Integrated Annual Report 2021

enel


OPEN POWER FOR A BRIGHTER FUTURE.
WE EMPOWER SUSTAINABLE PROGRESS.

Integrated Annual Report 2021

This document has been prepared in PDF format in order to facilitate readers of the financial statements. This document is a supplementary variant of the official version compliant with the provisions of Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation - European Single Electronic Format) available on the Company's website (www.enel.com) and at the authorized storage mechanism "eMarket STORAGE" (www.emarketstorage.com).

Enel is Open Power

PURPOSE

OPEN POWER FOR A BRIGHTER FUTURE.

WE EMPOWER SUSTAINABLE PROGRESS.

POSITIONING

Open Power

VISION

Open Power to tackle some of the world's biggest challenges.

MISSION

- Open access to electricity for more people.
- Open the world of energy to new technology.
- Open up to new uses of energy.
- Open up to new ways of managing energy for people.
- Open up to new partnerships.

PRINCIPLES OF CONDUCT

- Make decisions in daily activities and take responsibility for them.
- Share information, being willing to collaborate and open to the contribution of others.
- Follow through with commitments, pursuing activities with determination and passion.
- Change priorities rapidly if the situation evolves.
- Get results by aiming for excellence.
- Adopt and promote safe behavior and move pro-actively to improve conditions for health, safety and well-being.
- Work for the integration of all, recognizing and leveraging individual diversity (culture, gender, age, disabilities, personality, etc.).
- Work focusing on satisfying customers and/or co-workers, acting effectively and rapidly.
- Propose new solution and do not give up when faced with obstacles or failure.
- Recognize merit in co-workers and give feedback that can improve their contribution.

VALUES

- Trust
- Proactivity
- Responsibility
- Innovation

Letter to shareholders and other stakeholders

Michele Crisostomo

Chairman

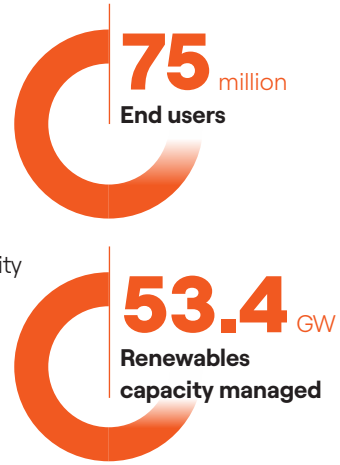
Francesco Starace

Chief Executive Officer
and General Manager

Dear shareholders and stakeholders,

2021 was the year in which the Enel Group sharply accelerated its energy-transition strategy towards a decarbonized, customer-centric business model.
We are the largest private renewable energy operator in the world, with 53.4 GW of managed capacity, and the largest private-sector electricity distribution company globally, with more than 75 million end users connected to our grids, the world's most advanced digitalized networks. We also manage the largest customer base in the world among private-sector companies, with more than 69 million customers.
Our business model, which is entirely based on digital platforms, enables us to optimally seize the opportunities offered by the energy transition now under way around the globe.

The solid economic and financial performance of the Enel Group in 2021 made it possible to achieve the objectives we announced to the market, including our targets for EBITDA and ordinary profit.
The Group's leadership in sustainability was once again recognized at the international level by our continuing presence in a number of important sustainability ratings, indices and rankings. In addition, Enel was again included in the main indices that monitor corporate gender diversity performance.
In 2021 we were again the leading utility by market capitalization in Europe and the second in the world.



The macroeconomic environment

The global economy in 2021 experienced a generalized recovery on a global scale, with estimated world GDP growth of about 5.8% on an annual basis, sustained by government fiscal policies and strong monetary stimulus from central banks, as well as by the effective vaccination campaign implemented in many countries starting from the 2nd Quarter of the year.
In the United States, GDP expanded by an annual 5.7% in 2021, although the decline in private consumption and industrial production, shortages of raw materials and sharply rising energy prices slowed the economy in the final months of the year.
In the euro area, the real economy registered a substantial recovery in 2021, with GDP growing by 5.2% on an annual basis, driven by a strong recovery in the 2nd and 3rd Quarters, although growth slowed in the 4th Quarter due to a rapid increase in energy prices and the introduction of restrictions on economic activity and mobility in response to the spread of the Omicron variant.

The pattern was similar in Latin America, where economic developments in 2021 were strongly influenced by the progress of national vaccination campaigns, with an average increase in GDP of almost 10% compared with the previous year in the main countries in which we operate.
The broad-based recovery and the reopening of commercial activities at the beginning of 2021 generated large imbalances between supply and demand, creating severe distortions in supply chains and consequently triggering inflationary pressures that subsequently impacted the prices of intermediate and consumer goods.
During 2021, the oil market experienced rapid growth in its indices, reflecting optimism about the recovery in economic activity, combined with the precautionary measures of OPEC regarding production cuts. Considerable volatility was registered in the European gas market, caused by both supply and demand factors, contributing to a sharp increase in prices in the 4th Quarter of 2021. CO_2 prices also increased, responding to the strong commitment expressed by the European authorities, who expressed their intention to reduce CO_2 emissions by at least 55% by 2030, causing the price of the commodity to rise above €80/ton at the end of December.
The bullish performance of the commodity markets in 2021 led to a sharp increase in power prices across Europe, which exceeded 220% compared with 2020 in Italy and Spain.

The year 2021 was also characterized by large increases in the prices of the main industrial metals. The resumption of economic activity and the revival of investment have driven demand, while supply has been challenged by availability issues and logistical bottlenecks, generating scarcity on the market with a consequent sharp rise in prices.

The world scenario, already characterized by high price volatility, was further shaken in February 2022 by the Russian military intervention in Ukraine.
The conflict is dramatic in its impact on the civilian population and its profound effect on the world's geopolitical, economic and energy balance, with major repercussions for the energy security of the European Union countries in particular.

In this constantly evolving environment, the Group is carefully monitoring international developments, promptly assessing the impacts on its business activities, financial situation and performance in the main euro-area countries in which it operates, with particular regard to the shortage of raw materials from the areas affected by the conflict and the generalized increase in commodity prices.

Performance

Ordinary net profit

€5.6
billion

+8%
on 2020

The Enel Group continued to grow in 2021, hitting all the objectives announced to the financial community despite the continuing instability associated with the COVID-19 pandemic and the uncertainty engendered by the volatility in commodity prices.
In particular, the 2021 financial year closed with ordinary EBITDA of €19.2 billion, with an increase of 6.7% compared with 2020. Ordinary profit, on which the dividend is calculated, reached €5.6 billion, an increase of 8% compared with the previous year. The dividend for 2021 amounts to €0.38 per share, an increase of 6.1% compared with 2020. In terms of cash generation, FFO in 2021 were about 3% greater than the previous year despite the impact on working capital of the still unstable macroeconomic situation. Net debt is equal to €52.0 billion, lower than the forecasts previously provided to investors.

Main developments

As in previous years, Enel reached a new record for renewables generation capacity in 2021, adding 5,120 MW of new renewables capacity globally, which includes 220 MW of battery storage for the first time, while continuing to grow our project pipeline to 370 GW worldwide. Installed renewables capacity reached 53.4 GW, taking an important step towards the complete decarbonization of the generation mix and divesting 1,983 MW of installed coal-fired capacity.(1)
For the second consecutive year, 2021 posted a record for renewables generation, with about 118 TWh of output, equal to 51% of the total Group production.

As a result, the Group reduced specific CO_2 emissions to 227 gCO_{2eq}/kWh, a decrease of 45% compared with 2017, continuing progress along the path towards the SBTi certified target of 82 gCO_{2eq}/kWh by 2030. Thanks to investments in grids and the simultaneous effort to digitalize systems and processes, we have reached 75 million customers connected to our grids, 60% of which are equipped with smart meters. At the same time, we have exceeded 1 million prosumers (customers who are both consumers and electricity producers) connected to the Group's grids. Furthermore, the volume of electricity distributed over our grids around the world

(1) 1,120 MW Litoral (Andalusia, Spain), 548 MW La Spezia (Liguria, Italy) and 315 MW units 1 and 2 of Fusina (Veneto, Italy).

reached 510 TWh in 2021, surpassing the levels recorded in the pre-pandemic period. In order to meet the new demands on the grid and the new role of distribution system operators (DSOs), the Grid Futurability® project was launched in 2021 within the scope of COP26, with which the Global Infrastructure and Networks (GI&N) area has delineated a path to 2030 for the renovation, upgrading, digitalization and expansion of power grids.
The year 2021 was also crucial for the progress of the Grid Blue Sky project, which seeks to redesign the operating model from a platform standpoint, making grid operations significantly more efficient and enabling new services for customers.
Furthermore, 2021 saw the launch of Gridspertise, a company born from the Group's successful experience in the field of technological and digital innovation of distribution grids, with the aim of making innovative solutions available to third-party distribution companies to accelerate the energy transition.
The Group confirmed its leadership in managing the largest customer base in the world, with 16 retailers, 69 million commodity customers and 7 million beyond-commodity customers.
In order to simplify the customer experience and maximize their satisfaction, in April the Global Customer Operations Service Function was created. It is responsible for managing and optimizing the activation, billing, credit and customer care processes, leveraging the platform operating model.
Furthermore, in order to seize the incredible opportunities offered by the electrification process that will characterize the coming decade, a new global organizational unit named Enel X Global Retail was created with the job of creating a single commercial and marketing strategy directed at end users, integrating the commodity market with the beyond-commodity solutions offered by the Enel X businesses. Our leadership has grown stronger in the business-to-government segment, in active demand management services for our industrial customers and in energy storage solutions in the business-to-business segment.
In order to further accelerate the electrification of transport, we have launched the new Enel X Way in order to lend even more energy to the development of electric mobility, a key business for the energy transition.
Among extraordinary corporate transactions during the year, the sale of 50% of the share capital of Open Fiber, held by Enel, to Macquarie Infrastructure and Real Assets and CDP Equity (40% and 10% respectively) closed in December 2021.
From a financial point of view, on March 4, 2021, an equity-accounted perpetual hybrid bond was issued in the amount of €2.25 billion. The transaction increased the Group's hybrid bond portfolio, bringing it to about €5.6 billion, further strengthening and optimizing the Group's financial structure.
Between June and September 2021, Enel issued sustainability-linked bonds denominated in euros and US dollars in the total equivalent amount of about €10.1 billion. These issues are linked to the achievement of Enel's sustainability target for the reduction of direct greenhouse gas emissions (Scope 1) and are consistent with the Group's Sustainability-Linked Financing Framework, updated to January 2021.

€10.1 billion

Sustainability-linked bonds issued between June and September 2021

At the same time, Enel repurchased and cancelled outstanding bonds not linked to the pursuit of SDG objectives through two voluntary purchase offers and the exercise of repurchase options for a total amount of about €7.4 billion.
The bond issue and repurchase programs made it possible to achieve a ratio between sustainable sources of financing and the Group's total gross debt of about 55%, simultaneously reducing the cost of the Group's debt to its current 3.5%.

55 %

Ratio between sustainable sources of financing and the Group's total gross debt

Furthermore, on March 5, 2021, Enel obtained a revolving 5-year credit line from a pool of banks in the amount of €10 billion. The credit line is linked to the key performance indicator (KPI) for direct greenhouse gas emissions.

Strategy and forecasts for 2022-2024

€210
billion
Direct and third-party investments to 2030

Over the past decade we have seen how the development of renewables has been the dominant trend in energy generation thanks to cost reductions, allowing decarbonization to proceed more rapidly. Similarly, we expect the electrification process to characterize the current decade, emerging as a crucial factor for avoiding the grave consequences of a temperature increase above 1.5 °C compared with pre-industrial levels.

With electrification, customers will gradually convert their energy consumption to electricity, with gains in terms of cost, efficiency, emissions and price stability.

With the new Strategic Plan, the Group has confirmed the path towards 2030 already under way, increasing investments envisaged in the previous Business Plan by 6% to around €210 billion in direct and third-party investments.

The Group confirmed the use of two different business models (Ownership and Stewardship) to achieve the objectives we have set, which will be deployed depending on geographical area and operating conditions.

The strategy and positioning of the Group envisaged for 2030 have made it possible to bring forward the "Net-Zero" commitment for both direct and indirect emissions by 10 years from 2050 to 2040. With regard to the generation of energy and the sale of electricity and natural gas to end users, Enel is committed to achieving zero emissions without resorting to CO_2 capture techniques or nature-based solutions such as reforestation.

The Plan underpinning the early achievement of this ambitious goal is based on the implementation of certain key strategic steps: (i) the plan to abandon coal and gas generation by 2027 and 2040 respectively, replacing the thermal generation portfolio with new renewables capacity and exploiting the hybridization of renewables with storage solutions; (ii) by 2040, 100% of the electricity sold by the Group will be generated from renewables and by the same year the Group will exit the retail gas sales business.

In support of our long-term targets, in 2022-2024 the Group expects to directly invest around €45 billion, of which €43 billion through the Ownership model, mainly in expanding and upgrading grids and in developing renewables and about €2 billion through the Stewardship model, while mobilizing €8 billion in investment from third parties.

About 94% of 2022-2024 consolidated investment is in line with the United Nations Sustainable Development Goals (SDGs) and it is estimated that more than 85% of this investment will be aligned with the criteria of the European taxonomy.

The Group expects to increase the renewables capacity it manages to some 77 GW by the end of 2024, with zero-emission output reaching about 77% of the total, with a decrease in specific greenhouse gas emissions of more than 35% in the same period.

In distribution grids, the acceleration of investment, thanks in part to the opportunities created with the National Recovery and Resilience Plans launched by the European Union, will expand the Group's regulatory asset base (RAB) by 14% to about €49 billion in 2024, making it possible to reach a total of some 81 million customers served, 4 million of which through the Stewardship model.

The central role of our customers in the Group's business model makes the integrated margin a pillar of our Plan.

This is the margin from the sale of power generated and purchased, the correct management of which requires the joint optimization of both sales and provisioning. Compared with 2021, we expect the integrated margin to grow 1.6 times by 2024. This will be accompanied by a decrease of about 15% in the total cost of electricity sold compared with 2021.
On the performance front, the Group expects ordinary EBITDA to reach between €21.0 and 21.6 billion by 2024, an increase of about 11% compared with 2021. At the same time, ordinary profit is forecast to rise by about 20% from €5.6 billion in 2021 to between €6.7 and 6.9 billion in 2024.
Enel's dividend policy for the period remains simple, predictable and attractive. Shareholders should receive a fixed dividend per share (DPS) that is expected to increase by 13% between 2021 and 2024, reaching €0.43 per share.

Contents

Guide to navigating the report

To facilitate navigation, hyperlinks have been integrated into the document

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IPL Income Statement

IBS Statement of Financial Position

ICF Statement of Cash Flows

IEO Statement of Changes in Equity

IOCI Statement of Comprehensive Income

CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

Enel's approach to corporate reporting

The Integrated Annual Report of the Enel Group, consisting of the Report on Operations inspired by integrated thinking and the consolidated financial statements prepared in accordance with the IFRS/IAS international accounting standards, represents the "core" document of the Enel Group's integrated corporate reporting system, based on the transparency and accountability of information.

The objective of the Enel's Integrated Annual Report is to describe its strategic-sustainable thinking and to present its results and the medium- and long-term outlook for a sustainable and integrated business model that in recent years has fostered the creation of value in the context of the energy transition.

The Enel Group has drawn inspiration from the "Core&More" reporting approach, designing its own corporate reporting system at the service of all stakeholders in a connected, logical and structured manner and developing its own concept for presenting economic, social, environmental and governance information, in accordance with specific regulations, recommendations and international best practices.

This "Core Report" seeks to provide a holistic view of the Group, its sustainable and integrated business model and the related medium/long-term value creation process, including the qualitative and quantitative financial and non-financial information considered most relevant on the basis of a materiality assessment that also considers the expectations of all stakeholders.

The "More Reports", on the other hand, include more detailed and additional information, partly in compliance with specific regulations, than that provided in the Core Report while being cross referenced to the latter.

