model includes the definition and execution of a plan to maximize the potential positive impacts and minimize negative impacts for environmental, social and governance issues coming from Enel's activities in a specific community. Depending on where the identified impacts are in the value chain, the CSV plan can contribute to BLs new actions ranging from changing procurement plans to modifying technical specifications of engineering projects scouting solutions and related catalogues of practices from Open Innovability® tools in accordance with Holding SUS and Business Lines; each of these activities are regulated by a specific process.

The final piece of the CSV model comprises monitoring, evaluating, and reporting on the key impacts addressed in the previous steps of the CSV model.

A CSV plan can have a multi-year duration and the related initiatives are subject to update based on the evolution and development relating to the phase of the value chain and / or the change in local contexts.

Main phase of a definition and application of CSV Plan:

- **CONTEXT ANALYSIS:** Identification of Key factors relating to the Social, Economic and environmental aspects of the local communities with careful attentions to the impact on Human Rights
- **IDENTIFICATION AND MANAGEMENT OF STAKEHOLDERS:** Mapping and weighting of the main stakeholders and recording their needs during the different phases of value chains
- **ANALYSIS OF THE RISKS AND OPPORTUNITIES:** Local's Priority Analyses. Identification of priorities issues for the stakeholders and for the Company starting by the taxonomy of Group's priorities' matrix and Country's Priority resulting from the preparatory initial analysis run through the specific tools
- **DEFINITION OF THE CSV PLAN:** definition of an action CSV plan sets the framework in line with the priority issues which emerged and with impact analyses involving BLs, Procurement and other relevant Units, using Open Innovability® and local network for scouting solutions and potential partners
- **EXECUTION OF THE CSV PLAN:** Implementation of actions defined in the CSV Plan, if necessary with the collaboration of strategic partners

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- **MONITORING, EVALUATING AND REPORTING:** Monitoring of the Process, measurements of the impacts and reporting of the key indicators
- **STORYTELLING AND DISCLOSURE:** When applicable, during the entire duration of the definition and execution of the CSV plan, a “proactive communication” is fundamental with respect to storytelling, through local and global media and meetings with stakeholders, aimed at preventing the risk of conflicts and building a long-lasting relationship of transparency and trust with the local community.

Main common paths related to the value chain of different Business lines is described below:

A.1) BD PHASE

BD is responsible for setting a cross-functional Project Development Team (Country SUS, E&C; O&M; II.AA.; AFC; HSEQ, Procurement and other relevant units), that will be constantly involved for sustainability activities to co-design solutions that meet business goals and priorities with stakeholders.

BD is also responsible for sharing with Country SUS a Project Planning summarizing the project milestones, to allow Country SUS to perform CSV analysis (e.g.: budget definition, budget for SEECA, other preliminary steps and of all the previous analysis) and planning within the overall project lifetime. BD includes also a scouting phase consisting different typologies and/or stages that require customized application of the CSV Model.

- **Greenfield** –in case of developing a new business project from scratch, a deeper analysis is required to get a better understanding of the social, environmental and economic context, of the local legislation and regulation framework, and to identify key relevant stakeholders, with a special focus on indigenous communities; this activity is deployed at Country level in line with HLD SUS
- **Brownfield** – for all repowering projects applied on business in operation, since the context is already known, stakeholder relationships are established and sustainability projects may already be in place, CSV application has to take into consideration the existing experience as baseline to apply a simplified CSV application (some CSV tools may not be necessary or may be already in place and updated)
- **M&A and Co-development** – which require a CSV application in terms of Due Diligence rolled out together by all the relevant functions involved, providing Social and Environmental Risk Assessment on the target company, on its sustainability performance and strategy towards stakeholders, as baseline to define the CSV Plan, having access to Virtual Data Room as well as performing Site Visits. In case of co-development, it will be necessary to include in the co-development agreement the CSV process tools to be delivered, according to relevant technical specifications.
- **Tender** – CSV application depends on tender peculiarities and constraints; specific CSV tools may be applied only after the tender award or can be drafted at a higher level postponing a deep dive following the award. Nevertheless, a specific amount for CSV activities during business development, construction and operation phase has to be provided and approved at IC where the project is presented with a preliminary risk analysis based on available documentation.
- **PPA** –Power Purchase Agreement (PPA) which are specific for Enel Green Power and Thermal Generation BL, is as well a way to develop new projects; these can be co-developed or developed as greenfield.

As a step forward, we are more and more moving towards additional process and type of BD solutions, in response to the continuous challenging business context evolving around us and which requires highest standards of efficiency; as such, as a Group we have introduced new business approaches, as Stewardship model, this with the aim of offering business solutions that are:

- **Simpler**

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- Diversified
- Digitalized

A.2) Network Development (ND) for GI&N

As for GI&N the first step of the value chain is represented by ND which is responsible for defining the business pipeline setting capital allocations and catching business opportunities, based on customers' needs, regulatory constraints, external trends and business units inputs. GI&N sustainability and Country SUS, liaising with the BUs, are engaged in order to scout and embed sustainability initiatives into the pipeline providing an estimation of budget and expected impacts.

B) E&C Phase

The E&C phase could be originated both during BD/ND and/or O&M phases, it may refer to greenfield and brownfield as well as to refurbishment or demolition or decommissioning of operating business.

E&C liaising with HSEQ, is responsible and accountable in guaranteeing that the CSV model is applied during the planning process of a construction site, in order to design and execute a "Sustainable Construction Site", this means:

- Applying new technologies, when applicable, to reduce environmental impacts such as noise, use of land/areas, emissions, visual impacts and water consumption
- Safeguard nature by reducing footprint (use biodegradable oil, eco-compatible painting...)
- Promote job opportunities for local manpower and, in strong collaboration with Procurement and Country SUS, assess possibilities to involve existing and/or new Micro and SME at local level by setting specific and simpler processes, in line with the local regulatory and procurement framework
- In close collaboration with HLD/ GBL and Country SUS, identify according to the circular economy model any possibility to create shared value with local communities reusing construction site material and waste management (i.e. pallet for local carpentry, prefabricated office-building powered by PV modules for community purposes, etc.)
- Protect Biodiversity to avoid impacts on the ecosystem according to Enel Biodiversity Policy, in compliance with the principle of "no net loss" to biodiversity and, where applicable, with a net positive balance.
- Inform Stakeholders through a CSV Construction Site Panel on implemented actions
- In close collaboration with HLD/GBL and Country SUS and Environmental Unit, set KPIs to measure CSV Construction Site performances
- Together with Country/GBLs SUS, provide an Impact Measurement,
- And for all other initiatives included in the Catalogue for CSV Actions at Construction Site (i.e.: for Enel Green Power and Thermal Generation and I&N activities) and the SUS Plan.