Corporate Reporting Framework

The Core&More approach of the Enel Group

Report and financial statements of Enel SpA

This is prepared in conformity with Article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005

Sustainability Report

This includes the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 and presents Enel's sustainable business model for creating value for all stakeholders and contributing to achievement of the 17 Sustainable Development Goals of the United Nations

Report on Remuneration Policy

This describes the Enel remuneration system, as provided for by Article 123-*ter* of the Consolidated Law on Financial Intermediation

Report on Corporate Governance and the Ownership Structure

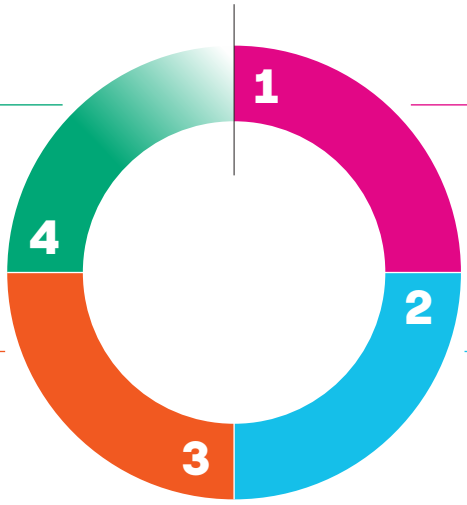
This describes the Enel corporate governance system pursuant to Article 123-*bis* of the Consolidated Law on Financial Intermediation and Article 144-*decies* of the CONSOB Issuers Regulation

The Integrated Annual Report and materiality analysis

As an expression of integrated thinking, the Integrated Annual Report seeks to represent the capacity of the business model to create value for stakeholders in the short, medium and long term, ensuring the connectivity of the information it contains.
The Group maintains ongoing relationships with all stakeholders in order to understand and meet their reporting needs, taking account of the importance of the impact of the Group's business model for all interests involved, with a view to creating shared value.
The financial and non-financial information presented within the various documents of the corporate reporting system are selected based on their materiality determined on the basis of specific frameworks, methodologies and assessments.
The following represent the key principles underpinning the preparation of the Report on Operations, with the basis of preparation of the consolidated financial statements being discussed in the section "Form and content of the consolidated financial statements".
The Report on Operations includes financial and sustainability information selected on the basis of a materiality analysis that takes account of stakeholder information requirements, including Enel's contribution to achieving the United Nations Sustainable Development Goals (SDGs) included in the Group Strategic Plan (i.e., "Affordable and Clean Energy" (SDG 7), "Industry, Innovation and Infrastructure" (SDG 9), "Sustainable Cities and Communities" (SDG 11) and "Climate Action" (SDG 13)) and on the activities implemented to contribute to their achievement in order to meet the expectations of the main stakeholders in the Integrated Annual Report.
The Enel Group also performs a double materiality analysis, details on which are available in the methodological note of the Sustainability Report.

In addition to the concept of materiality, the qualitative and quantitative financial and sustainability information reported in the Report on Operations have been prepared and presented in such a way as to ensure their completeness, accuracy, neutrality and comprehensibility.
The information contained in the Report on Operations is also consistent with the previous year.
Accordingly, the Group applies the same methodologies from year to year, unless otherwise specified, in compliance with international best practices for integrated reporting and non-financial reporting.
For the purposes of preparing sustainability information, especially quantitative information, the Group mainly applies the provisions of the Global Reporting Initiative (GRI) Standard, in line with the Sustainability Report, and the "Aspects" of the GRI supplement dedicated to the Electric Utilities sector ("Electric Utilities Sector Disclosures"). Consideration was also given to the indicators proposed in the white paper "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" of the World Economic Forum (WEF), the details of which are highlighted in the section below on the WEF and in the "Group Performance" chapter of this Report.

The Report on Operations in organized into the following sections:



Governance

The section discusses the Group's governance bodies, its organizational model and its involvement in sustainability and climate change policies

Group Strategy and Risk Management

Founded on a macroeconomic vision, the section provides an overview of the Group's strategies and the main objectives of the Strategic Plan, examining the main risks to which the Group is exposed, including risks associated with climate change and specific mitigation actions. It also underscores the opportunities of the business model within the current energy transition scenario

Group Performance

In accordance with "IFRS 8 - Segment Reporting", this section focuses on the business segments of the Enel Group and their financial and non-financial performance for the year, offering a holistic view consistent with Enel's integrated and sustainable business model

Outlook

The section discusses significant developments connected with the outlook for the operations of the Enel Group, providing forward-looking information in line with the Strategic Plan

Taking account of the results of the priority matrix and the significant climate impacts on the Group's value creation process, each chapter (entitled after the four pillars of the Task Force on Climate-Related Financial Disclosures - TCFD: Governance, Group Strategy & Risk Management, Group Performance and Outlook) includes information relating to climate change as proposed by the TCFD, which published specific recommendations in June 2017 that were adopted by the Group in its voluntary reporting on the financial impacts of climate risks.
The Group also took account of the recommendations issued by the IASB in November 2019 "IFRS Standards and climate-related disclosures" and November 2020 "Effects of climate-related matters on financial statements", which emphasize that this risk must be considered in the assumptions of management in the exercise of its judgment in measuring items in the financial statements.

In order to ensure the connectivity of information and to communicate the way in which the progress achieved in sustainability contributes to enhancing current and future financial performance, clear and consistent relationships between key financial and sustainability information have been identified and presented in the Report on Operations for each of the four chapters indicated above.
In addition, Enel's Integrated Annual Report has been published in the "Investors" section of the Enel website (www.enel.com).

Connectivity matrix

In order to provide an integrated representation of the Group and represent the connectivity of information, since 2020 the Enel Group has prepared a matrix delineating the relationships between:

- strategic objectives that also clearly represent Enel's contribution to achieving the United Nations Sustainable Development Goals (SDGs) and in particular the four key objectives of the Strategic Plan (i.e., SDG 7, SDG 9, SDG 11 and SDG 13);
- the governance, Group strategy and risk management, Group performance and the outlook for each Business Line.

Enel business	Value creation and business model	Governance	Group strategy	SDGs
ENEL GREEN POWER AND THERMAL GENERATION & GLOBAL ENERGY AND COMMODITY MANAGEMENT	GENERATION AND TRADING	• Enel shareholders • Corporate boards • The Enel corporate governance system • Enel organizational model • Incentive system • Values and pillars of corporate ethics	OPEN POWER FOR A BRIGHTER FUTURE. WE EMPOWER SUSTAINABLE PROGRESS. "THE DECADE OF ELECTRIFICATION" I. Allocate capital to support the supply of decarbonized electricity II. Enable the electrification of customer energy demand III. Leverage the creation of value throughout the value chain IV. Move forward achievement of sustainable Net-Zero objectives to 2040	7 13
RETAIL	CUSTOMERS			7 9 11 13
ENEL X				
GLOBAL INFRASTRUCTURE AND NETWORKS	DISTRIBUTION			9 11 13

Risk management	Group performance	Outlook
Strategic • Legislative and regulatory developments • Macroeconomic and geopolitical trends • Risks and strategic opportunities associated with climate change • Competitive environment **Financial** • Interest rate • Commodity • Currency • Credit and counterparty • Liquidity **Digital Technology** • Cyber security • Digitalization, IT effectiveness and service continuity **Operational** • Health and safety • Environment • Procurement, logistics and supply chain • People and organization **Compliance** • Data protection	Value generated and distributed for stakeholders Innovation and digitalization **ENEL GREEN POWER** Operations • Net electricity generation • Net efficient installed capacity Performance • Revenue • Ordinary gross operating profit • Ordinary operating profit • Capex **THERMAL GENERATION AND TRADING** Operations • Net electricity generation • Net efficient installed capacity Performance • Revenue from thermal and nuclear generation • Revenue • Ordinary gross operating profit • Ordinary operating profit • Capex Value generated and distributed for stakeholders Innovation and digitalization **END-USER MARKETS** Operations • Sales of electricity • Sales of natural gas Performance • Revenue • Ordinary gross operating profit • Ordinary operating profit • Capex Value generated and distributed for stakeholders Innovation and digitalization **ENEL X** Operations • Demand response • Lighting points • Storage • Charging points Performance • Revenue • Ordinary gross operating profit • Ordinary operating profit • Capex Value generated and distributed for stakeholders Innovation and digitalization **INFRASTRUCTURE AND NETWORKS** Operations • Distribution grids and electricity transmission • Average frequency interruptions per customer • Average duration of interruptions per customer • Grid losses Performance • Revenue • Ordinary gross operating profit • Ordinary operating profit • Capex	• Allocate capital to support the supply of decarbonized electricity • Enable the electrification of customer energy demand • Leverage the creation of value throughout the value chain • Achieve sustainable Net-Zero objectives in advance **2020-2030** As a result of the above strategic lines of action, the Group's ordinary EBITDA is expected to increase at a compound annual growth rate of 5-6%, with the ordinary profit of the Group expected to increase at a compound annual rate of 6-7%. **2022-2024** In 2024 the Group's ordinary EBITDA is forecast to reach €21-21.6 billion, compared with €19.2 billion in 2021. The Group's ordinary profit is expected to rise to €6.7-6.9 billion in 2024, compared with €5.6 billion in 2021. Enel's dividend policy for the period remains simple, predictable and attractive. Shareholders should receive a fixed dividend per share ("DPS") that is expected to increase by 13% between 2021 and 2024, reaching €0.43 per share. **2022** • An acceleration of investments in renewable energy, especially in Iberia and North America, to support industrial growth and as part of the Group's decarbonization policies. • An increase in investments in distribution grids, especially in Italy, with the aim of further improving service quality and increasing the flexibility and resilience of the grid. • An increase in investments dedicated to the electrification of consumption, with the aim of leveraging the growth of the customer base, and to achieving continuous efficiency gains, supported by the development of global business platforms. • Ordinary EBITDA is forecast at €19-19.6 billion, with ordinary net profit of €5.6-5.8 billion.

1. Enel Group

Value creation and the business model

An integrated representation of how the Group transforms its resources into outcomes and value created for stakeholders, prioritizing the pursuit of Sustainable Development Goals (SDGs) 7, 9, 11 and 13.

WEF metrics and the European taxonomy

Clear, transparent and comparable disclosure through WEF metrics and the European taxonomy.

Sustainable development on 5 continents

The Enel Group is present in 47 countries with more than 1,000 companies.

Highlights

Revenue

Group revenue[1] [2]

+33.3%

€88,006 million

€66,004 million in 2020

GROSS OPERATING PROFIT[2]

+3.9%

€17,567 million

€16,903 million in 2020

ORDINARY GROSS OPERATING PROFIT[2]

+6.6%

€19,210 million

€18,027 million in 2020

Performance

Group profit

+22.2%

€3,189 million

€2,610 million in 2020

GROUP ORDINARY PROFIT

+7.6%

€5,593 million

€5,197 million in 2020

NET FINANCIAL DEBT

+14.4%

€51,952 million

€45,415 million in 2020

Capital expenditure

Capital expenditure on property, plant and equipment and intangible assets[3]

+27.5%

€12,997 million

€10,197 million in 2020

CASH FLOWS FROM OPERATING ACTIVITIES

-12.5%

€10,069 million

€11,508 million in 2020

People

Group employees

-0.7%

66,279 employees

66,717 in 2020

"LIFE CHANGING" INCIDENTS AT ENEL[4]

1 employee

- in 2020

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.

(2) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

(3) Does not include €111 million regarding units classified as "held for sale" in 2021.

(4) Injuries whose consequences caused permanent changes in the life of the individual.

Business Line Highlights

SUSTAINABLE DEVELOPMENT GOALS

Global Power Generation

TOTAL NET EFFICIENT INSTALLED CAPACITY

+3.7%

87.1 GW

84.0 in 2020

NET ELECTRICITY GENERATION

+7.5%

222.6 TWh

207.1 in 2020

NET EFFICIENT INSTALLED RENEWABLES CAPACITY

+11.3%

50.1 GW

45.0 in 2020

NET EFFICIENT INSTALLED RENEWABLES CAPACITY AS % OF TOTAL

+7.3%

57.5 %

53.6 in 2020

ADDITIONAL EFFICIENT INSTALLED RENEWABLES CAPACITY

+78.0%

5.18 GW

2.91 in 2020

NET RENEWABLE ELECTRICITY GENERATION

+3.2%

108.8 TWh

105.4 in 2020

DIRECT GREENHOUSE GAS EMISSIONS - SCOPE 1 - SPECIFIC[1][2]

+5.1%

227 gCO_{2eq}/kWh

216 in 2020

(1) The figures for 2020 have been modified following the introduction of a new calculation method deriving from the implementation of the Net-Zero project.
(2) Specific emissions are calculated by considering total direct (Scope 1) emissions from total renewable, nuclear and conventional thermal generation including the contribution of heat.

Global Infrastructure and Networks

END USERS

+1.2%

75,178,777 no.

74,303,931 in 2020

ELECTRICITY DISTRIBUTION AND TRANSMISSION GRID

+0.1%

2,233,368 km[3]

2,232,023 in 2020

ELECTRICITY TRANSPORTED ON ENEL'S DISTRIBUTION GRID

+5.2%

510.3 TWh[3]

485.2 in 2020

END USERS WITH ACTIVE SMART METERS

+1.5%

44,968,974 no.[3][4]

44,293,483 in 2020

Retail

ELECTRICITY SOLD BY ENEL

+3.8%

309.4 TWh

298.2 in 2020

RETAIL CUSTOMERS

-0.3%

69,342,818 no.

69,517,932 in 2020

of which free market

+8.3%

24,839,600 no.[3]

22,931,809 in 2020

Enel X

STORAGE

+205%

375 MW

123 in 2020

CHARGING POINTS

+49.6%

157,209 no.[3]

105,079 in 2020

DEMAND RESPONSE

+27.7%

7,713 MW

6,038 in 2020

(3) The figure for 2020 reflects a more accurate calculation of the numbers.
(4) Of which 23.5 million second-generation smart meters in 2021 and 18.2 million in 2020.

World Economic Forum (WEF)

The International Business Council (IBC) of the World Economic Forum has produced a report entitled "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", with the aim of defining shared common metrics to measure, report and compare levels of sustainability, i.e., the effectiveness of its actions in pursuing the Sustainable Development Goals set by the United Nations (SDGs), in the business model adopted to create value for stakeholders. The metrics are based on existing standards and seek to increase convergence and comparability between the various parameters used today in sustainability reports.
The following table gives the 21 main indicators specified in the WEF report.

WORLD ECONOMIC FORUM			Integrated Annual Report 2021				
Pillar	**Theme**	**21 CORE KPIs**	**KPIs representing the 21 CORE KPIs of the WEF**	**2021**	**2020**	**Change**	**Chapter/Section reporting all KPIs and disclosure on the 21 CORE KPIs of the WEF**
Principles of Governance	Governing purpose	Setting purpose					Enel is Open Power
	Quality of governing body	Governance body composition	No. of women on Board	4	4	-	"Corporate boards" section in "Governance" chapter
	Stakeholder engagement	Material issues impacting stakeholder					"Basis of Presentation" chapter
	Ethical behavior	Anti-corruption	Employees with training in anti-corruption policies and procedures (%)	30.3	40.0	(9.7)	"Values and pillars of corporate ethics" section in "Governance" chapter
			Confirmed violations for conflict of interest/corruption (no.)	7	2	5	
		Protected ethics advice and reporting mechanisms	Reports received for violations of Code of Ethics	153	151	2	"Values and pillars of corporate ethics" section in "Governance" chapter
	Risk and opportunity oversight	Integrating risk and opportunity into business process					"Risk management" section in "Group Strategy & Risk Management" chapter
Planet	Climate change	Greenhouse gas (GHG) emissions	Direct greenhouse gas emissions - Scope 1 (million/t_{eq})	51.6	45.7	5.9	"Fighting climate change and ensuring environmental sustainability" section in "Group Performance" chapter
			Indirect greenhouse gas emissions - Scope 2 - Purchase of electricity from the grid (location based) (million/t_{eq})	4.3	4.1	0.2	
			Indirect greenhouse gas emissions - Scope 2 - Purchase of electricity from the grid (market based) (million/t_{eq})	7.1	6.9	0.2	
			Indirect greenhouse gas emissions - Scope 3 (million/t_{eq})	69.1	64.9	4.2	
		TCFD implementation					"Governance", "Group Strategy & Risk Management", "Group Performance" and "Outlook" chapters
	Nature loss	Land use and ecological sensitivity	Habitat recovery (hectares)	9,092	4,356	4,736	"Fighting climate change and ensuring environmental sustainability" section in "Group Performance" chapter
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	Water withdrawals (millions of m^3)	55.6	51.5	4.1	"Fighting climate change and ensuring environmental sustainability" section in "Group Performance" chapter
			Water withdrawals in water-stressed areas (%)	27.4	23.3	4.1	
			Total water consumption (millions of m^3)	26.3	20.4	5.9	
			Water consumption in water-stressed areas (%)	33.8	31.6	2.2	

WORLD ECONOMIC FORUM

Integrated Annual Report 2021

Pillar	Theme	21 CORE KPIs	KPIs representing the 21 CORE KPIs of the WEF	2021	2020	Change	Chapter/Section reporting all KPIs and disclosure on the 21 CORE KPIs of the WEF
People	Dignity and equality	Diversity and inclusion	Women as proportion of total employees (%)	22.5	21.5	1.0	"People centricity" section in "Group Performance" chapter
		Pay equality	Equal Remuneration Ratio (%)	81.1	83.3	(2.2)	"People centricity" section in "Group Performance" chapter
		Wage level	CEO Pay Ratio (%)(1)	91.0	145.0	(54.0)	
		Risk for incidents of child, forced or compulsory labor	Assessment of protection of child labor and compliance with ban on forced labor in the supply chain				"Values and pillars of corporate ethics" section in "Governance" chapter
	Health and well-being	Health and safety	Fatal accidents - Enel (no.)	3	1	2	"People centricity" section in "Group Performance" chapter
			Frequency of fatal accidents - Enel (i.)	0.024	0.008	0.016	
			Life changing accidents - Enel (no.)	1	-	1	
			Frequency of life changing accidents - Enel (i.)	0.008	-	0.008	
	Skills for the future	Training provided	Average hours of training per employee (hrs/person)	44.6	40.9	3.7	"People centricity" section in "Group Performance" chapter
			Employee training costs (millions of euro)	23	19	4	
Prosperity	Employment and wealth generation	Absolute number and rate of employment	People hired (no.)	5,401	3,131	2,270	"People centricity" section in "Group Performance" chapter
			Hiring rate (%)	8.1	4.7	3.4	
			Terminations (no.)	5,862	3,696	2,166	
			Turnover (%)	8.8	6.0	2.8	
		Economic contribution					"Value generated and distributed for stakeholders" section in "Group Performance" chapter
		Financial investment contribution	Total investment (millions of euro)	12,997	10,197	2,800	"Analysis of the Group's financial position and structure" section in "Group Performance" chapter
			Purchase of treasury shares and dividends and interim dividends paid to holders of hybrid bonds	5,054	4,755	299	Consolidated financial statements
	Innovation in better products and services	Total R&D expenses	Investment in R&D (millions of euro)	130	111	19	"Innovation and digitalization" section in "Group Performance" chapter
	Community and social vitality	Total tax paid	Total tax paid (millions of euro)(2)	4,127	4,260	(133)	"Value generated and distributed for stakeholders" section in "Group Performance" chapter

(1) Ratio between the total remuneration of the CEO/General Manager of Enel and the average gross annual remuneration of Group employees. The figure for 2020 has been adjusted to take account of 2021 exchange rates.
(2) The amount represents "total tax borne", which is costs for taxes borne by the Group. For more information, see the 2021 Sustainability Report and the Consolidated Non-Financial Statement. The 2020 figure has been calculated more accurately.