C) O&M Phase

O&M may already be activated in the Development Team during BD phase, in order to concur in the CSV Plan definition. In any case CSV Plan may need to be updated when entering the O&M phase, with a jointly responsibility of O&M and GBL/Country SUS.

A CSV Plan is required also for up and running assets that may have not undergone a CSV model application, to review and confirm a long-term relationship with local communities. Due to the existing relationship with local stakeholders and to the management of business on site, CSV deployment on O&M is a bottom-up approach where people acting at local level (from BL's and liaising with HLD/BL Global) are leading the process, involving all the necessary Functions (SUS, II.AA., Communication, HSEQ, IC local and Global).

Responsibility on applying CSV is up to Company referent for the related asset. Business issues in O&M phase may be related to:

- Increase operational efficiency (i.e.: applying circular economy solutions to reduce asset cash

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costs or commercial losses)

- Safeguarding of the environment (i.e.: water scarcity, reuse of materials, etc...)
- Asset repurposing or decommissioning
- Foster local development, also through CSV/Circular solutions
- Promote long-term good relations avoiding potential conflicts with local stakeholders

D) END OF LIFE PHASE

The end of life phase of an asset may be due to changes in market conditions, obsolescence of the asset from a technological, environmental and economic point of view, or economic considerations of cost-benefits that imply the exit of the operation. This stage is led by the competent GBL which sets up a cross-functional team global and local, dedicated to managing the different aspects of the closing operation.

Once the end of the asset's life cycle has been defined, the objective is to seek all opportunities to generate value in the territory and eliminate the risks of social and environmental liabilities. To achieve this purpose, the unit delegated to lead the end of life process, liaising with the GBL, is the BL, which manages the flow of processes to ensure the successful closing of the operation.

4.4 CSV PLAN THROUGHOUT THE BLS: MAIN PATHWAYS AND PECULIARITIES

4.4.1 CSV IN ENEL GREEN POWER AND THERMAL GENERATION

Enel Green Power and Thermal Generation is the renewable energies Business Line and Thermal Generation Business Line.

While the first focuses on Generation of Renewable energy from wind, solar, and photovoltaic, the latter managing Hydro, Geothermal and Thermal Generation technologies to ensure the medium/long term generation and development and evolution strategy of the relevant portfolio and to ensure the implementation of the identified opportunities, leading asset enhancement or repowering, operating excellence, coal phase out and the gas transition; both BLs which have their own peculiarities and processes work jointly on the common purpose of accelerate the energy transition with the emphasis on the growth of renewables, the decarbonization of the fleet and the promotion of a sustainable transition supported by an adequate role of gas.

Moreover, Green hydrogen represents a push forward to support achieving full decarbonization of final consumption, and not an alternative to this. In fact, electrification remains the cheapest and simple way to decarbonize large portions of total final energy consumption.

Creating sustainable energy means taking a stand on the fight against global climate change. Enel Green Power and Thermal Generation strives to guarantee a truly global and widespread access to clean and reliable energy. Enel Green Power and Thermal Generation involves its suppliers to guarantee that the components used and the infrastructures it builds with them are ever more sustainable, from a social, environmental and economic standpoint.

Enel Green Power and Thermal Generation has an integral approach aiming at integrating sustainability in the design and construction phases, in order to maximize the positive impacts our investments generate for the Company, the environment, the people. To do so, the circular economy approach, innovation solutions and the CSV model will be applied. Main drivers of this shift of process and approach are:

- Rationalization of the process

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- Integration between the pillars
- Optimization of choice of sustainable practices
- Simplification of data collection from construction sites
- Automatic processing of construction site KPIs

It is important to note that the implementation of Sustainability tools applies to the whole process, from development phase up to the signature of the handover from E&C to O&M, i.e.: when the power plants accountability is transferred to Operation & Maintenance unit; main pillars of this evolution are:

- Sustainable Procurement
- Sustainable Design
- Sustainable Construction Site
- Sustainable Construction Plant
- Sustainable Repurposing

THE SUSTAINABLE CONSTRUCTION SITE

The “Sustainable Design & Construction Site Model” embeds two main phases, which refer to the “E&C” phase, deployed through the Sustainable Design & Construction Site Model (this process also taking into consideration Value Creation from a socio-environmental point of view throughout the whole process up to the hand-over to O&M). The same E&C phase undergoes two steps of the progress of the project: 1) “Development Phase”, aiming at setting up the Project specific “SUS Project Plan” and include it in the scope of Design activities, Supplies and Works, and related Technical Specifications, for the procurement activities; 2) “Execution Phase”, aiming at the implementation, measuring, and monitoring of the “SUS Project Plan” and socio-environmental data collection.

The second phase, is the E&C Management Process, which incorporates all the activities managed by E&C, SUS and HSEQ for the management of the SUS project tools and the dissemination of the “Sustainable Design & Construction Site Model”.

SUSTAINABLE PLANT

The “Sustainable Plant” model is designed to be applied to all Enel Green Power and Thermal Generation power plants (both thermal and renewables) from the signature of the handover from E&C to O&M, to the end of their operation phase, when the power plants will be assessed in what regards their repurposing or dismantling.

The aim of the Sustainable Plant Model is to foster the continuous improvement of Enel Green Power and Thermal Generation Power Plants’ sustainability performance through the implementation of feasible and applicable sustainable O&M practices according to the characteristics of each asset (e.g. sustainable practices can apply to a single specific technology) and their context analysis.

The “Sustainable Plant Model” is a standard for Enel Green Power and Thermal Generation power plants, embedded in the Enel CSV model, which provides a set of well defined and structured tools shared and agreed with HLD/GBL SUS allowing a coherent implementation of it by all the Countries with the different technologies of a plant.

The application of this model embeds the improvement of power plants’ operational efficiency, as well as realizing an harmonious coexistence in the environmental context, a virtuous and effective collaboration with internal and external stakeholders and the integration of circular economy approach. The model is deployed liaising with HLD/GBL SUS, at Enel Green Power and Thermal Generation Power Plant through the following steps:

- Positioning
- Mitigation and Measurement

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- Rating

4.4.2 CSV IN GLOBAL INFRASTRUCTURE AND NETWORK (I&N)

Due to the new energy transition scenario, the role and structure of I&N is changing rapidly to meet the electrification challenge which is characterizing the current decade in terms of customer consumption. This new scenario is imposing a paradigm shift, attributing to the electricity networks the role of orchestrators of the electricity system, aiming to get to a distribution network sustainable, participatory and resilient. Grid Futurability® is the global and customer-oriented industrial approach that design this grid of the future, ensuring: the best quality of service for the final customers (including for those with disability), resilience of the network to face more frequent extreme weather events and conditions, the increasing capacity to host a greater number of distributed and renewable energy resources, affordable energy access for all, including vulnerable customers, a safer infrastructure minimizing the environmental impact in terms of decarbonization, biodiversity and resources consumption, with value creation in the local ecosystem.

Grid Futurability® is guiding I&N development according to the following streams/goals:

Decarbonization: enhancement of a zero-carbon footprint, both in processes and infrastructure, leveraging on circular economy solutions and low impact business model (i.e.: Sus Construction Site). Enel Infrastructure and Networks is rethinking its value chain in a circular way exploring open and closed loops applications, that foster local development through new life cycle solutions. To minimize the environmental impact of our business maximizing the value from grid assets and materials, I&N is constantly scouting and implementing innovative and circular solutions, involving different industries and supply chains through the whole value chain, thanks to *sustainable by design approach*, fostering the use of recycled materials as input in the manufacturing processes as well as maximizing the output recycled materials at the end of their life cycle.

Electrification: guarantee connection access to affordable, reliable and safe energy for all, leaving “No one behind” through off grid solutions, grid extension, but also through innovative services and initiatives for final customers. To enable this approach CSV context analysis and the proactive mapping of all relevant stakeholders is key to electrify rural and suburban areas improving living conditions of local populations or unlocking new services, in line with local materiality matrix.

Customer empathy: customers will have more and more an active role in the new electrified world, harnessing on their flexibility and efficiency awareness of the consumption patterns, aimed to optimizing grid operations while contributing on the development of new services. In the near term energy will cover needs unfeasible before and where Consumers consumption choices are pivotal in achieving the net-zero target. Enel Infrastructure and Networks Customer Empathy approach design our ability to listen to customer expectations and needs, also as input to develop new opportunities in terms of inclusivity and accessibility for all. The continuous improvement of infrastructure becomes central to the socio-economic development of communities toward more sustainable cities.

Subject: CSV Process definition and management

Application Areas

Perimeter: *Global*

Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

Platformization: the digitalization of the grid is enabling a new global operating model as platform, that guarantee a better quality of service and better grid management to make infrastructure more robust, flexible and participatory undertaking the new role of “orchestrator” of different stakeholders.

CSV is integrated from the very beginning of the origination and along the whole grid operative processes, and follow the entire value chain according to below steps:

- Sustainable Pipeline
- Sustainable Origination
- Sustainable Construction Site
- Sustainable Asset management and end of life

Sustainable Pipeline:

Grid Futurability® identifies and prioritizes cutting edge technological renewal, reinforcement, and expansion interventions for the grids in the coming years, according to the regulatory constraints, the market trends, business needs and customer input to be met in emerging and mature areas. The pipeline is designed highlighting the sustainability impacts of each industrial initiative in terms of value created and contribute to the achievement of SDGs targets. At the same time, the pipeline includes other initiatives that ensures value with the stakeholders. Thanks to Grid Futurability® pipeline, Infrastructure and Networks enables a sustainable by design approach where the decision making is not only economic driven but rather guided by the value creation. To allow this, dedicated sustainable KPIs has been released to enable business initiatives to conduct a sustainable measurement in terms of preliminary impact assessment to be later submitted on the investment approval process to further monitor along the next project life phases.

Sustainable Origination:

With the aim of catching new business opportunities arising from an ecosystem perspective, an origination phase is designed to create competitive advantage. The scouting and CSV analysis of different context is focused on:

- New M&A opportunities
- Customer needs
- Market trends
- Social context and circular ecosystem.

This phase leverages on the application of the main CSV tools (SEECA, stakeholder analysis, CSV plan), and on the Open Innovability® ecosystem (partnerships, startups...) as input for constant sustainability improvement that increase Sustainability footprint, finding ways to embed sustainability into the value chain avoiding self-referential positioning.

Sustainable construction site

Subject: CSV Process definition and management

Application Areas
Perimeter: *Global*Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

Due to the peculiarity of I&N business, constructions and refurbishment of the grid asset may vary significantly in terms of duration, size and typologies which implies a customized and very site-specific CSV application. Construction activities for substituting or digitalizing grid asset with new sustainable and advanced technologies and new design to foster landscape integration, refer to:

- New Connection
- In height works
- Underground works
- New line section
- Secondary Substation
- Primary substation

From the above list, the two construction sites which may have the highest impact in terms of sustainability are: Primary and Secondary Substation. SUS construction site model definition and standardization is currently focused on Primary Substations in line with Grid Futurability® strong pipeline, while is being applied on the other construction site typologies in a more site-specific and discontinuous manner. Anyway, Grid Futurability® target @2030 is to have 100% application of SUS construction sites for all types.

Due to the variety of Construction sites typologies and locations, Sustainability, E&C and Procurement functions, work closely together on the context analysis, in terms of stakeholders and suppliers solutions availability, to ensure a Sustainable by Design approach fostering a shared value landscape integration of our assets. In particular, E&C applies Design To Shared Value methodology which consists of an integrated approach of evaluating network solutions, components and devices, to maximize the 4 pillars: Intrinsic Safety; Sustainability; Performance; and Gross Margin, always providing for greater modular design (“LEGO” approach) that enables a circular model also facilitating repair, reuse and management through predictive maintenance. This approach is also fostering environmental sustainability through the materials selected as circular inputs, paving the way to decarbonization and Net Zero.