European Union taxonomy

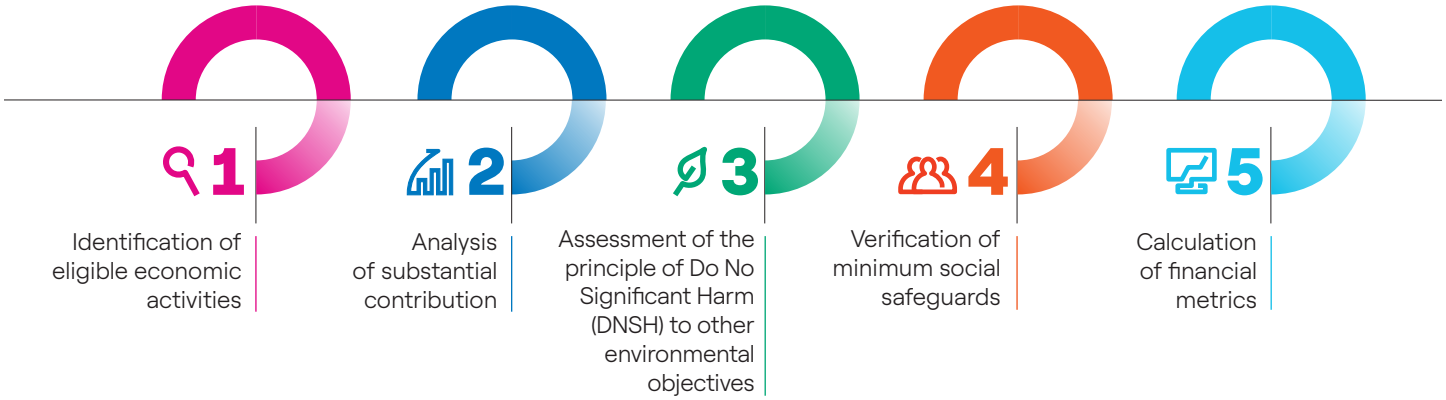
The European taxonomy was adopted by the European Union with Regulation 2020/852, published in the Official Journal of the European Union on June 22, 2020 and entered into force on July 12, 2020.
The European taxonomy establishes six environmental objectives to identify environmentally sustainable economic activities: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems. Accordingly, an economic activity is defined as environmentally sustainable if:

- it makes a substantive contribution to at least one of the six environmental objectives;
- it does no significant harm (DNSH) to the other five environmental objectives;
- it meets minimum safeguards.

The European taxonomy provides a standardized, science-based classification system to identify environmentally sustainable economic activities and thus acts as an important enabler to promote sustainable investment and accelerate the decarbonization of the European economy, while at the same time creating security and transparency for investors and supporting businesses in planning the Net Zero transition.

Although the taxonomy regulation establishes an obligation for undertakings to declare compliance with the taxonomy from January 2022, Enel has positioned itself as leader and elected to announce implementation in the previous 2020 Sustainability Report and the Integrated Annual Report 2020 as well as during the 2020 and 2021 Capital Markets Days.
EU taxonomy reporting pursuant to the regulation and the delegated act is provided in full in the 2021 Sustainability Report - Non-Financial Statement pursuant to Regulation (EU) 2020/852.

The European taxonomy implementation process at Enel



Through a process overseen by the CEO and top management, involving the competent functions at the company and country level as well as all Business Lines, five steps have been identified to analyze the applicability of the European taxonomy along the entire value chain in all countries in which the Group operates.

1. **Identification of eligible economic activities**: all the activities within the Group's portfolio included in the Climate Delegated Act have been identified. The process only considered the climate change mitigation objective as it is the most material objective in consideration of the Enel Group's business model and the sector in which we operate.
2. **Analysis of substantial contribution**: the eligible activities identified in the previous phase were carefully analyzed to verify their compliance with the specific tech-

nical criteria established to measure their substantial contribution to climate change mitigation. The analysis was conducted following the criteria contained in the Climate Delegated Act, namely:

- technology screening for electricity generation. The threshold of 100 gCO_{2eq}/kWh measured on a life-cycle basis was complied with as follows:
  - coal and liquid fossil fuels: technology non included in the European taxonomy;
  - gas and nuclear: on February 2, 2022, the European Commission approved in principle a Complementary Delegated Act on climate which includes, under strict conditions, activities related to nuclear energy and gas in the list of economic activities covered by the European taxonomy. At the time of publication of this Report, the Complementary Delegated Act is going through the approval process with the European Parliament and the Council. In these circumstances, the legislation is not yet finalized and therefore the production of electricity from gas and nuclear activities has been considered as "non-eligible";
  - wind, solar and energy storage: these activities are exempt from the verification of the carbon intensity threshold due to their substantial contribution to climate change mitigation;
  - hydroelectric energy: the carbon intensity threshold was verified only for those plants whose power density is less than 5 W/m^2. All plants with power densities greater than 5W/m^2 as well as run-of-the-river plants and pumping facilities are exempt from verification of the threshold;
  - geothermal: the threshold was verified by carrying out life-cycle emissions assessments certified by independent third parties;
- geographical and system level screening for electricity transmission and distribution. For the purposes of classifying activities as eligible, compliance with one of the following technical screening criteria was verified in all eight countries wherein which Enel distributes electricity:
  - the distribution system operator (DSO) is the European interconnected system;
  - the non-European DSO operates a system in which more than 67% of newly enabled generation capacity is below the threshold value of 100 gCO_{2eq}/kWh measured on a life-cycle basis in the 2016-2020 period;
  - the average emissions factor of the non-European DSO network is below the threshold value of 100 gCO_{2eq}/kWh measured on a life-cycle basis in accordance with electricity generation criteria in the 2016-2020 period.

  Infrastructure constructed in 2021 and dedicated to the creation of a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO_{2eq}/kWh measured on a life-cycle basis has been identified and excluded from the aligned activities of the DSOs;
- product cluster screening for the Enel X Business Line. A complete analysis of the Enel X portfolio was conducted, classifying the eligible activities in the sectors identified in the Climate Delegated Act, such as construction and real estate, transport or professional, scientific and technical activities;
- provisioning screening for retail electricity activities. The amount of power sold by electricity sales companies in Italy and Spain supported by Certificates of Origin was calculated and considered to be aligned with the European taxonomy due to its compliance with the technical screening criteria established in the Climate Delegated Act for electricity generation.

3. **Analysis of compliance with the principle of not causing significant harm to other objectives (Do No Significant Harm - DNSH)**: an analysis of existing environmental procedures was performed to verify compliance with the DNSH quality criteria for each technology (for power generation activities), region (for transmission and distribution activities) and product cluster (for the activities of the Enel X Business Line), adapted to the specific requirements envisaged for each environmental objective.

4. **Due diligence assessment of compliance with minimum social guarantees**: we verified that the due diligence process for the Group's human rights assessments includes the entire Enel Group.

5. **Calculation of financial metrics**: the corresponding financial metrics were associated with each economic activity in accordance with the classification performed in steps 1-4, as described in the "Statement on the alignment of Enel's business with the European taxonomy" section of the "Group Performance" chapter.

Using this process, Enel has classified all the economic activities along its value chain in the following three categories: eligible-aligned, eligible-not aligned, non-eligible.

Eligible-aligned: this refers to an economic activity that simultaneously meets the following three conditions:

- it is explicitly included in the European taxonomy regulation for its substantial contribution to climate change mitigation;
- it meets the specific criteria in the European taxonomy regulation for this specific environmental objective;
- it meets all DNSH criteria and minimum protection guarantees.

Eligible-not aligned: this refers to an economic activity that:

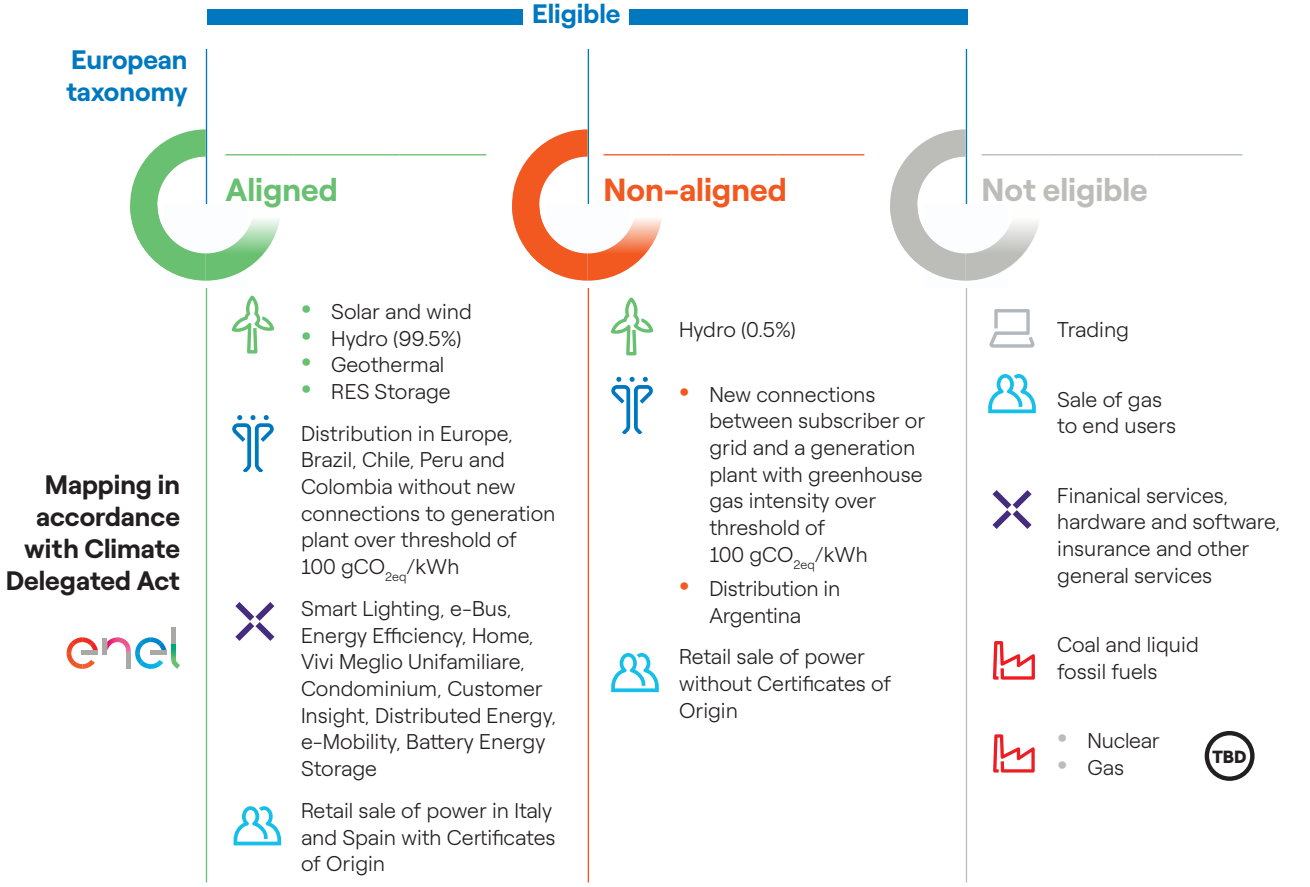
- is explicitly included in the European taxonomy regulation for its substantial contribution to climate change mitigation or adaptation; but
- it does not meet the specific criteria in the European taxonomy regulation for these specific environmental objectives; or
- it does not meet at least one of the DNSH conditions and/or the minimum protection guarantees.

Not eligible: this refers to an economic activity that has not been identified by the European taxonomy as a substantial contributor to climate change mitigation and, therefore, no criteria have been developed. The rationale of the European Commission is that these activities may:

- not have a significant impact on climate change mitigation or may be integrated into the European taxonomy regulation at a later stage;
- have a very significant impact on climate change mitigation, so they may not be eligible in any case;
- be awaiting a definitive resolution of the European authorities regarding their classification (nuclear and gas).

Eligibility of Enel activities

In 2021, Enel's eligibility analysis was updated in accordance with the process delineated above and the new definition for the three categories described above and pursuant to the final version of the Climate Delegated Act published in the Official Journal of the European Union in December 2021.



TBD Pending approval of Complementary Delegated Act. To be considered not eligible until approval.

Value creation and the business model

The value creation process

The integrated presentation of financial and non-financial information makes it possible to effectively communicate the business model and the value creation process both in terms of results and the short- and medium/long-term outlook. Environmental, social and economic aspects are increasingly significant in terms of assessing the ability to create value for all categories of stakeholders.

The following graphical representation summarizes the value chain of the Enel Group with the main inputs used and how they are transformed into outcomes and value created for stakeholders by the Group's organization and the business model in the short term. For more on the medium/long-term impacts, please see the Sustainability Report. The Group is characterized by sound and transparent governance and a sustainable strategy that prioritizes the pursuit of Sustainable Development Goals (SDGs) 7, 9, 11 and 13. These SDGs are thus the objectives of the Group's strategic action and are translated into the creation of value for the Group itself and for its stakeholders.

Value creation and the business model

Our resources ▸ **Our business model**

Planet

55.6 million m³ Total water withdrawals
27.4% Water withdrawals in water-stressed areas
26.3 Total direct consumption of fuel in mtoe

People

66,279 Enel employees
22.5% Women as proportion of total employees
4,163 Women in management positions
170,421 Contractor personnel (FTE)

Prosperity

€51,952 million Net financial debt
€42,342 million Equity
€12,997 million Capital expenditure(1)
€18,070 million Intangible assets
€11,636 million Concessions
€84,572 million Property, plant and equipment
87.1 GW Total net efficient installed capacity
50.1 GW Net efficient installed renewables capacity
2.2 million km Electricity distribution grid
45.0 million End users with active smart meters
75.2 million End users
69.3 million Retail customers
157.2 thousand Total charging points

Principles of Governance

44% Women on Board of Directors
153 Reported Code of Ethics incidents (of which 41 found to be violations)

EXTERNAL ENVIRONMENT

RISKS AND OPPORTUNITIES

GROUP PERFORMANCE

enel

Purpose

OPEN POWER FOR A BRIGHTER FUTURE

WE EMPOWER SUSTAINABLE PROGRESS

Values ▸ **TRUST** › **PROACTIVITY**

ENEL'S VALUES

Strategic pillars

Value chain

(1) Does not include €111 million regarding units classified as "held for sale".

GOVERNANCE

IS OPEN POWER

Vision

Open Power to tackle some of the world's biggest challenges.

Mission

- Open access to electricity for more people.
- Open the world of energy to new technology.
- Open up to new uses of energy.
- Open up to new ways of managing energy for people.
- Open up to new partnerships.

RESPONSIBILITY > **INNOVATION**

1. Allocate capital to support the supply of decarbonized electricity

2. Enable the electrification of customer energy demand

3. Leverage the creation of value throughout the value chain

4. Move forward achievement of sustainable Net-Zero objectives to 2040

GROUP STRATEGY AND RISK MANAGEMENT

OUTLOOK

Value created for Enel and our stakeholders

Outcomes

Planet

227 gCO_{2eq}/kWh Direct greenhouse gas emissions - Scope 1
125 million tCO_{2eq} Scopes 1, 2, 3[(2)]
26.3 million m^3 Total water consumption
33.8% Water consumption in water-stressed areas
9,092 Hectares of habitat recovered

People

44.6 hours of training (average hours per employee)
8.8% Turnover
1.264 i. Injury frequency rate - Enel
3.521 i. Injury frequency rate - Contractors
19.9 million beneficiaries (SDG 4, 7 and 8 projects)

Prosperity

€88,006 million Revenue
€19,210 million Ordinary EBITDA
68.7% Ordinary EBITDA of business activities aligned with European taxonomy as % of Group total
€4,127 million Total tax borne
€5,054 million Purchase of treasury shares and dividends distributed
3.5% Cost of debt
0.38 (€/sh) Fixed DPS
510.3 TWh Electricity transported
309.4 TWh Electricity sold
5.18 GW Additional efficient installed renewables capacity
48.9% Renewables generation as % of Group total
52.1 thousand Public and private charging points installed in 2021
243.3 min. SAIDI
892 Patent applications filed, of which 749 granted
41 Partnership agreements for innovation

Impacts

SRV
6 12 13 14 15

SRV
1 2 3 4 5 8 10

SRV
7 9 11

SRV
16 17

(2) Only location-based Scope 2 was considered for Scope 2.

Business model

Enel's business model has been structured so as to Group's strategic objectives, including the commitments made by the Group in the fight against climate change.
The business model delineates how the organizational units of the Company, linked to our three main businesses (generation, distribution and sales), must work to reap all the possible benefits from the main trends in the sector, possibly accelerating their implementation as well.
The role defined for all the major organizational units is also intended to enable them to effectively address all the risks posed by developments in the rapidly changing energy industry.
In order to fully benefit from all the opportunities emerging in the market environment in which it operates, the Group has identified two different business models (Ownership and Stewardship) that it can use to achieve the ambitions we have defined. The most appropriate and effective business model is selected depending on the geographical area and operating environment involved:

- the Ownership business model, in which the Group makes direct investments in renewables, grids and customers. This model is employed in countries where the entire value chain can already be leveraged, from generation to integration with end user. These are defined as "Tier 1" countries, such as Italy, Spain and Romania in Europe and the United States, Brazil, Chile, Colombia and Peru in the Americas. The central role of our customers in the Group's business model makes the integrated margin a pillar of our Plan. This is the margin from the sale of power generated and purchased, the correct management of which requires the joint optimization of both sales of power, considering the different options available in the countries in which we operate, and provisioning, which is linked to our generation rather than to the different sourcing options;
- the Stewardship business model, in which the Group invests capital in existing or new joint ventures or acquires minority stakes, with a view to maximizing the value of the know-how developed in the various businesses in which it operates. This is achieved through the delivery of specific contractual services to partners or the subsequent monetization of these investments on the market. This model focuses mainly, but not exclusively, on "non-Tier 1" countries, where the Group's presence is not integrated and it seeks to build partnerships with third parties to explore new geographical areas or to leverage the Group's operational experience in alternative environments.

In this design, each country organization acts within its territory in a matrix relationship with the broader and more global Business Lines, managing activities such as relations with local communities, regulation, the retail market and local communication. The current mission of each business can be summarized as follows:

Generation

- **Enel Green Power and Thermal Generation:** the Group operates through this Business Line to accelerate the energy transition, continuing to increase investments in new renewable energy capacity, and manages the decarbonization of its generation mix and the countries in which it operates, always aiming to ensure the safety and capacity of electrical systems.

Trading

- **Global Energy and Commodity Management:** this Business Line manages our integrated margin as a single portfolio in which Generation and Retail operations are always balanced effectively. In addition, the Line manages all trading operations on international desks.

Distribution

- **Global Infrastructure and Networks:** in developing and operating infrastructure that enables the energy transition, the Group ensures the reliability in the supply of energy and the quality of service to communities through resilient and flexible networks, leveraging efficiency, technology and digital innovation, and ensuring appropriate returns on investment and cash generation.

Customers

- **Global Retail:** through its sales relationships with end users, the Group interacts locally with millions of families and companies. Thanks to our technology, the platform model enables us to improve customer satisfaction and the customer experience, while at the same time achieving ever higher levels of efficiency. The business units optimize the supply of power to their customer base, maximizing the value generated by that resource and fostering long-term relationships with customers.
- **Enel X:** this Business Line is enabling the energy transition by acting as an accelerator for the electrification and decarbonization of customers, helping them to use energy more efficiently, driving circularity and leveraging the assets of the Enel Group through the delivery of innovative beyond-commodity services.

In 2021, the Enel X Global Retail and Global e-Mobility Business Lines were formed but will only begin operations from 2022.

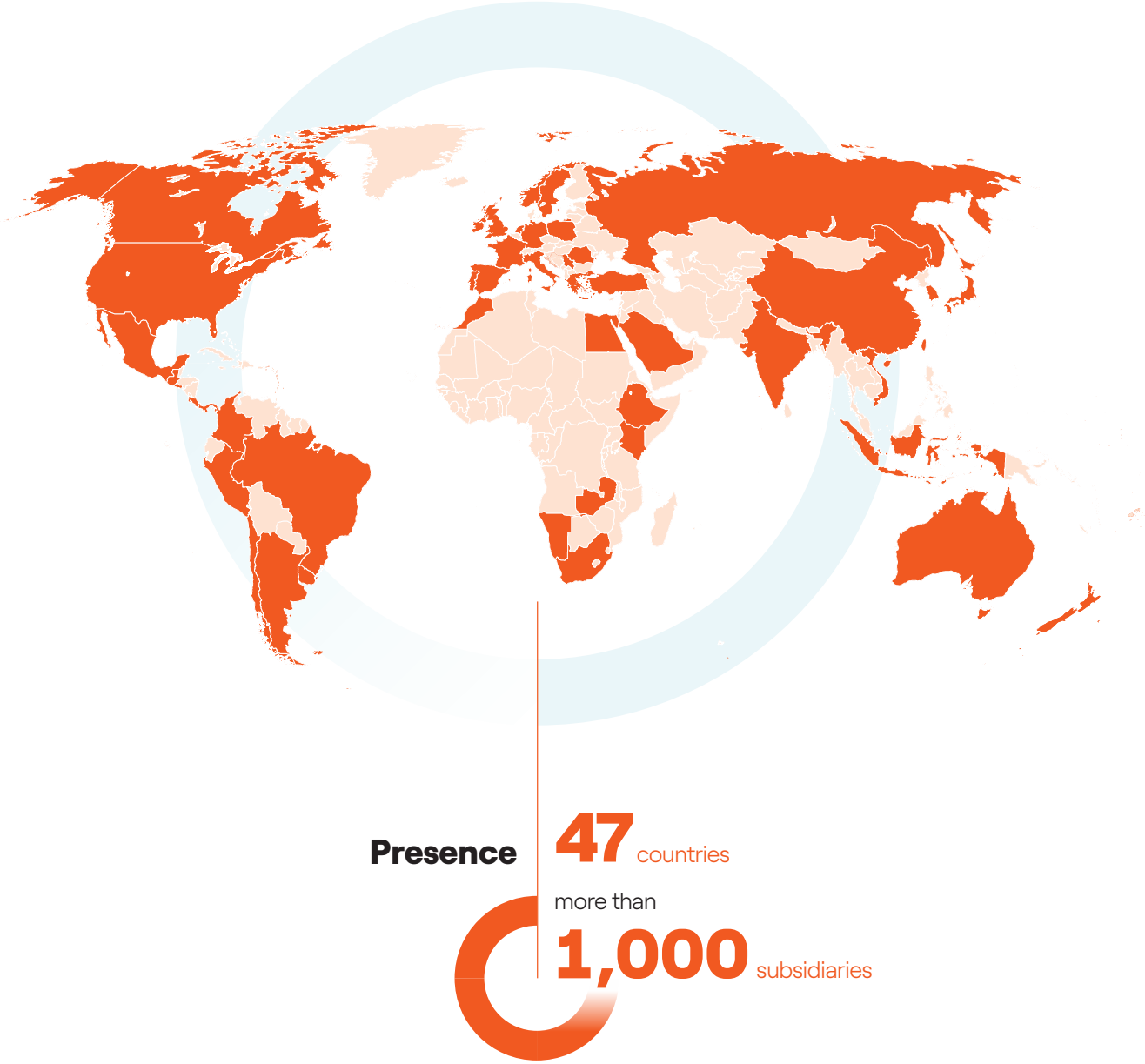
Enel X Global Retail is involved in managing energy and beyond-commodity services, as well as expanding the customer base while maximizing value for customers, innovating and developing the services offered and managing the entire life cycle.

Global e-Mobility is responsible for managing the portfolio of e-Mobility solutions in both existing and new countries, maximizing value for customers and leveraging Enel X Global Retail for sales activities. It is also involved in innovating and developing e-Mobility solutions, managing the entire life cycle.

By exploiting the synergies between the different business areas, implementing actions through the lever of innovation and deploying Open Power approaches, the Enel Group seeks to develop solutions to reduce environmental impact, meet the needs of customers and the local communities in which it operates and ensure high safety standards for employees and suppliers.

Enel around the world

The Enel Group has a presence in 47 countries on multiple continents around the world, with more than 1,000 subsidiaries.
The following map shows the distribution of the Enel Group across the globe.



2. Governance

WEF

Corporate governance system focused on achieving sustainable success.

Governance model compliant with international best practice.

Transparency and integrity its fundamental values.

Enel shareholders

At December 31, 2021, the fully subscribed and paid-up share capital of Enel SpA totaled €10,166,679,946, represented by the same number of ordinary shares with a par value of €1.00 each. Share capital is unchanged compared with that registered at December 31, 2020. In 2021 the Company purchased a total of 1,620,000 treasury shares to support the 2021 Long-Term Incentive Plan (LTI Plan) for the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code. Considering the number of treasury shares already owned, Enel SpA holds a total of 4,889,152 treasury shares, all supporting the 2019, 2020 and 2021 LTI Plans.

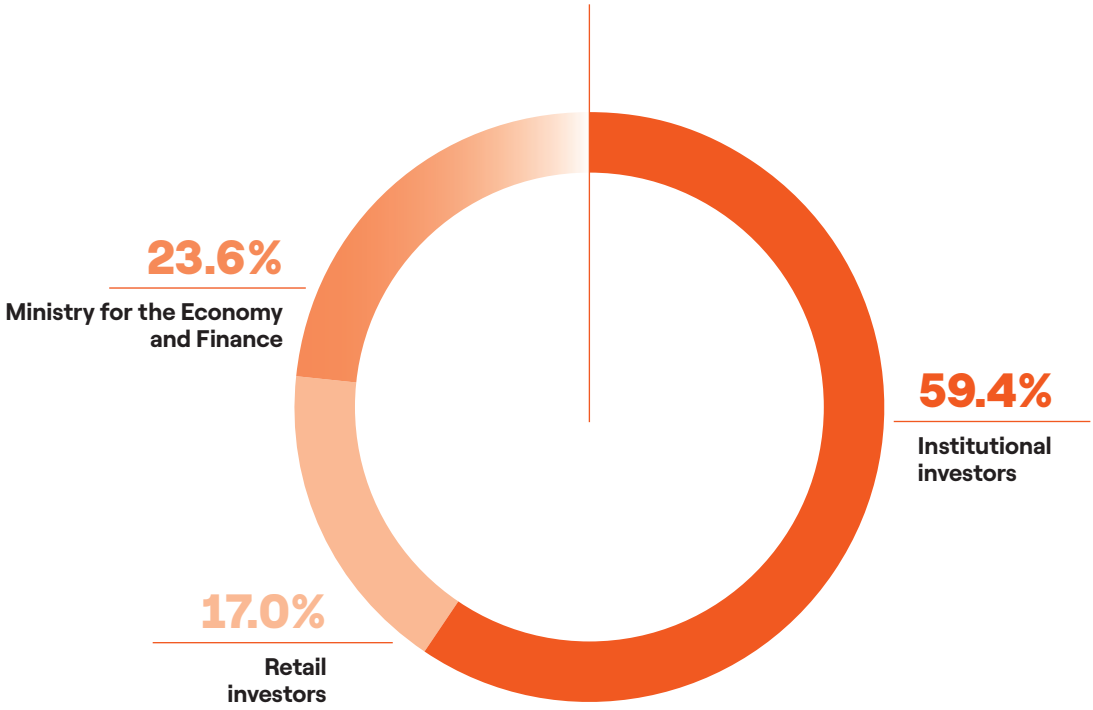
Significant shareholders

At December 31, 2021, based on the shareholders register and the notices submitted to CONSOB and received by the Company pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information, shareholders with an interest of greater than 3% in the Company's share capital included the Ministry for the Economy and Finance (with a 23.585% stake), BlackRock Inc. (with a stake of 5.000% held for asset management purposes) and Capital Research and Management Company (with a 5.000% stake held for asset management purposes).

Composition of shareholder base

Since 1999, Enel has been listed on the Euronext Milan market (formerly the Mercato Telematico Azionario) organized and operated by Borsa Italiana SpA. Enel's shareholders include leading international investment funds, insurance companies, pension funds and ethical funds.

Composition of shareholder base at December 2021



With regard to Environmental, Social and Governance (ESG) investors in Enel, at December 31, 2021, socially responsible investors (SRIs) held around 14.6% of the share capital (in line with December 31, 2020), while investors who have signed the Principles for Responsible Investment represent 46.6% of the share capital (compared with 47.8% at December 31, 2020).

Corporate boards

Board of Directors

CHAIRMAN
Michele Crisostomo

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER
Francesco Starace

SECRETARY
Silvia Alessandra Fappani

DIRECTORS
Cesare Calari
Costanza Esclapon de Villeneuve
Samuel Leupold
Alberto Marchi
Mariana Mazzucato
Mirella Pellegrini
Anna Chiara Svelto