In E&C phase the main CSV tools applied are: Sustainability construction site catalog, SUS supply chain on worksite (i.e.: SUS worksite K declaration), SUS Dashboard, Technical Specifications & Standards on selected solutions, Sustainable Construction Site Panel.

Sustainable asset management and end of life

Due to the peculiarity of I&N business, the CSV application in O&M phase is not necessarily resulting as Handover from BD/E&C phase, but it can be originated during the operation of the Asset according to local needs. During the long-life management of grid asset, the priorities in terms of CSV that guide this phases are:

- SUS Infrastructure integrated into the local context, developing solutions and initiatives with local stakeholders to improve their living environment
- Quality of service and resilience intervention during normal as well as extreme weather conditions and events
- Safety for Enel and third parties
- Environmental protection from reduced carbon footprint and rational use of resources as well as biodiversity
- Grid Mining and material circularity, fostering open loop solutions with local ecosystem

Subject: CSV Process definition and management

Application Areas

 Perimeter: *Global*

 Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

- Customers centricity and energy efficiency awareness

Being the grid widespread over big territories, the application of CSV is driven by the key local issues with ranking of priorities. As a common approach in O&M phase the CSV tools applied are: specific context analysis and stakeholder mapping; (e.g. SEECA, Customer analysis...) Project Materiality Matrix; CSV plan; Sustainability Dashboard; Impact and Risk Assessment, supported by dedicated guidelines as Third Parties Safety prevention ones.

According to I&N customer centricity approach, during the Operation of our Asset, customer engagement through a constant open dialogue is the key driver to ensure quality of service, to understand trends and evolutions, and to meet the needs of all types of clients, leveraging on technological innovation as well as new sustainable solutions to maximize the value created for customers, fostering also a culture for “inclusive by design” and fuel poverty support.

4.4.3 GLOBAL MARKET INNOVABILITY FOR CUSTOMERS

When it comes to customers, the main issues are: finding new initiatives and approaches to support vulnerable customers (people with disabilities, electrodependents etc.); fighting energy poverty and providing innovative services to customers (API economy).

Actually inclusive business - namely the provision of inclusive goods and services to people in vulnerable conditions, on a commercially viable basis making them part of the value chain of companies,- is one of the most promising trends for the future as it will allow us to solve social needs and at the same time create profitable solutions and income opportunities for everybody. Moreover, Inclusive business is a constant source of innovation as the solutions are developed starting from limits or constraints such as economic, cultural or social vulnerable conditions and prepared following the design for all approach.

To this end we have ideated the Valuability® model whereby analyzing social needs, leveraging on our “Open Innovability®” ecosystem we can scout for new potential solutions, design products for all and thus produce social innovation. Inclusive business can be developed and embedded in all phases of the value chain following 7 main streams:

- Segmenting the analysis of relevant stakeholders in social clusters (women, youngsters, elderly, indigenous communities, people with disabilities, etc...) that are living in the area where we operate by rethinking and redesigning new products/services to amplify the benefit for our clients
- Integrating relevant tools so as to accommodate new trends (as the inclusive business) and better understand Communities’ needs under the inclusion perspective
- Increase customer knowledge through the use of Artificial Intelligence, exploring Cognitive Services and predictive real time Analytics thus improving service personalization especially for vulnerable clients
- Delivering each product or service as one omnichannel immersive experience both fully accessible and safe from the design phase, taking into account different features: availability, affordability, usability, understandability, communicability.
- Forming our points of contact with the public at large (customers, community agents, etc) to an inclusive communication and to deliver a satisfying experience for all the customers we serve.
- Designing our shops and enabling our call centers to be fully inclusive and accessible both physically and digitally e.g.: through dedicated apps, accessible websites, etc...
- Foster automation and reduce nonvalue added activities thanks to Machine Learning & RPA

Subject: CSV Process definition and management

Application Areas

 Perimeter: *Global*

 Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

- Monitoring clients' satisfaction as well as Communities' life improvements and impact brought about by our projects, and in this way enhance customers' relationship with our brand.
- This journey to an "inclusive business" passes through being attentive to the needs of citizens, improving and maintaining access to electricity in the most disadvantaged areas in rural and urban areas and among the poorest populations valorizing diversity and fostering "inclusion" for all our stakeholders.

Moreover, in line with our "people/customer centricity" approach, we have developed the Enel X Sustainability Boosting Program®, an innovation process aimed at identifying and developing sustainability opportunities to be applied to products and services in order to make them more circular and inclusive. The Enel X Sustainability Boosting Program® is constituted by the application of two models: the Circular Economy boosting model, with the aim of finding further application of the five circular pillars, and the Social Inclusion boosting model, which addresses Social Sustainability.

The object of the program is a specific solution within a specific country that is chosen through a dedicated process and according to which a Sustainability Boosting team is established, leveraging on the expertise of Global Customer BL, Country solution experts and Global BLs referents.

The methodology allows to scout, circular and social innovations and opportunities and, with the support of country teams, choose the ideas that most meet customer needs and expectations with the goal of reviewing the solutions portfolio. The Sustainability Boosting Program is not only aimed at identifying and integrating opportunities to increase circularity and inclusiveness for Enel X Global Customer's solutions but also at increasing market competitiveness and attractiveness.

The Sustainability Boosting Program, in the application of the Circular Economy Boosting Process and the Social Inclusion Boosting Process is rolled-out into 4 phases:

- **Scoring:** consists in measuring the initial level of inclusiveness and circular maturity of the solution, applying a dual structured assessment methodology developed specifically for Enel X Global Customer context: - the Circular Economy Scoring Model and the Social Inclusion Scoring Model. The second can be strengthened through the involvement of communities of representative people, both external and internal;
- **Boosting:** phase dedicated to preliminary analyses for the generation of ideas for improving solutions and the generation of applicable new designs, with subsequent selection of the most relevant and innovative ideas;
- **Implementing:** phase that leads to the actual implementation of the relevant ideas that emerged from the Boosting phase; this includes feasibility, analysis, market, detail strategy, prototyping and testing, creation of sales and distribution strategies, marketing campaigns;
- **Re-scoring & Reporting:** consists in measuring and communicating the final level (post-Boosting) of circularity and inclusiveness of the solution, applying the same methodology used for the Scoring phase. The goal achieved with each boosting initiative is communicated internally and externally to explain to relevant communities which product enhancements have been undertaken and to improve Enel X Global Customer's positioning and reputation, for example on the website, social media or in the Sustainability report.