Board of Statutory Auditors

CHAIRMAN
Barbara Tadolini

AUDITORS
Romina Guglielmetti
Claudio Sottoriva

ALTERNATE AUDITORS
Maurizio De Filippo
Francesca Di Donato
Piera Vitali

Audit Firm

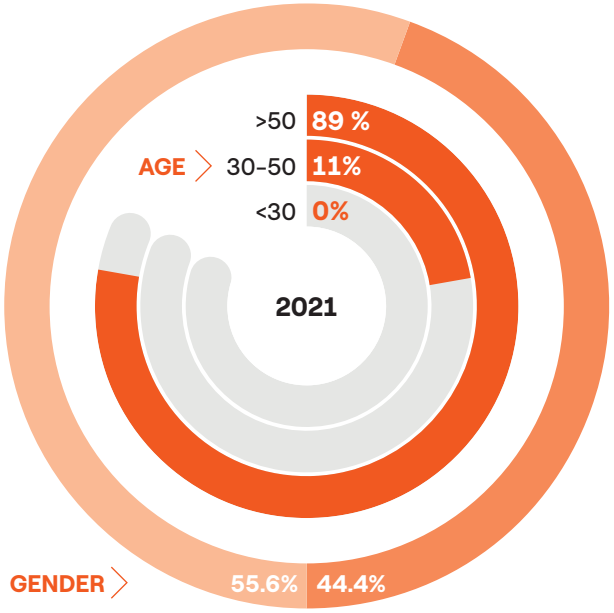
KPMG SpA

Composition of the Board of Directors

1 executive director
1 in 2020

8 non-executive directors
8 in 2020

of which 8 independent[(1)]
7 in 2020



55.6% in 2020

44.4% in 2020

5 Men
5 in 2020

4 Women
4 in 2020

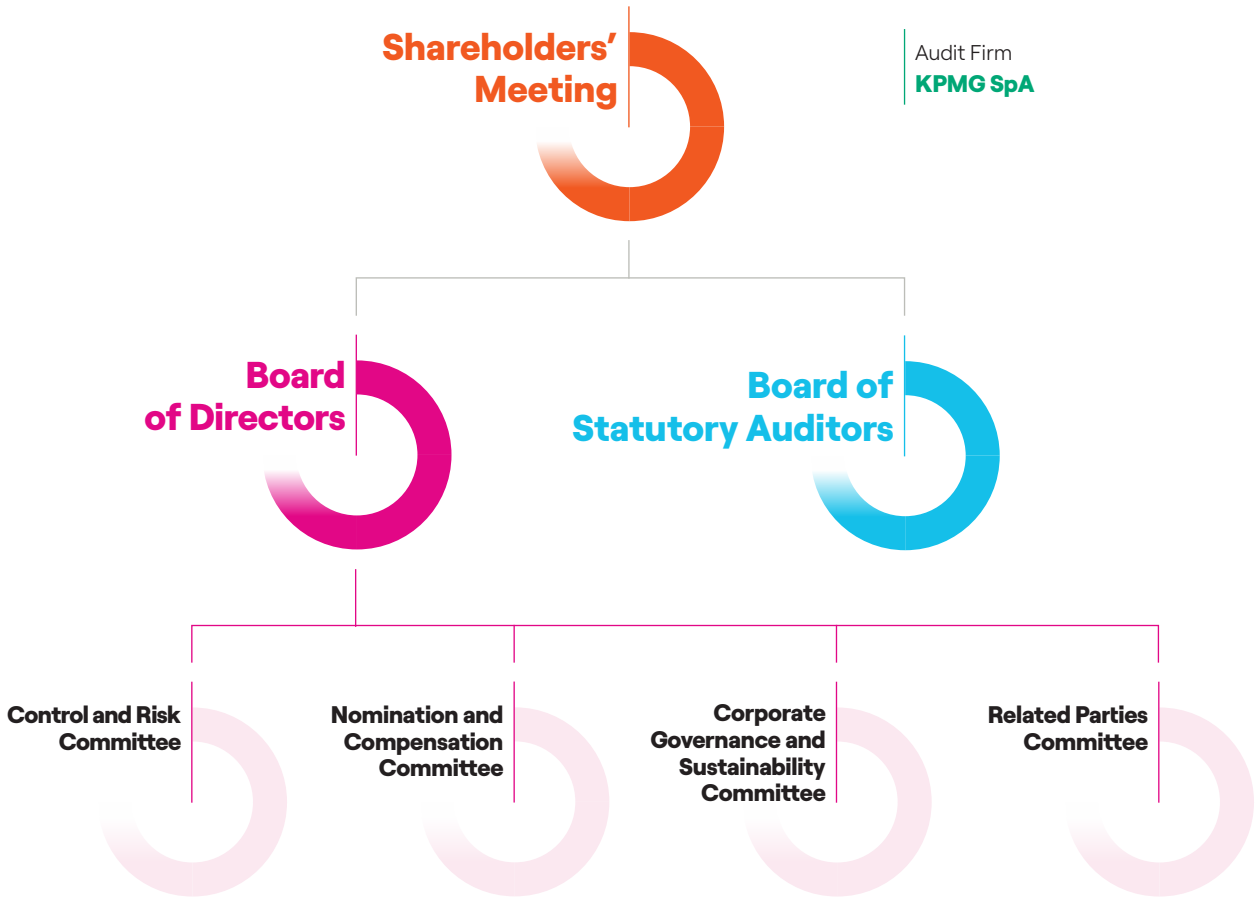
EXPERTISE

(1) The figures for 2020 refer to directors qualifying as independent pursuant to the Corporate Governance Code for Italian listed companies (2018 edition). The figures for 2021 refer to directors qualifying as independent pursuant to the Italian Corporate Governance Code (2020 edition).

The Enel corporate governance system

The corporate governance system of Enel SpA is compliant with the principles set forth in the January 2020 edition of the Italian Corporate Governance Code,[2] adopted by the Company, and with international best practice. The corporate governance system adopted by Enel and its Group is essentially aimed at achieving sustainable success, as it is aimed at creating value for the shareholders over the long term, taking into account the environmental and social importance of the Group's business operations and the consequent need, in conducting such operations, to adequately consider all the interests involved.

In compliance with Italian legislation governing listed companies, the Group's organization comprises the following bodies:



(2) Available from the website of Borsa Italiana (at https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf).

Shareholders' Meeting

It is charged with deciding, among other things, in either ordinary or extraordinary session:

- the appointment and removal of the members of the Board of Directors and the Board of Statutory Auditors and their compensation and undertaking any stockholder actions;
- the approval of the financial statements and the allocation of profit;
- the purchase and sale of treasury shares;
- remuneration policy and its implementation;
- share ownership plans;
- amendments to the bylaws;
- mergers and demergers;
- the issue of convertible bonds.

Board of Directors

16

meetings held by the Board in 2021, in 8 of which it addressed issues connected with climate and their impact on strategies and the associated approaches to implementation

- It is vested by the bylaws with the broadest powers for the ordinary and extraordinary management of the Company and has the power to carry out all the actions it deems advisable to implement and achieve the corporate purpose.
- It plays a central role in corporate governance, hold powers for strategic and organizational guidance and control of the Company and the Group, whose sustainable success it pursues. In this context, it examines and approves corporate strategy, including the annual budget and Business Plan (which incorporate the main objectives and planned actions, including with regard to sustainability,[3] to lead the energy transition and tackle climate change), taking account of the analysis of key issues for the generation of long-term value and therefore promoting a sustainable business model.
- It performs a policy-setting role and provides an assessment of the adequacy of the internal control and risk management system (the ICRMS). More specifically, it determines the nature and level of risk compatible with the strategic objectives of the Company and the Group, incorporating in its assessments all factors that could be relevant to achieving the sustainable success of the Company. The ICRMS consists of the set of rules, procedures and organizational structures designed to enable the identification, measurement, management and monitoring of the main business risks to which the Group is exposed. These include the risks associated with climate change and, more generally, the risks that the Group's activities may engender in the areas of the environment, society, personnel and respect for human rights.
- It determines the remuneration policy for directors, statutory auditors and key management personnel with a view to pursuing the Company's sustainable success, taking due account of the need to have, retain and motivate people with the skills and expertise required by the positions they hold, submitting this policy for approval by the Shareholders' Meeting.
- Activities performed in 2021 included addressing climate-related issues on the occasion of: (i) the examination and approval of the Business Plan of the Company and the Group; (ii) the updating of the Code of Ethics and the Human Rights Policy; (iii) the determination of Enel's remuneration policy for 2021; (iv) the examination of the 2020 Sustainability Report, which incorporates the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 for the same year. In addition, it discussed climate-related issues as part of the analysis of proposed legislation and in its engagement with investors.
- With regard to enhancing gender diversity, it agreed on the introduction of a new performance objective in the 2021 Long-Term Incentive Plan, represented by the percentage of women in management succession plans at the end of 2023.
- Finally, the Board of Directors receives regular updates on the impact of the COVID-19 pandemic and safety-related issues in the countries in which the Group operates, as well as information on developments in and the substance of the various forms of investor engagement.

(3) Sustainability comprises issues connected with climate change, atmospheric emissions, managing water resources, biodiversity, the circular economy, health and safety, diversity, management and development of employees, relations with communities and customers, the supply chain, ethical conduct and human rights.

In compliance with the provisions of the Italian Civil Code, the Board of Directors has delegated part of its management duties to the Chief Executive Officer and, in accordance with the recommendations of the Corporate Governance Code and the provisions of the applicable CONSOB regulations, has appointed the following committees from among its members to provide recommendations and advice.

Corporate Governance and Sustainability Committee

5

meetings held by the Committee in 2021, in 4 of which it addressed issues connected with climate and their impact on strategies and the associated approaches to implementation

- A majority of its members are independent directors and in 2021 it was composed of the Chairman of the Board of Directors and two other directors, all of whom met independence requirements.
- It assists the Board of Directors in assessment and decision-making activities concerning the corporate governance of the Company and the Group and sustainability, including climate change issues and the interaction of the Group with all stakeholders.
- With regard to sustainability issues, it examines:
  - the guidelines of the Sustainability Plan, including the climate objectives set out in the Plan, and the materiality matrix, which specifies the priority themes for stakeholders in the light of the Group's business strategies;
  - the approach to implementing the sustainability policy;
  - the general approach and the structure of the content of the Non-Financial Statement and the Sustainability Report – which may be presented in a single document – and the comprehensiveness and transparency of the disclosures they provide, including with regard to climate change, and their consistency with the principles envisaged in the reporting standard adopted, issuing a prior opinion to the Board of Directors, which is called upon to approve those documents.
- Activities performed in 2021 included addressing climate-related issues on the occasion of the examination of: (i) the 2020 Sustainability Report, which incorporates the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 for the same year; (ii) the materiality analysis and the guidelines of the 2022-2024 Sustainability Plan; (iii) the proposed update of the Human Rights Policy; (iv) updates on the main sustainability activities performed by the Enel Group in 2021, on the state of implementation of the 2021-2023 Sustainability Plan and on the inclusion of Enel in the main sustainability indices.

Control and Risk Committee

17

meetings held by the Committee in 2021, in 5 of which it addressed issues connected with climate and their impact on strategies and the associated approaches to implementation

- It is composed of non-executive directors, the majority of whom (including its Chairman) are independent. In 2021 it was made up of four independent directors.
- It has the task of supporting the assessments and decisions of the Board of Directors relating to the internal control and risk management system (the ICRMS), as well as those relating to the approval of periodic financial and non-financial reports. In particular, it issues its prior opinion to the Board of Directors, *inter alia*: (i) on the guidelines of the ICRMS, so that the main risks concerning Enel and its subsidiaries – including the various risks that may be relevant from the perspective of sustainable success – are correctly identified and adequately measured, managed and monitored; (ii) on the degree of compatibility of the risks referred to in point (i) above with company operations consistent with the strategic objectives identified; and (iii) on the adequacy of the ICRMS with respect to the characteristics of the Company and the risk profile assumed, as well as the effectiveness of the system itself.
- It evaluates whether periodic financial and non-financial reporting correctly represents the business model, the strategies of the Company and the Group it heads and the impact of company activities and the performance achieved, coordinating with the Corporate Governance and Sustainability Committee with regard to periodic non-financial reporting.
- It examines the issues relevant to the ICRMS addressed in the Non-Financial Statement and the Sustainability Report, which may be presented in a single document and contains corporate disclosures on climate issues, issuing a prior opinion on these aspects to the Board of Directors, which is called upon to approve these documents.
- Activities performed in 2021 included addressing climate-related issues on the occasion of the examination of: (i) issues concerning the ICRMS dealt with in the 2020 Sustainability Re-

port, which incorporates the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 for the same year; (ii) the analysis of the risks associated with macroeconomic and environmental developments and climate risks; (iii) the proposed update of the Human Rights Policy; and (iv) the analysis of the compatibility of the main risks associated with the strategic objectives of the Business Plan.

Nomination and Compensation Committee

12
meetings held in 2021

- It is composed of non-executive directors, the majority of whom (including its Chairman) are independent. In 2021 it was made up of four independent directors.
- It supports the Board of Directors in, *inter alia*, evaluations and decisions relating to the size and optimal composition of the Board and its committees, as well as the remuneration of directors and key management personnel. In this regard, the remuneration policy for 2021 provides that a significant portion of the short- and long-term variable remuneration of the Chief Executive Officer/General Manager and key management personnel shall be linked to sustainability-related performance objectives. In particular, with regard to the long-term variable component of the remuneration of the Chief Executive Officer/General Manager and key management personnel, in the 2021 Long-Term Incentive Plan, an additional ESG target was introduced, represented by the percentage of women in management succession plans at the end of 2023. With specific regard to the fight against climate change, the Plan retains the objective for the ratio between consolidated net installed renewables capacity and the total consolidated net installed capacity, albeit with a slightly smaller weighting compared with the 2020 Long-Term Incentive Plan as a result of the addition of the objective indicated above. Furthermore, the 2021 Long-Term Incentive Plan also retains the reduction of specific greenhouse gas emissions among the performance objectives, in line with the Group's decarbonization strategy, which provides for the progressive reduction of such emissions in line with the Paris Agreement. As regards the short-term variable component of the remuneration of the Chief Executive Officer/General Manager, the ESG target concerning the further improvement of safety parameters in the workplace was retained in the remuneration policy for 2021. Furthermore, in light of the central role played by distribution grids in the pursuit of decarbonization and the electrification of energy consumption by the Group, a new performance target was introduced that measures the average annual duration of service interruptions for low-voltage customers (System Average Interruption Duration Index - SAIDI).

Related Parties Committee

7
meetings held in 2021

- It is composed of independent non-executive directors. In 2021 it was made up of four independent directors.
- It performs the functions provided for in the relevant CONSOB regulations and in the specific Enel procedure for transactions with related parties, essentially issuing in particular reasoned opinions on the interest of Enel – and any direct or indirect subsidiary that may be involved – in carrying out transactions with related parties, expressing its assessment of the benefits and substantive appropriateness of the associated conditions, subject to receiving timely and comprehensive information on the transaction.

Board of Statutory Auditors

28
meetings held in 2021

It is charged with overseeing:

- compliance with the law and the bylaws, as well as compliance with the principles of sound administration in carrying out corporate activities;
- the financial reporting process and the appropriateness of the organizational structure, the internal control system and the administrative-accounting system of the Company;
- the statutory audit of the annual accounts and the consolidated accounts, as well as the independence of the Audit Firm;
- the approach adopted in implementing the corporate governance rules envisaged by the Corporate Governance Code.

Chairman of the Board of Directors

- The Chairman is vested by the bylaws with the powers to represent the Company and to sign on its behalf.
- The Chairman presides over Shareholders' Meetings.
- The Chairman convenes the meetings of the Board of Directors, establishes the agenda and presides over its proceedings.
- The Chairman acts as a liaison between the executive directors and the non-executive directors and, with the support of the Secretary of the Board of Directors, is responsible for the effective operation of the Board. More specifically, the Chairman, with the support of the Board Secretary, is responsible, among other things, for ensuring:
  - that information provided before Board meetings and supplementary information provided during meetings enable the directors to act in an informed manner in the performance of their duties; and
  - that the activity of the Board committees is coordinated with that of the Board of Directors.
- The Chairman ensures that the Board of Directors is informed in a timely manner on developments in and the substance of engagement activities with all shareholders.
- The Chairman ascertains that the Board's resolutions are carried out.
- Pursuant to a Board resolution of May 15, 2020, the Chairman has been vested with a number of additional non-executive powers.
- In the exercise of the function of stimulating and coordinating the activities of the Board of Directors, the Chairman plays a proactive role in the process of approving and monitoring of corporate and sustainability strategies, which are sharply focused on the decarbonization and electrification of energy consumption.
- In addition, during 2021 the Chairman also chaired the Corporate Governance and Sustainability Committee.

Chief Executive Officer

- Like the Chairman of the Board of Directors, the CEO is vested by the bylaws with the powers to represent the Company and to sign on its behalf, and in addition is vested by a Board resolution of May 15, 2020 with all powers for managing the Company, with the exception of those that are otherwise assigned by law, regulation or the bylaws or that the aforesaid resolution reserves for the Board of Directors (making the Chief Executive Officer the officer with primary responsibility for managing the Company).
- In the exercise of these powers, the CEO has defined a sustainable business model, delineating a strategy to lead the energy transition towards a low-carbon model. The CEO is also responsible for managing the business activities connected with Enel's efforts in combatting climate change.
- The CEO reports to the Board of Directors on the activities performed in the exercise of the powers granted to him, including business activities to maintain Enel's commitment to address climate change.
- The CEO represents Enel in various initiatives that deal with sustainability, holding positions of leadership in international institutions such as Sustainable Energy for All (SEforALL) of the United Nations and the Global Investors for Sustainable Development (GISD) Alliance launched by the United Nations in 2019.

- As the officer with primary responsibility for managing the Company, the CEO has primary authority for engaging with institutional investors, providing them with any appropriate clarification concerning matters that fall within the scope of the CEO's management powers, in line with the policy for engaging with institutional investors and with Enel's shareholders and bondholders as a whole.
- The CEO has also been designated as the director responsible for establishing and maintaining the ICRMS.

Statutory audit of the accounts

- The statutory audit is performed by a specialized firm entered in the appropriate register of auditors, which is appointed by the Shareholders' Meeting on the basis of a reasoned proposal from the Board of Statutory Auditors.

Good corporate governance practices

- Following up on the comprehensive induction program organized in 2020 in order to provide the directors with an understanding of the sectors in which the Group operates (including issues related to sustainability), in 2021 this program continued with specific examination of corporate governance and climate change issues.
- At the end of 2021 and during the first two months of 2022, the Board of Directors carried out, with the assistance of a specialized independent advisor, an assessment of the size, composition and functioning of the Board and its committees (the "board review"), in line with the most advanced corporate governance practices accepted at the international level and incorporated within the Corporate Governance Code. The board review was also carried out using a "peer review" approach, i.e., evaluating not only the operation of the body as a whole, but also the style and substance of the contribution made by each of its members, and it was extended to include the Board of Statutory Auditors. The board review also specifically sought to verify the directors' perception of: (i) training activities performed in 2021 within the induction program concerning climate change issues; and (ii) the Board's involvement with sustainability issues and the integration of sustainability into corporate strategy. The findings of the board review are reported in Enel's Report on Corporate Governance and Ownership Structure.
- The Board of Directors and the Board of Statutory Auditors have approved, each within their own sphere of competence, specific diversity policies that set out the characteristics considered optimal for the members of these bodies, so that each can exercise their duties most effectively, taking decisions that can effectively draw on the contribution of a plurality of qualified points of view, able to examine the issues under discussion from different perspectives. The policy approved by the Board of Directors establishes that with regard to the types of diversity and the associated objectives:
  - the optimal composition of Board members should provide for a majority of independent directors;
  - even when the regulatory provisions on gender balance expire, it is important to continue to ensure that at least one-third of the Board of Directors, both at the time of appointment and during its term of office, shall be made up of directors of the least represented gender;
  - the international scope of the Group's activities should be taken into consideration, ensuring that at least one-third of directors should have adequate experience in the international arena, which is also considered useful for preventing the standardization of opinions and the emergence of "group thought";
  - in order to achieve a balance between the need for continuity and renewal in management, it would be necessary to ensure a balanced combination of people of differing seniority – and age – within the Board of Directors;
  - non-executive directors should have a management and/or professional and/or academic and/or institutional background such as to create a diverse and complementary set of skills and experience;

- in view of the differences in their roles, the Chairman and the CEO should have the appropriate skills (specifically indicated in the policy) for the effective performance of their respective duties.

- In July 2015 the Board of Directors also approved (and subsequently amended in February 2019) a number of recommendations aimed at strengthening the corporate governance of Enel subsidiaries with shares listed on regulated markets and at the same time ensuring the implementation of local best practices in this area by those companies. Among other issues, these recommendations concern the composition of the management body, with regard to which it is also suggested to integrate a diversity of professional and management experience and skills, combined, where possible, with a diversity of gender, age and seniority, without prejudice to the provisions of applicable local legislation.
- In order to regulate the procedures for the Company's engagement with institutional investors and with its shareholders and bondholders as a whole, in March 2021 the Board of Directors adopted, acting on a proposal from the Chairman formulated in agreement with the Chief Executive Officer, a specific policy in this area (the "Engagement Policy"). It largely incorporates the practices already followed by Enel to ensure that this dialogue is based on principles of fairness and transparency and takes place in compliance with EU and national regulations concerning market abuse, as well as in line with international best practices. In drawing up the Engagement Policy, which was consistently applied during 2021, the best practices adopted in this field by institutional investors and reflected in "stewardship" codes were taken into account.

For more detailed information on the corporate governance system, please see the Report on Corporate Governance and Ownership Structure of Enel, which has been published on the Company's website (http://www.enel.com, in the "Governance" section).

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Enel organizational model

Enel Group Chairman
M. Crisostomo

Enel Group CEO
F. Starace

Holding Function

ADMINISTRATION, FINANCE AND CONTROL
A. De Paoli

COMMUNICATIONS
R. Deambrogio

INNOVABILITY
E. Ciorra

PEOPLE AND ORGANIZATION
G. Stratta

LEGAL AND CORPORATE AFFAIRS
G. Fazio

AUDIT
S. Fiori

GLOBAL PROCUREMENT
F. Di Carlo

GLOBAL CUSTOMER OPERATIONS
N. Melchiotti

GLOBAL DIGITAL SOLUTIONS
C. Bozzoli

Global Business Line

Global Infrastructure and Networks
A. Cammisecra

Global Energy and Commodity Management
C. Machetti

Enel Green Power and Thermal Generation
S. Bernabei

Enel X Global Retail
F. Venturini

Global e-Mobility
E. Ripa

Country and Region

ITALY
N. Lanzetta

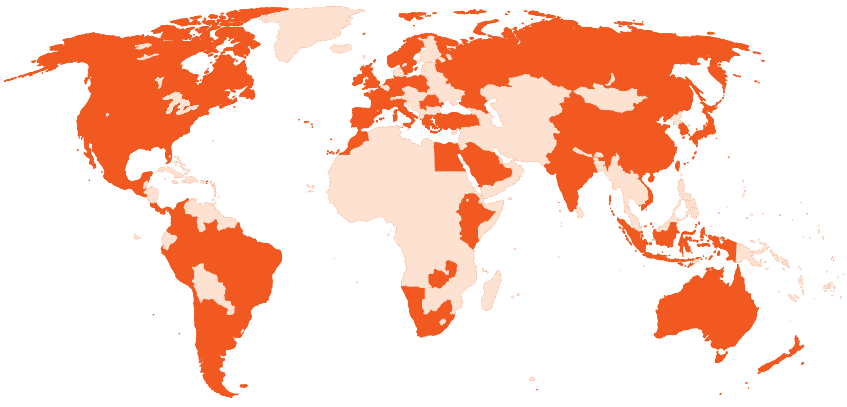
IBERIA
J. Bogas Galvez

EUROPE
S. Mori

AFRICA, ASIA AND OCEANIA
S. Bernabei

NORTH AMERICA
E. Viale

LATIN AMERICA
M. Bezzeccheri



The Enel Group structure is organized into a matrix that comprises:

Global Business Lines

The Global Business Lines are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. In addition, in compliance with safety, protection and environmental policies and regulations, they are tasked with maximizing the efficiency of the processes they manage and applying best international practices, sharing responsibility for EBITDA, cash flows and revenue with the countries.

The Group, which also draws on the work of an Investment Committee,[4] benefits from a centralized industrial vision of projects in the various Business Lines. Each project is assessed not only on the basis of its financial return but also in relation to the best technologies available at the Group level, which reflect the new strategic line adopted, explicitly integrating the SDGs within our financial strategy and promoting a low-carbon business model. Furthermore, each Business Line contributes to guiding Enel's leadership in the energy transition and in the fight against climate change, managing the associated risks and opportunities in its area of competence.

In 2021 the Global Power Generation Business Line, created from the merger of Enel Green Power and Global Thermal Generation, was renamed Enel Green Power and Thermal Generation. This Business Line is responsible for the integrated management of the growth of renewables generation capacity, the decarbonization process and managing storage assets, thus confirming the Enel Group's leadership role in the energy transition.

In 2021, the Enel X Global Retail Business Line was formed. It is specifically involved in managing energy and beyond-commodity services, as well as expanding the customer base while maximizing value for customers. Furthermore, it has the task of innovating and developing the services offered, managing the entire life cycle from conception to technological development, testing, marketing, sales, operations and after-sales activities.

The Global e-Mobility Business Line was also established in 2021. It is responsible for managing the portfolio of e-Mobility solutions in both existing and new countries, maximizing value for customers, also leveraging Enel X Global Retail for sales activities. It is also involved in innovating and developing e-Mobility solutions, managing the entire life cycle, from conception to technological development, testing and marketing in step with the rest of the retail product line.

In addition, the Grid Blue Sky project is being implemented. Its objective is to innovate and digitalize infrastructures and networks in order to make them an enabling factor for the achievement of the "Climate Action" objectives, thanks to the progressive transformation of Enel into a platform-based Group.

Regions and countries

Regions and countries are responsible for managing relationships with institutional bodies and regulatory authorities, as well as selling electricity and gas, in each of the countries in which the Group is present, while also providing staff and other service support to the Business Lines. They are also charged with promoting decarbonization and guiding the energy transition towards a low-carbon business model within their areas of responsibility.

(4) The Group Investment Committee is made up of the heads of Administration, Finance and Control, Innovability, Legal and Corporate Affairs, Global Procurement, and the heads of the Regions and the Business Lines.

The following functions provide support to Enel's business operations:

Global Service Functions

The Global Service Functions are responsible for managing information and communication technology activities and procurement at the Group level.
During the 1st Half of 2021, a new Service Function called Global Customer Operations was introduced. Its activities are focused on managing customer activation, invoicing, credit management, customer assistance and the related support processes at the Group level. It is also responsible for:

- defining and implementing the strategy of global actions regarding customers, increasing customer satisfaction and value and at the same time optimizing service costs and related cash flows;
- managing customer operational processes, maximizing operational excellence and customer focus and exploiting technology;
- developing and innovating operating models and solutions for managing the customer's life cycle, maximizing adaptability to internal and external change through market leadership that innovates on the basis of specific data analyses.

The Global Service Functions are also focused on the responsible adoption of measures that allow the achievement of sustainable development objectives, in particular in managing the supply chain and developing digital solutions to support the development of enabling technologies for the energy transition and the fight against climate change.

Holding Company Functions

The Holding Company Functions are responsible for managing governance processes at the Group level. The Administration, Finance and Control Function is also responsible for consolidating scenario analysis and managing the strategic and financial planning process aimed at promoting the decarbonization of the energy mix and the electrification of energy demand, key actions in the fight against climate change.

Incentive system

Enel's remuneration policy for 2021, which was adopted by the Board of Directors acting on a proposal of the Nomination and Compensation Committee and approved by the Shareholders' Meeting of May 20, 2021, was formulated on the basis of: (i) the recommendations of the Italian Corporate Governance Code published on January 31, 2020; (ii) national and international best practice; (iii) the guidance provided by the favorable vote of the Shareholders' Meeting of May 14, 2020 on the remuneration policy for 2020; (iv) the results of the engagement activity on corporate governance issues pursued by the Company between January and March 2021 with the leading proxy advisors and Enel's institutional investors; and (v) the findings of the benchmark analysis of the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and the non-executive directors of Enel for 2020, which was performed by the independent consultant Mercer.

This policy is intended to: (i) foster Enel's sustainable success, which takes the form of creating long-term value for the benefit of shareholders, taking due consideration of the interests of other key stakeholders, so as to incentivize the achievement of strategic objectives; (ii) attract, retain and motivate personnel with the professional skills and experience required by the sensitive managerial duties entrusted to them, taking into account the remuneration and working conditions of the employees of the Company and the Enel Group; and (iii) promote the corporate mission and values.

The 2021 remuneration policy adopted for the Chief Executive Officer/General Manager and key management personnel envisages:

- a fixed component;
- a short-term variable component (MBO) that will be paid out on the basis of achievement of specific performance objectives. Namely:
  - for the CEO/General Manager, annual objectives have been set for the following components:
    - consolidated net ordinary profit;
    - Group opex;
    - funds from operations/consolidated net financial debt;
    - System Average Interruption Duration Index (SAIDI);
    - workplace safety;
  - for key management personnel, objective annual goals connected with their business area have been set in their MBO mechanism, differentiated by the functions and responsibilities assigned to them;
- a long-term variable component linked to participation in specific long-term incentive plans. In particular, for 2021 this component is linked to participation in the 2021 Long-Term Incentive Plan for the management of Enel SpA and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code (2021 LTI Plan), which establishes three-year performance targets for the following:
  - Enel's average TSR (Total Shareholder Return) compared with the average TSR for the EURO STOXX Utilities - EMU index for the 2021-2023 period;
  - ROACE (Return on Average Capital Employed), cumulative for 2021-2023;
  - consolidated net installed renewables capacity/consolidated net installed total capacity at the end of 2023;
  - grams of Scope 1 GHG emissions per equivalent kWh generated by the Group in 2023;
  - percentage of women in management succession plans at the end of 2023.

The 2021 LTI Plan establishes that any bonus accrued is represented by an equity component, which can be supplemented – depending on the level of achievement of the various targets – by a cash component. More specifically, the Plan envisages that 100% of the basic bonus of the Chief Executive Officer/General Manager (compared with a maximum of 280% of the basic bonus) and 50% of the basic bonus of key management personnel (compared with a maximum of 180% of the basic bonus) will be paid in Enel shares previously acquired by the Company. In addition, the disbursement of a significant portion of long-term variable remuneration (70% of the total) is deferred to the second year following the three-year performance period covered by the 2021 LTI Plan.

For more information on the remuneration policy for 2021, please see Enel's "Report on the remuneration policy for 2021 and compensation paid in 2020", which is available on the Company's website (www.enel.com).

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Values and pillars of corporate ethics

A robust system of ethics underlies all activities of the Enel Group. This system is embodied in a dynamic set of rules constantly oriented towards incorporating national and international best practices that everyone who works for and with Enel must respect and apply in their daily activities. The system is based on specific compliance programs, including: the Code of Ethics, the Compliance Model under Legislative Decree 231/2001, the Enel Global Compliance Program, the Zero-Tolerance-of-Corruption Plan, the Human Rights Policy, and any other national compliance models adopted by Group companies in accordance with local laws and regulations.

Code of Ethics

In 2002, Enel adopted a Code of Ethics, which expresses the Company's ethical responsibilities and commitments in conducting business, governing and standardizing corporate conduct on the basis of standards aimed to ensure the maximum transparency and fairness with all stakeholders.
The Code of Ethics is valid in Italy and abroad, taking due account of the cultural, social and economic diversity of the various countries in which the Group operates. Enel also requires that all associates and other investees and its main suppliers and partners adopt conduct that is in line with the general principles set out in the Code. Any violations or suspected violations of Enel Compliance Programs can be reported, including in anonymous form, through a single Group-level platform (the "Ethics Point").
In February 2021, the Board of Directors approved a further update of the Code of Ethics in order to align its content with the current context, including the current corporate mission and the United Nations Sustainable Development Goals, the current organizational structure and the system of procedures, as well as national and international best practices in the areas of diversity and privacy.
With regard to the Code of Ethics, the following table reports the average number of training hours per person, total reports of violations received and violations confirmed.

		2021	2020	Change	
Total reported violations of the Code of Ethics received	no.	**153**	**151**	**2**	**1.3%**
Confirmed violations of the Code of Ethics	no.	**41**	**26**	**15**	**57.7%**
- of which violations involving conflicts of interest/bribery	no.	*7*	*2*	*5*	*-*

Compliance Model under Legislative Decree 231/2001

Legislative Decree 231 of June 8, 2001 introduced into Italian law a system of administrative (and *de facto* criminal) liability for companies for certain types of offenses committed by their directors, managers or employees on behalf of or to the benefit of the company. Enel was the first organization in Italy to adopt, back in 2002, this sort of compliance model that met the requirements of Legislative Decree 231/2001 (also known as "Model 231"). It has been constantly updated to reflect developments in the applicable regulatory framework and current organizational arrangements.

Enel Global Compliance Program (EGCP)

The Enel Global Compliance Program for the Group's foreign companies was approved by Enel in September 2016. It is a governance mechanism aimed at strengthening the Group's ethical and professional commitment to preventing the commission of crimes abroad that could result in criminal liability for the company and do harm to our reputation. Identification of the types of crime covered by the Enel Global Compliance Program – which encompasses standards of conduct and areas to be monitored for preventive purposes – is based on illicit conduct that is generally considered such in most countries, such as corruption, crimes against the government, false accounting, money laundering, violations of regulations governing safety in the workplace, environmental crimes, etc.

Zero-Tolerance-of-Corruption Plan and the anti-bribery management system

In compliance with the tenth principle of the Global Compact, according to which "businesses should work against corruption in all its forms, including extortion and bribery", Enel is committed to combating corruption. For this reason, in 2006 we adopted the "Zero-Tolerance-of-Corruption Plan" (ZTC Plan), confirming the Group's commitment, as described in both the Code of Ethics and the Model 231, to ensure propriety and transparency in conducting company business and operations and to safeguard our image and positioning, the work of our employees, the expectations of shareholders and all of the Group's stakeholders. Following receipt of the ISO 37001 anti-corruption certification by Enel SpA in 2017, the 37001 certification plan has gradually been extended to the main Italian and international subsidiaries of the Group.

		2021	2020	Change	
Training in anti-corruption policies and procedures	no.	**20,074**	**26,660**	**(6,586)**	**-24.7%**
	%	30.3	40.0	(9.7)	-24.3%
Training in anti-corruption policies and procedures by geographical area					
Italy	%	34.5	47.7	(13.2)	-27.7%
Iberia	%	37.4	20.2	17.2	85.1%
Latin America	%	17.8	26.8	(9.0)	-33.6%
Europe	%	21.0	80.7	(59.7)	-74.0%
Africa, Asia and Oceania	%	27.7	28.4	(0.7)	-2.5%
North America	%	75.9	56.7	19.2	33.9%

Human Rights Policy

The Company adopted a human rights policy in 2013, which was subsequently approved by all the subsidiaries of the Group. In implementing the "Guiding Principles on Business and Human Rights" set out by the United Nations, it defines the principles that all associates of Enel SpA and its subsidiaries undertake to respect on the basis of their relevance in the context of their activities and business relationships in each country in which they operate, taking due consideration of local cultural, social and economic diversity and requiring that all its stakeholders adopt a line of conduct that complies with these principles.
Stakeholders are all those who have a direct or indirect interest in the activities of the Enel Group, such as customers, employees of any type or level, suppliers, contractors, partners, other companies and trade associations, the financial community, civil society, local communities and indigenous and tribal peoples, national and international institutions, the media, as well as the organizations and institutions that represent them.
In consideration of the evolution of external conditions and operational, organizational and management developments at Enel, including compliance with the Code of Ethics updated at the beginning of the year, a review of the Human Rights Policy was begun in 2021.
The update, similar to the 2013 version, involved a process of consultation with stakeholders relevant to the Compa-

ny (internal, other companies, suppliers, human rights experts, think tanks, NGOs) conducted in accordance with the criteria contained in the ''UN Global Compact Guide for Business: How to Develop a Human Rights Policy''.