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Service Function: -

Business Line: -

The Circular Economy boosting program rethinks solutions by analysing the possibility of applying the five Circular Economy business models along the various phases of the value chain:

- **Circular Inputs:** The use of renewable energy and material inputs that are renewable, recyclable or biodegradable in consecutive lifecycles
- **Product as a Service:** Instead of selling the product, the company keeps ownership of the asset, thus designing the product for longevity and selling the corresponding service along with other related benefits (e.g., customer assistance, training, etc.)
- **Sharing:** Promotion of collaboration platforms putting in contact asset owners and users, enabling consumers to achieve savings but also gain profits from a shared thus optimized use of the asset
- **Life Extension:** The company design and manufacturing processes are aimed at extending the product's life whenever, instead of wasting energy and material components of used assets, the embedded value is maintained and improved through reparation, upgrading, remanufacturing or upcycling
- **End of life:** Set up of production and consumption systems where what was previously considered as waste is instead recovered, recycled or regenerated to be reused as inputs for new processes

In particular the Social Inclusion boosting program allows solutions rethinking and guides action to allow people affected by impairments or in vulnerable conditions to ultimately increase their ability to experience and access solutions according to their needs, consequently increasing the level of inclusion.

According to the Social Inclusion Model, accessibility is characterized by two main pillars ("possibility of experiencing" and "possibility of getting") – as drivers to pursue accessibility – that are in turn activated by acting on a series of specific levers.

The possibility of experiencing pillar focuses on how all users interact with the solution during use. The levers for this pillar are usability, functionality and understandability, according to the following definitions:

- A solution is usable when it helps everyone in accomplishing tasks with effectiveness, efficiency and satisfaction
- A solution is functional when its design embodies functions and controls that are developed focusing on everyone's needs
- a solution is understandable when information to use it are clear to everyone.
- The possibility of getting pillar references focuses on how users can access solution purchase or use in all contexts.
- The levers for this pillar are availability, affordability and communicability, according to the following definitions:
 - A solution is available when it is easy to reach in time and space;
 - A solution is affordable when it requires a bearable or low expense when purchased;
 - A solution is communicable when everyone has access and feels included by campaigns, advertising, etc.
- The Social Inclusion Model looks specifically at communities of people with impairments or in vulnerable conditions, that we consider as:
 - People with impairments refer to people with sensory, motor or cognitive impairments

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Application Areas

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Service Function: -

Business Line: -

that may hinder their full and effective participation in society;

- People in vulnerability conditions refer to people that live in economic, social, diversity-related conditions of fragility or instability that may hinder their sustainable progress and their participation in society.

In conclusion, through the combination of accessibility levers and the needs of people with disabilities and/or in vulnerable conditions applied to products, Enel X Global retail is committed to incorporating the CSV concept into the business alongside the entire value chain, from the design phase made accessible and authentic thanks to tests carried out by an internal Social Inclusion Community to the final communication to customers made inclusive and easily understood by all.

4.5 EXECUTION OF THE CSV PLAN

Execution of CSV Plan at local level involves a team composed by Country SUS, and BLs, working closely with HLD/GBL SUS, according to the value chain, other relevant Functions and local partners such as NGOs and social enterprises may contribute

Country SUS is responsible for integrating and harmonizing all CSV projects co-designed with the specific Business Lines based on HLD/GBL SUS guidelines, so to guarantee that their execution is in line with Country Sustainability Plan. Country SUS Unit is responsible and accountable for monitoring and evaluating the execution of CSV Plan, guaranteeing completion and compliance of the CSV actions or the prompt communication to the competent Functions and towards Holding/GBL SUS in case of any relevant change of what indicated in the CSV Plan.

During the execution of the Plan, Country SUS, in agreement with Holding SUS/CSVSPPS as well as with GBLs shares all key documents (e.g.: Investment Memo, HO –Handover)

Country SUS is also in charge of monitoring the progress of the plan as well as coordinating with all relevant units, and/or partners, all activities and/or actions described in the plan;

Country SUS is also in charge to implement a regular tracking and reporting activity on the plan progress and align with HLD SUS, budget owner in case of relevant changes in the social context which require an update/review of the it.

Not least, Country SUS is responsible for reviewing, on a yearly basis, the asset CSV Plan, in agreement with HLD/GBL SUS, to identify actions that can be necessary to mitigate any potential local issue or to catch new opportunities. The necessary budget deriving from the updated CSV Plan should be covered by the CAPEX/OPEX of the Company or other financing methods from external sources.

4.6 CSV MONITORING, EVALUATION AND REPORTING

As part of the whole CSV process, SUS Countries, liaising with Holding/GBL SUS, is responsible for implementing a cross-functional tracking and reporting, with particular focus of impact in terms of value creation on local communities, and stakeholders, informing on the CSV projects progress, and sharing with main projects data and outcomes through a dedicated platform – Projects Portfolio Management (PPM).

Country SUS is also in charge of providing, on a yearly basis, a report to summarize all key information, KPIs and outcomes related to the projects implemented or in phase of implementation assuring quality of data for reporting on Enel Sustainability Annual Report, and determine the contribution to the Group's SDG Target.