The new code, which was approved by the Board of Directors of Enel SpA on November 4, 2021, identifies twelve principles (compared with the previous eight), again divided into two macro-themes: work practices and community relations.

The Human Rights Policy is a commitment to:

- proactively consider the needs and priorities of people and society in general because this makes it possible to innovate processes and products, a key factor in an increasingly competitive, inclusive and sustainable business model, including through the adoption of the principles of circularity, the protection of natural capital and biodiversity;
- promote the engagement of our main external and internal stakeholders in order to enhance their awareness and develop a constructive dialogue that can provide a valuable contribution to the design of solutions to mitigate climate change.

In addition to the commitment to the contribution to achieving the United Nations Sustainable Development Goals, the updates include: (i) a reminder of how environmental degradation and climate change are interconnected with human rights, in that the implementation of measures to mitigate the effects of human activities on the environment cannot take place without taking account of their social impact; (ii) the strengthening of the principles of "respect for diversity and non-discrimination" and "health and safety" in the part relating to psychological and physical well-being and work-life integration; (iii) an increase in the granularity of our commitment in our relations with communities, with particular regard to local communities, indigenous and tribal populations, privacy and communication.

Enel has undertaken to monitor application of the Human Rights Policy (i) by employing a specific due diligence process in the various countries in which we operate; (ii) by promoting conduct consistent with a just and inclusive transition; and (iii) by enhancing communication with regard to the action plans developed to prevent and remedy situations in which critical issues could arise.

More specifically, the due diligence process for the management system, which is structured into three-year cycles and has been developed in accordance with the main international standards such as the United Nations Guiding Principles on Business and Human Rights, the OECD guidelines and international best practices, enables us to identify opportunities for improvement and develop specific action plans for each country in which we have a presence, accompanied by a plan for improvement at the central level in order to harmonize and integrate processes and policies defined at the global level and applied at the local level. All of these improvement plans are also integrated into the Sustainability Plan.

In the 2020-2022 cycle, some 170 actions have been identified, covering 100% of operations and sites.

As more specifically regards the sustainability of the supply chain, human rights performance is evaluated for all potential suppliers through a dedicated questionnaire in which the characteristics of potential suppliers are analyzed with regard to inclusion and diversity, protection of workers' privacy, verification of their supply chain, forced or child labor, freedom of association and collective bargaining, and application of fair working conditions (including adequate wages and working hours). As enshrined in the Human Rights Policy, in addition to guaranteeing the necessary quality standards, supplier performance must go hand in hand with the commitment to adopt best practices in terms of human rights and working conditions (including appropriate working hours, no forced or child labor, respect for personal dignity, non-discrimination and inclusion of diversity, freedom of association and collective bargaining), workplace health and safety, environmental responsibility and respect for privacy by design and by default. Furthermore, general contractual terms and conditions expressly provide for suppliers to undertake to adopt and implement, among other things, the principles contained in the Human Rights Policy and in the Group's Code of Ethics and to comply with International Labor Organization conventions or legislation in force in the country in which activities are to be performed, if more restrictive, and in accordance with the principles of the Global Compact that Enel has adopted, ensuring that such principles are met in the performance of all activities both by a supplier's employees and its subcontractors.

3. Group Strategy & Risk Management

WEF

Long-term planning

This decade will be the decade of electrification: a key step, along with the development of renewables, in accelerating decarbonization and achieving our ambitious climate goals.

The new 2022-2024 Business Plan

Within the broader ambitions for the positioning of the Group by 2030, the 2022-2024 Business Plan is ideally positioned as the start of a journey of growth that spans the entire decade.

Reference scenarios

Assessing the impacts of climate change and the energy transition is crucial for long-term planning. To this end, the Group has created a comprehensive framework and a process that can translate data into useful information to maximize opportunities and mitigate risks.

Group strategy

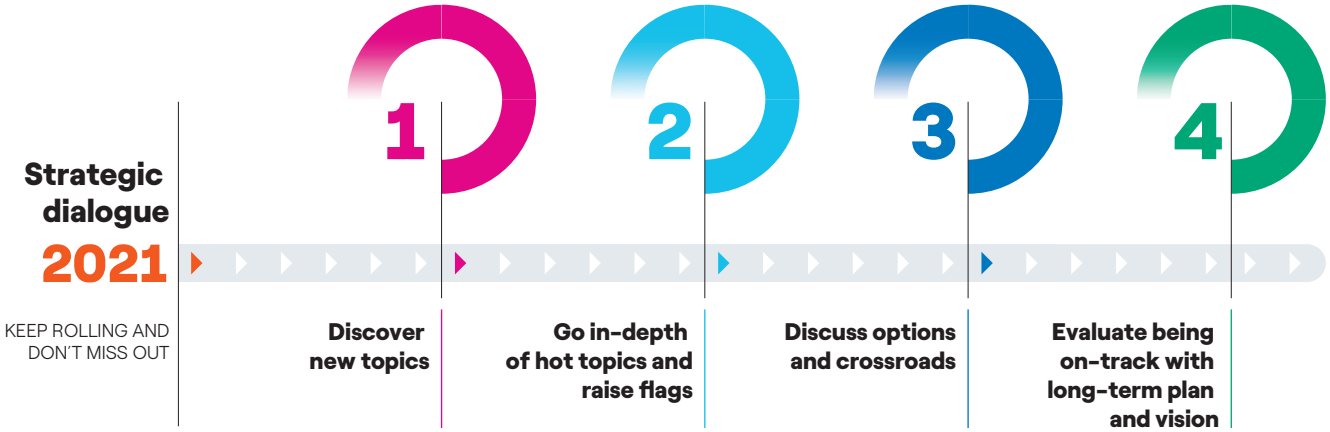
Determination of the Group's long-term strategy is based on an assessment of options that will enable the sustainable generation of value for all stakeholders.

Fundamental to this is the assessment of the external environment and its evolution. To determine the framework in which we operate, we conduct in-depth scenario planning in order to be prepared to seize opportunities and manage future risks and uncertainties in the most robust manner possible. This analysis of what could happen in the external landscape, together with the Group's purpose and our Open Power mission, is key to defining the Group's positioning within that landscape. We then define our long-term ambitions and design the strategic options that characterize our long-term planning.

In recent years, the increasing complexity of the rapidly changing context in which we operate has made it so that the process of defining the Group's strategies has also evolved in order to capture as much of this dynamism as possible, so as to make it an enabling factor in the definition of goals.

Today, this process is organized into the following main activities:

- **strategic dialogue**: a continuous process of active dialogue throughout the year and across all Group functions, through which the strategic topics for the evolution and growth of the Group are identified, analyzed, discussed and addressed. This dialogue is part of a strategic design phase, where communication between executives makes a valuable contribution to developing new strategic options, with an emphasis on the need for cultural or organizational change and synergies between businesses. This process, which is coordinated at the Group level, first involves the identification of topics through consensus among senior management and approval by the CEO. The next phase of the strategic dialogue process involves the structuring of agile working groups with all the professional expertise necessary for the proper analysis of each topic, aimed at the preparation of dedicated workshops or strategic options to be discussed.



The process is centrally governed and includes milestones and deadlines that are defined based, in part, on the relative priority of the decisions to be made. In 2021, the working groups created for the various topics were organized around strategic priorities (e.g., Electrification, Value for the entire System, Decarbonization, Platforms and the Digital Transition, etc.). This process enables us to properly define opportunities related to each strategic topic (including any financial or operational impacts) and a roadmap for the implementation of any actions to be taken. The outputs are then discussed by top management in dedicated meetings. These meetings include one special event, the Top Team Offsite meeting, at which all senior management discusses the priority topics. The most significant conclusions are then included in the Group's long-term planning. This is then followed by the Strategic Summit, usually organized in October in order to discuss the annual update of the Strategic Plan with the Board of Directors. This framework enables governance of the treatment of strategic issues, while at the same time ensuring swift identification of emerging trends and the necessary cross-business involvement for a complete analysis of complex and interdependent issues in the presence of an organizational structure based on the country/Business Line/Service Functions matrix;

- **strategic planning**: this process, which is driven on an ongoing basis by feedback from the strategic dialogue, transforms the information to be processed into quantitative models in order to establish an overview of the industrial, economic and financial evolution of the Group, supplemented by possible active portfolio management. The evaluation of strategic options over a time horizon extends beyond that used in industrial planning, with (i) the definition and the quantitative and qualitative development of alternative macroeconomic, energy and climate scenarios against which overall strategy can be assessed; and (ii) analysis based on stress testing for various factors, including the evolution of the industrial sector, technology, competitive structure and policies;
- **long-term positioning**: the analyses and decisions described in the previous points generate information for long-term positioning on multiple topics and the assessment of ambitions and targets for the Group;
- **analysis of ESG factors and assessment of materiality in the field of sustainability**: the method Enel uses to perform ESG and materiality analysis was developed on the basis of the guidelines set out in numerous international standards (for example, the Global Reporting Initiative - GRI, UN Global Compact, SDG Compass, etc.), with the aim of identifying and evaluating priorities for stakeholders and integrating them into Group strategy.

The strategy of the Enel Group has proven its ability to create sustainable long-term value, fully integrating the themes of sustainability and close attention to climate change issues while simultaneously ensuring increased profitability.
The Group is among the leaders guiding the energy transition through the decarbonization of electricity generation and other activities and the electrification of energy consumption, which represent opportunities both to increase value creation for all and to contribute positively to more rapid achievement of the Sustainable Development Goals set by the United National (SDGs) in the 2030 Agenda.

ICM

Strategic Plan

The decade of electrification – The quest for net zero is under way throughout the world, and decarbonization and the electrification of the global economy are crucial to avoiding the grave consequences of an increase in temperatures of 1.5 °C above pre-industrial levels. The most recent scenarios all indicate that we will need to accelerate the electrification of energy consumption and decarbonize electricity generation in order to achieve our ambitious climate goals. Our customers will play an active role and be the primary beneficiaries of this process.

Over the last 10 years, renewable energy has become the dominant trend in power generation thanks to declining costs, thereby enabling decarbonization to move at a more rapid pace. It has been a decade of radical change in the power generation mix, and this is destined to continue accelerating. The coming decade will be crucial in achieving the goals set by the 2015 Paris Agreement. At the same time, it will also be a period characterized by increasing efforts in electrification, whereby customers will gradually convert their energy consumption to the electrical grid, which will improve spending levels, efficiency, emissions, and price stability.

In order to respond more effectively to the expected acceleration in investment and contribute to more rapidly achieving the primary goals that are needed to combat climate change, the Enel Group intends to leverage the progress we have made in digitalization, as well as our position as:

- the world's leading private-sector player in renewable energy, with a total global capacity of about 53.4 GW;
- the world's primary private-sector network operator, with more than 75 million network customers;
- the private-sector player with the world's largest base of retail customers, with more than 69 million retail customers worldwide.

Our business model – In order to take full advantage of all the opportunities emerging in the marketplace in which we operate, the Group has established the Ownership and Stewardship business models. The most appropriate and effective business model is selected based on the geographical area and context of operations:

- the Ownership business model, by which the Group invests directly in renewable energy, grids and customers. This model is used when operating in countries in which we can leverage the entire value chain, from power generation to integration with the end user. Accordingly, we refer to these countries as "Tier 1", and they include Italy, Spain and Romania in Europe, and the United States, Brazil, Chile, Colombia and Peru in the Americas;
- the Stewardship business model, by which the Group invests in new joint ventures (JVs), existing JVs or acquires minority interests in order to maximize the value of the know-how we have developed in the various businesses in which we have a presence. This is done

by activating specific contract services with partners or by the subsequent development of assets. This model focuses primarily, although not exclusively, on the "non-Tier 1" countries where the Group does not have an integrated presence and where we seek to build partnerships with others in order to explore new geographical areas or to contribute the Group's operating experience in alternative contexts.

Strategic action – Within this landscape, the Group has set the following strategy guidelines:

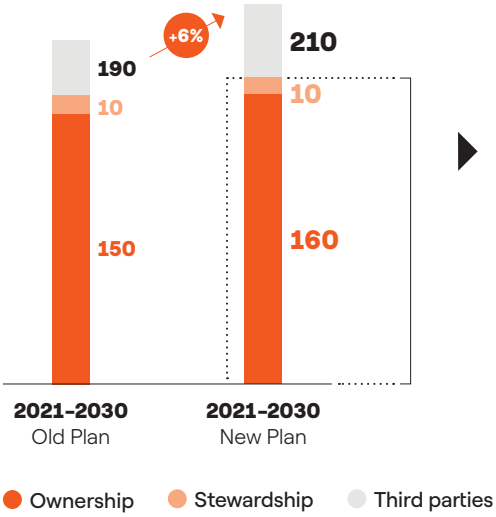
I. *Allocating capital to support the provision of decarbonized electricity*

The Group expects to mobilize €210 billion between 2021 and 2030. Of this total, the Group expects to invest directly some €170 billion (up 6% from the previous Plan) by way of the Ownership and Stewardship business models, with an additional €40 billion being catalyzed through third parties under the Stewardship model.

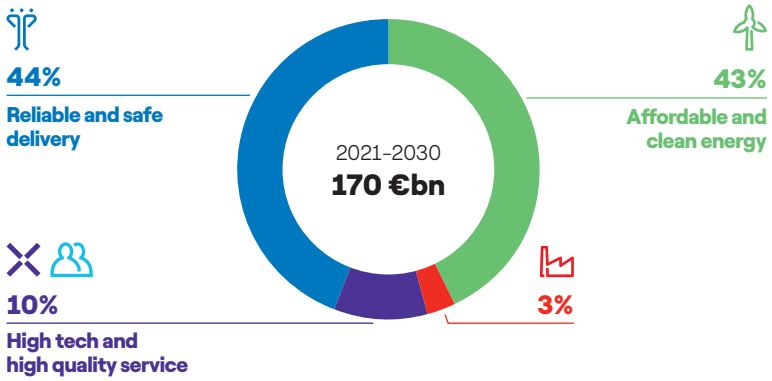
We expect this allocation of capital to accelerate achievement of the Group's electrification and decarbonization goals.

Total investments(1)

(€bn)

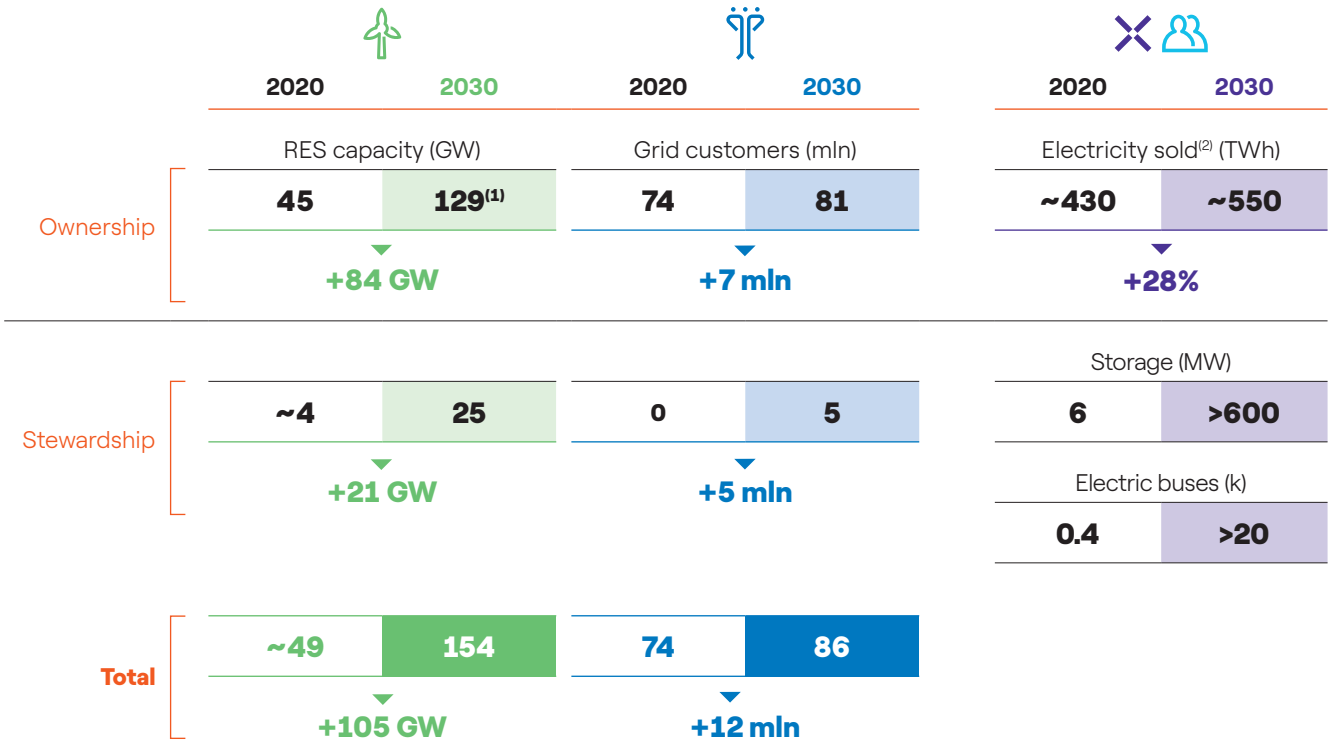


Capex by Business Line and customers' needs



(1) 2021-2030 Old Plan included Enel X consolidated capex in stewardship.