Subject: CSV Process definition and management

Application Areas

Perimeter: *Global*

Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

4.7 EXPENSES DEFINITION

Sustainability Projects to be implemented for a specific CSV Business Project can be classified on the basis of:

- CSV Sustainability projects to be included in the CAPEX: all the Projects and activities related to the CSV Plan have to be considered in the CAPEX of the Business Project, following alignment with relevant AFC function, including expenses related to the CSV Model Implementation (CSV tools such as SEECA)
- CSV Sustainability projects to be included in the OPEX: all the updated Projects and activities of a CSV Plan occurring in the O&M Phase, have to be related to the budget of the specific asset involved, following alignment with relevant AFC function.
- Expenses related to the CSV Sustainability Units activities: to support sustainability deployment, research & consulting services, initiatives for best practice sharing & engagement, cross country projects, partnerships such as NGOs, Social Enterprises, International and Local Networks, start uppers.

Moreover, when defining Sustainability Projects, different options of funding

mechanism shall be verified and applied depending on the context: In house; Global and Local Institutions; Foundations; Crowd- funding; assigning coherently clear responsibility on funding approval and funding monitoring.

4.8 PARTNER SELECTION BOOSTING OPEN INNOVABILITY® ECOSYSTEM

The essential lever to carry out sustainability projects is the recourse to partnership agreements with non-profit organizations, social enterprises, start-ups partner on open loop circular solutions and institutions operating locally and internationally that promote development of local territories through innovative and tailored interventions. This is done through constant scouting activities for social innovation ideas and solutions, also via the Open Innovability® ecosystem, based on openness and sharing. Enel's innovation strategy leverages on a number of tools such as the online crowdsourcing platform (openinnovability.com) and a global network of 10 Innovation Hubs and 22 Labs (of which some specifically dedicated to startups), which consolidates the new collaboration approach with startups, venture capitals and SMEs.

The partner selection process will result in the identification of strategic collaboration opportunities with value partners to be implemented in both the definition and execution of the CSV Plan.

Involvement of international and local partners may be requested to perform CSV analysis and for executing Sustainability Projects identified with a CSV Plan. Partners may be for instance NGOs, Consultants, Social Enterprises, International and Local Networks, start uppers.

In line with the CSV approach, relevant criteria for Partners selection shall be the promotion of Knowledge Partnership in order to co-develop long-term solutions, reducing the involvement of Partners that promotes short-term projects or sponsorship.

Subject: CSV Process definition and management

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Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

In this sense, the hiring of SMEs in the value chain is strategic, therefore, each Country, as well as the competent BLs, HLD/GBL SUS, will have the choice of direct award in the case of local companies at community level in the area directly impacted by the draft.

In the case of SMEs created at community level in the area impacted by the project and depending on the needs of the project itself, the Purchasing and Security requirements will have to consider the specific reality of these companies in terms of evaluating the criteria, (e.g.: seniority, experiences, financial capacity, issuance of guarantees etc...).

BLs and Country SUS, will liaise in order to define the economic resource necessary to promote the education and training of these micro and small companies involved in the Sustainability Plan. Along with Institutional Relations, the competent institutions will be involved for this purpose.

Moreover, Country SUS, together with HSEQ will carry out training dedicated to the standards of security and risk prevention applicable in each service contracted with the SMEs in order to install capacities at local level that can be competitive in the long term in consideration of the local environment and market maturity.

Selection and activation of partners are to be performed according to proper Procurement and Security procedures currently applied at Company level as Tender, Beauty Contest, or upon Direct Assignment (to be applied only in case no other Partners have the required features as certificates, patents, or past experience in a specific field).

The choice of a partner is supported by documentation that proves the competence of the partner regarding the specific activity to be implemented, the details of the activities to be performed and related costs for the execution of CSV Plan as well as the ethical and anti-corruption assurance. Direct award to NGOs or Social Enterprises is also applicable by Country SUS in case of existing MoU at Enel Group level with NGOs or social enterprises of the same international network, subject to providing complete documentation according to the existing Procurement Procedures.

4.9 DIGITALIZATION, DATA VALORIZATION AND EVOLUTION OF THE PROJECT PORTFOLIO MANAGEMENT PLATFORM (PPM)

Transformation of the energy sector is leading to the development of new sustainable business models, thanks also to the growing digitalization of services and infrastructure. Specifically, data management plays a key role in supporting the decisional process with the development and application of advanced analytics to create new synergies.

Digitalization represents a key element at all levels and in all processes within the Company and Enel Group sustainability projects are stored within the Project Portfolio Management Platform (PPM), a Global digital application to support Holding functions, Countries and BLs, guaranteeing an integrated and homogeneous view of the portfolio.

Subject: CSV Process definition and management**Application Areas**Perimeter: *Global*Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

The PPM promotes the exchange of best practices, synergies, brings out new opportunities and facilitates the exchange of information on sustainability projects on a Global scale. Sustainability projects reporting and monitoring is carried out thanks to the data collected within the PPM platform, which also includes all CSV tools, background material and analyses at Global level.

A dedicated Operating Instruction no. 1768 provides the framework for definitions, guidelines and classification of sustainability projects and specificities.

Among the necessary digital evolutions of the PPM platform are:

- Digitalization of data (such as CSV Tools, analyses and documents) contained within the PPM platform in order to facilitate accessibility and allow sustainability functions at Holding, Country and BLs level to access the wealth of information stored. Digitalization of CSV tools will allow to store data and relevant information in a single and unique repository that enables smart searches. It will also allow to organize information and documents according to timeline, ensuring a consistent and robust data repository. Lastly it will facilitate Holding BLs and Countries in sharing real time information.
- With the aim of optimizing existing activities and improve efficiency in staff functions, Innovability in accordance with Global Digital Solutions have undertaken the mapping of existing software being used by Sustainability Holding functions, Countries and GBLs in order to integrate software applications related to Sustainability and enable their communication and data valorization (also leveraging on Artificial Intelligence solutions for intelligence analyses).

In line with the evolution of the business, the PPM is also meant to advance in order to embrace and include new objectives.

The PPM includes a separate section dedicated to monitor “Business Activities” which refers to all activities primarily related to business investments that have impacts on sustainable objectives.

As sustainability is increasingly embedded within the business, Business Activities are becoming more sustainable and creating more intrinsic benefits on communities. Business Activities have so far not been included among Sustainability Projects, however, given the future scenario of both renewable energy generation evolution of the electricity grid and tools for electrification and energy efficiency as a fundamental enabler of the energy transition, a number of activities could be considered.

Among the activities performed by the business, some specific Business Projects that ensure significant positive outcomes over direct beneficiaries should be included under Sustainability Projects, in order to grasp the sustainability value created. Among these projects for example are electrification (rural and suburban); energy efficiency projects and public lighting (intended as infrastructural projects, and not artistic lighting or “electricity social bonus projects”).

Subject: CSV Process definition and management

Application Areas

 Perimeter: *Global*

 Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

4.10 STORYTELLING AND DISCLOSURE

During the entire duration of the definition and execution of the CSV plan, a “proactive communication” is fundamental with respect to storytelling, through local and global media and meetings with stakeholders, aimed at preventing the risk of conflicts and building a long-lasting relationship of transparency and trust with the local community.

In all communities where we operate, we need to transform our communication from a "reactive" to a "proactive" perspective, conveying messages through a plurality of channels.

We need to make tangible our contribution to sustainable progress and the value we create for communities using the storytelling in ways they can recognize and understand, with a particular attention to rural and marginal areas where access to traditional media is limited and the digital divide is still widespread due to economic disparities.

Adopting a proactive communication approach means always being a step forward, mapping and monitoring critical issues linked to specific assets and communities to prevent potential crises. This perspective allows us to go further: implement a transparency-oriented communication; we have the opportunity to reinforce our network of local relationships and spread the knowledge of the value we bring to our communities through our projects and activities.

With this perspective, we aim to collaborate in the creation of proactive communication plans at local level, integrating both digital and traditional media (local newspapers and radio, posters and flyers) to provide information and promote positive relations, based on a transparent and open dialog.

To do so, we have taken on a new way of working, through multi-functional teams, that see at the forefront communications and sustainability (but as well other relevant unit depending on the topic) both at local and Global level working together, for a “tailor-made” proactive communication storytelling.

Communicating proactively also means “opening up” our plants and assets to communities, guaranteeing a constant flow of information not only when projects are completed, but also providing compelling updates on the activities in progress to highlight social and environmental benefits and value created (i.e. maintenance interventions, innovations).

5. REFERENCES

- [Human Rights Policy](#);
- [The Code of Ethics of Enel Group](#);
- [The Enel Group Zero Corruption Tolerance Plan \(ZTC\)](#);
- [Enel Global Compliance Program \(EGCP\) and Organization and management model as per Italian Legislative Decree No. 231/2001](#);
- [Policy No. 15, “Counterparties Analysis”](#);
- [Enel Group StopWork Policy](#)
- [PL 33 Information Classification and Protection](#)

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Business Line: -

- [Policy No. 344 Application of the General Data Protection Regulation \(EU Regulation 2016/679\) within the scope of the Enel Group;](#)
- [Policy No. 27, “Diversity and inclusion”;](#)
- [Policy No. 474, “Biodiversity”;](#)
- [OP No. 1684, “K Sustainability and other commitments process management”;](#)
- [OI 1768, Project Portfolio Management System](#)
- [OP 1778, Circular Economy Initiatives management](#)
- [OP No. 847, “Due Diligence on the management system of Human Rights”;](#)
- [O.P. No. 1904, “ Global Power Generation “Sustainable Design & Construction Site Model”](#)
- [O.P. No. 1667, Subject: Enel Green Power and Thermal Generation Sustainable Plant Model](#)
- [O.P. No. 1104, “Gestione delle donazioni e delle erogazioni liberali previste in accordi di collaborazione in materia di sostenibilità effettuate da società italiane](#)
- [O.P. No. 202, Management of Business Development Process](#)
- [Innovation and Sustainability R.A.C.I. Handbook N.5](#)

6. ORGANIZATIONAL PROCESS POSITION IN THE PROCESS TAXONOMY

Macro Process: Sustainability

Process: CSV Management and Sustainability Projects Management

7. DEFINITIONS AND ACRONYMS

Acronym and Key words	Description
AFC	Administration Finance and Control Function at Country and Holding Level
Beneficiaries of SUS Projects	Beneficiaries are the people in whose favor the project is carried out. Enel considers <u>only the direct beneficiaries</u> of activities and projects carried out in all the areas in which the Group operates
BD	Business Development function within Enel Green Power and Thermal generation, and Enel X
Circular Economy (CE)	The circular economy moves away from the traditional “take-make-dispose” economic model to one that is regenerative by design. As part of Enel X Global Retail BL, it embeds the CSV model approach to increase market competitiveness while retaining as much value as possible from resources, products, parts and materials to create a system that allows for long life, optimal reuse, refurbishment, remanufacturing and recycling, generating value for

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Service Function: -

Business Line: -

	the company and at the same time providing greater benefit to the Society and the environment.
CE Product Score	The Circular Economy Score analyses lies on a large number of variables based on the five CE pillars in order to create an evaluation regarding the circular maturity of a solution. The output is certified and gives a number on a scale from 1 to 5.
CE Report	The Circular Economy Report is a certified tool that allows the measurement of the circular maturity of a city, site or company and creates a roadmap to improving circular maturity by applying the five circular economy pillars. It is therefore possible to measure the starting and final level, after application of the roadmap.
Contractor	Any individual or legal entity (even grouped) that execute with ENEL a contract for works, services and/or supplies
Construction Site Record Book	Record book applied during E&C Phase that track all initiatives and actions realized on site according to CSV model, it shall be essential part of the Handover to O&M, when applicable for the specific BL (e.g.: not applicable for GI&N). This report must contain all the communications between stakeholders (internal and external), as its instructions, resolutions, and documentations
Country SUS	Sustainability Unit at Country level
Country SUS Referent	Sustainability referent is the Country Sustainability person in charge of the SUS issues within Support Team and Project Team
Customer Engagement	Customer Engagement function within Global Infrastructure & Networks
CSR	Corporate Social Responsibility: initiatives (e.g.: products, and services, education and training and more in general opportunities of growth) the Company takes on a proactive or reactive manner, to assess the impact and responsibility with its stakeholders; this imply actions that can be implemented horizontally or with a more specific approach, on a short-medium or long term to assess

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Service Function: -

Business Line: -

	and take responsibility for the company's effort on environmental and social wellbeing.
CSV	Creating Share Value: CSV approach means bringing together the company's perspective and the social, economic and environmental needs of the community in which Enel operates, in order to identify projects and activities that create value for both parties.
CSV Application	Application of CSV process and CSV tools to a business project. It leads to the definition of a CSV Plan that includes all actions and sustainability projects with related budget to be put in place as a result of the CSV analysis performed.
CSV Committee	CSV Committee involving all relevant Functions involved in a business project, in case of relevant local issues if in line with the BL process structure
CSV Plan	Set of actions (Sustainability projects of CSV type and initiatives of CSR and philanthropy) with related economics, identified through other CSV tools outcome to meet at the same time Company and Stakeholders needs and priorities. Value Creation project is an activity stretching over a planned period of time, monitored and measured through an impact assessment model. The Plan is aimed at implementing the CSV approach in the business context throughout its lifecycle
CSV Tools	<p>Set of CSV tools developed to perform social and environmental context analysis, to identify priorities and critical issues from both Stakeholders and Company perspective, to define a plan of actions to implement and finally monitor sustainable performance reviewing new opportunities always through an inclusive approach of stakeholders.</p> <p>Some CSV Tools are to be applied and updated throughout the value chain liaising with other relevant units: Risk analysis, Impact Evaluation, Stakeholder Management, Project Materiality Matrix and CSV Plan.</p> <p>Other CSV tools are specific for a phase of the value chain, as for instance SEECA, Sustainable site</p>

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Application Areas

Perimeter: *Global*

Staff Function: *Innovation & Sustainability*

Service Function: -

Business Line: -

	<p>checklist, Construction Site Panel, Construction Site Record Book. Boosting Program</p> <p>New CSV Tools may be implemented according to the needs, based on responsibility and accountability of Holding SUS / CSVSPPS unit.</p>
E&C	Engineering & Construction function within Enel Green Power and Thermal Generation, Global Infrastructure & Networks
GDS and Digital Hub	GDS and Digital Hub Units at Holding and Country level involved in the CSV process to enable through digitalization and other digital related solutions the sustainable progress in the short, medium and long term.
GI&N	Global Infrastructures & Networks at Holding level
Global BLs SUS	Global Business Lines Sustainability
Holding SUS Units	Holding Sustainability Units within Innovation and Sustainability Function
HO	Handover passing phase between functions of the Global BLs value chain (i.e.: from BD to E&C and from E&C to O&M).
HSEQ	Health, Safety, Environmental & Quality Function within Enel Green Power and Thermal Generation, Global Infrastructure & Networks
II.AA.	Institutional Affairs
IC	Investment Committee (Committee set up at Group or BL's level to evaluate and approve investments)
IM	Investment Memo that describes the investment rationale and the business project main features, including a Sustainability Section.
Impact Evaluation	Any CSV tool that is applied for an ex-ante and ex-post impact evaluation. Since there are more methodologies to be applied according to the project typologies, Impact Evaluation may refer to SROI, to Preliminary Impact Evaluation or to other impact measurement tools.

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Innovability®	Innovation and Sustainability Function
Local Priorities Matrix	<p>The materiality analysis is the process which, with the continuous and direct involvement of stakeholders, allows the priority issues for stakeholders to be identified and assessed, weighted based on their relevance, comparing them with the Group's priorities and industrial strategy,</p> <p>considering the impacts suffered and generated on the economy, the environment, and on people, including the</p> <p>impacts on human rights. These analysis are carried out at local level in based on main drivers of Group's Materiality Matrix.</p>
Market	Market Function
ND	Network Development function within Global Infrastructure & Networks
O&M	Operation & Maintenance function within Enel Green Power and Thermal Generation, Global Infrastructure & Networks
PO	People and Organization
Procurement	Procurement Function at Holding, Global BLs and Country level involved in the CSV Process to perform procurement activities according to a CSV perspective: i.e. allowing Small & Medium Enterprise (SME) access to vendor rating and tender process and circular economy solutions.
Project Development Team	Project Team that include all different Functions involved in the development of the Business Project, including SUS.
SDG	"Sustainable Development Goals" defined by the United Nations that drives selection of sustainability initiatives
SDI	Sustainable Development Index
SI Product Score	The Scoring Model aims at measuring the level of Inclusivity of Enel X Global Retail solutions, in order

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	to identify solutions to be improved and lay down the basis for the Boosting phase
Social, Economic and Environmental Context Analysis (SEECA)	A CSV Tool used to provide a deep diagnostic on the context impacted by a Business Project, that can be performed in-house or through external consultants. It can be developed integrated with the Environmental Social Impact Assessment (ESIA)
Stakeholder Management Tool	CSV Tool that identify and map the key stakeholders affected by a business project. It refers to internal and external stakeholders
Sustainability Boosting Program	The Sustainability Boosting Program®
SUS / CSVSP&PS	Holding CSV, Sustainability Projects and Practice Sharing Unit within Innovation and Sustainability Function
Sustainable Design & Construction Site Catalogue	List of sustainable design solutions and construction practices to be used as a reference in the project design and during the construction phase.
SUS Expenses	All expenses related to Sustainability Activities (for performing sustainability projects, partnerships, consulting services).
Sus Key Factors	Element integrated in the technical/economic awarding criteria to which is assigned a score with "reward effects". This element can be linked to social, environmental, health, safety and circular economy aspects.
Sustainability K library	A list of sustainability K factors managed by Procurement that can be integrated in a tender or a contract.
SUS KPI	Key Performance Indicators measuring the performance of an activity/project from a sustainability point of view throughout the whole value chain
Sus Project	A sustainability project is an activity stretching over a planned period of time, monitored and measured by direct beneficiaries continuing to contribute to the achievement of all 17 United Nations' Sustainable Development Goals (SDGs). In addition, SUS project falls into one of the following main

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Application Areas

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	sustainability categories: access to electricity; operational efficiency; biodiversity; support to local communities to foster socio-economic development, education, environment (in order to contribute improve impact through electrification e.g.: electric mobility, use of renewables and energy efficiency programs).
SUS PPM	Sustainability Project and CSV applications Portfolio Management. It is a digital Platform
Value Chain	All the phases of the project development, owned by BD, E&C and O&M, applicable to each business lines.