By 2030, the Enel Group expects to manage a total renewables capacity of about 154 GW, triple our 2020 portfolio, as well as to grow our grid customer base by 12 million and promote the electrification of energy consumption, while increasing the volume of electricity sold by nearly 30% and focusing, at the same time, on the development of beyond-commodity services, such as strengthening the electric-vehicle charging grid or for behind-the-meter storage and electric buses, in collaboration with other partners.



(1) It includes RES capacity and BESS.
(2) Power free + regulated + wholesales + PPAs.

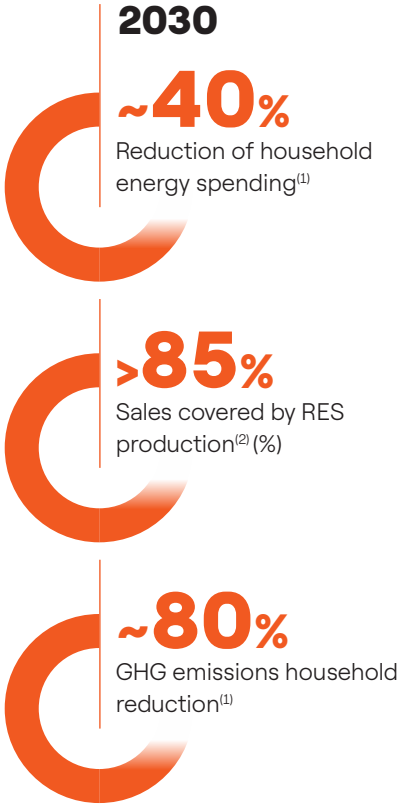
II. *Enabling the electrification of energy demand among customers*

The Group's strategic action will seek to increase value for customers in the business-to-consumer (B2C), business-to-business (B2B), and business-to-government (B2G) segments by increasing the level of electrification of these customers while improving the services provided.

In the "Tier 1" countries, we expect this targeted strategy, paired with investment in our asset base, to increase the Group's integrated margin by 2.6 times between 2021 and 2030 with the support of a unified platform that is able to manage the world's largest customer base of any private-sector player.

The Group will be taking advantage of our integrated positioning in the "Tier 1" countries, where we forecast:

- an 80% increase in revenue compared with 2021;
- a 40% decrease in the total cost of energy sold to customers from all sources as compared with 2021.



(1) Vs. 2020, based on Enel's portfolio of clients in Italy and Spain.
(2) Based on "Tier 1" countries; free market.

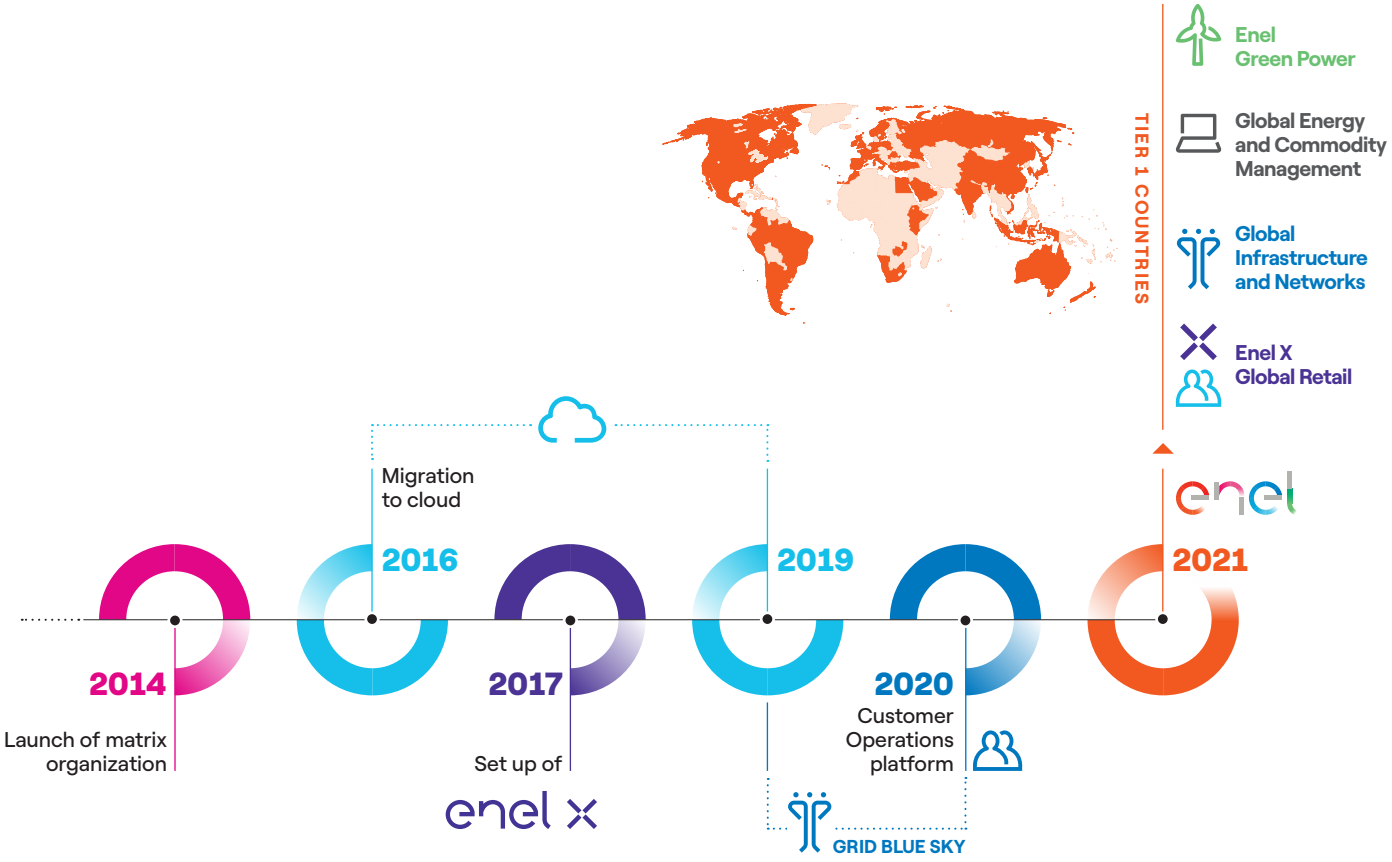
The increase in the volume of electricity sold and the growth in beyond-commodity services will be accompanied by a generalized reduction in costs. More specifically, we expect total production costs to decrease by about 50% as a result of greater use of our own output in electricity sales and an increase in the share of renewable energy in the Group's generation mix, which is expected to increase from around 60% in 2021 to more than 85% by 2030 in the "Tier 1" countries.

We also estimate that value created for customers by the Group could lead to a reduction of up to 40% in their total energy costs, together with a decrease of up to 80% in their carbon footprint by 2030.

III. *Focusing on the creation of value throughout the value chain*

To reinforce our strategy of focusing on the customer by making use of platforms, the Group has created the Global Customer Operations Business Line, which is responsible for defining commercial strategies and guiding the allocation of capital towards customer needs by leveraging electrification and continuing to improve service quality.

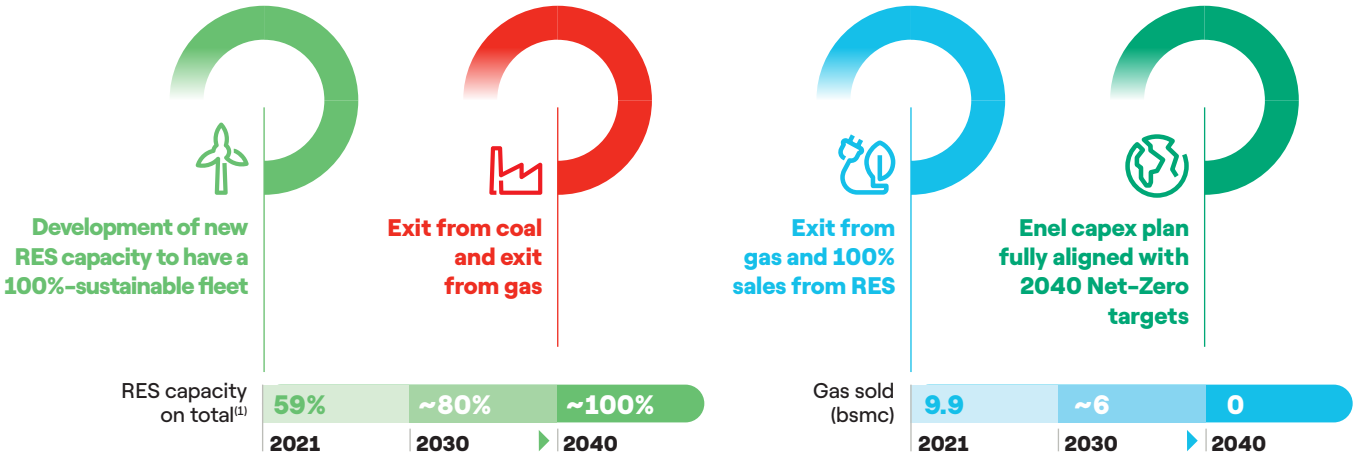
This renewed focus of the Group will accompany the balancing and streamlining of our portfolio by way of: (i) a focus on "Tier 1" countries; (ii) resources made available by selling off assets that no longer serve Group strategies; and (iii) extraordinary operations aimed at improving positioning, acquiring skills or generating synergies.



IV. *Moving sustainable Net Zero goals up to 2040*

The Group's strategy and positioning planned for 2030 enable us to affirm our intention to move up achievement of Paris Agreement's Net Zero commitment by 10 years, from 2050 to 2040, for both direct and indirect emissions. Enel is committed to achieving zero emissions, without the use of any carbon-removal technologies or nature-based solutions, related to power generation and the sale of electricity and natural gas to end users.

The plan by which the Group expects to reach this ambitious goal ahead of our original schedule is based on the implementation of certain key strategic steps: (i) the expectation to accelerate the decarbonization of generation, progressively replacing our thermal portfolio with new renewables capacity while also taking advantage of the hybridization of renewables with storage solutions; (ii) by 2040, the electricity sold by the Group will be 100% renewable and we will exit the retail sale of natural gas.



(1) Including 3.3 GW of managed renewable capacity.

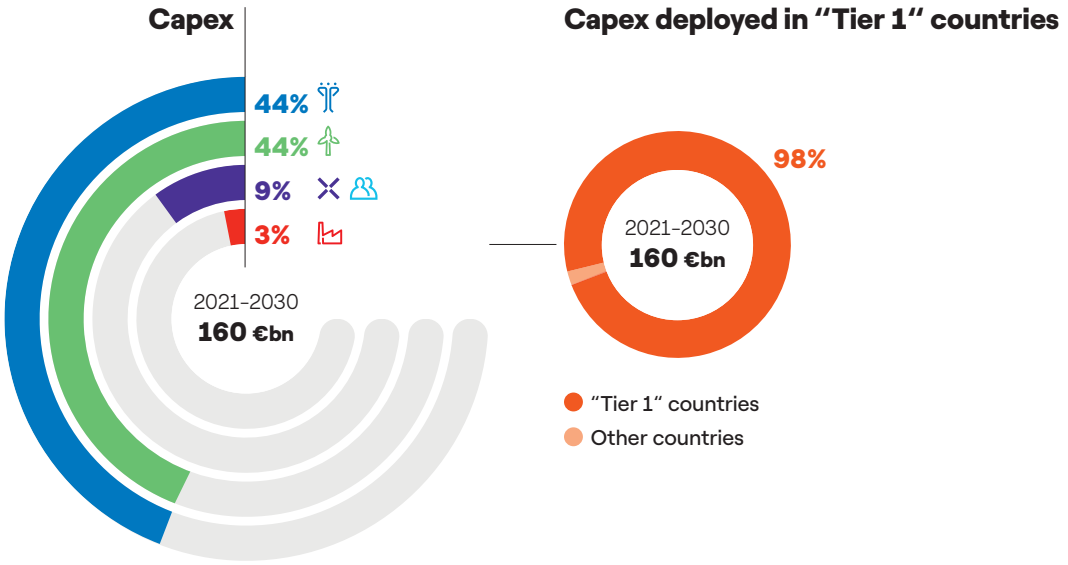
Investment plan

The Group's investment plan is fully aligned with its goal of achieving net zero by 2040 (in line with the Paris Agreement's goal of limiting global warming to 1.5 °C). Consequently, investments in carbon-intensive assets or products will gradually decline to zero by 2040.

In line with this vision, over the next decade the Group expects to directly invest some €160 billion under the Ownership business model, mainly in "Tier 1" countries.
More specifically:

- nearly half (€70 billion approximately) will be dedicated to our Renewables business, where we expect an increase of about 84 GW in capacity compared with 2020, 9 GW of which in storage, to bring our consolidated renewable energy installed capacity to 129 GW by 2030. We expect this outcome to be achieved by developing a growing pipeline, equal to about 370 GW and more than doubling since last year, along with three global platforms for the activities of Business Development, Engineering and Construction, and Operations and Maintenance;
- an additional investment of about €70 billion is planned for the Infrastructure and Networks business, up €10 billion from the previous plan and concentrated in Europe, with the goal of strengthening the Group's position as a global player in terms of size, quality, efficiency, and resilience. We forecast that this investment will produce a regulatory asset base (RAB) of €65 billion by 2030, along with the full digitalization of our entire network customer base with smart meters. Development

of Group activities in this space will benefit from implementation of Grid Blue Sky, a digital platform to manage the grid assets within the framework of a unified, global model that places the customer at the heart of the value chain.



Within the scope of the Stewardship business model, the Group plans to invest about €10 billion, while also catalyzing €40 billion in additional investment by third parties.

Net Zero by 2040

In 2019, Enel, responding to the call for action from the United Nations, signed a commitment to act to limit the increase in global temperatures to 1.5 °C and be net zero across its entire value chain by 2050, including both direct (Scope 1) and indirect (Scopes 2 and 3) emissions.
In 2021, Enel announced that we have moved up our Net Zero target to 2040. This commitment calls for: (i) the 100% reduction of direct emissions (Scope 1) and of indirect emissions related to gas sales (Scope 3 Gas); (ii) a reduction of at least 90% in all other indirect emissions (Scopes 2 and 3). This objective requires not only a sharp acceleration in renewables and energy efficiency, but also a complete rethinking of the economic model and investment planning. Over the next 10 years, the Strategic Plan presented by Enel in November 2021 describes how the massive investments envisaged through the Ownership business model are consistent with the objective of reducing direct emissions (Scope 1) to 82 gCO_{2eq}/kWh by 2030, an objective that has been certified by the Science Based Targets initiative (SBTi) as in line with the 1.5 °C scenario set out in the Paris Agreement. In particular, investments in new renewables capacity will enable the achievement of certain key performance indicators (KPIs): renewable sources will account for more than 80% of total capacity and about 80% of electricity generation in 2030. This will allow the share of "emission-free" generation to grow from 65% in 2020 to over 85% in 2030 and, consequently, to cut direct emissions from 211 gCO_{2eq}/kWh in 2020 to 82 gCO_{2eq}/kWh in 2030.
The goal of achieving total decarbonization by 2040 requires a complete rethinking of the economic model in terms of circularity.
Accordingly, Enel is acting on the main lever of direct emissions and at the same time rethinking its business model in a broader sense to act on all other dimensions.

The Group has increased both awareness of and transparency around all categories of indirect emissions. Despite the fact that reporting on indirect emissions is voluntary, Enel has prepared a more in-depth report of emissions from fuel extraction and transport, grid losses, self-consumption, and supplier relations.

Net-Zero commitment

As a signatory of the "Business Ambition for 1.5 °C" campaign promoted by the United Nations and other institutions, Enel is committed to setting a long-term goal to achieve net-zero emissions across the entire value chain by 2040 (up from the previous target of 2050), including both direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3), together with science-based targets in all relevant areas and in line with the criteria and recommendations of the Science Based Targets initiative (SBTi).

	GHG target	Scope	Climate scenario	Main drivers and actions to achieve target
Short term (2024)	140 gCO_{2eq}/kWh by 2024	**100% of Scope 1** GHG emissions[1]	1.5 °C[2]	• Gradual phase out of coal-fired capacity in the 2022-2024 period (percentage of coal capacity out of total consolidated capacity reduced from 7% in 2021 to about 4% in 2024) • Invest €17.3 billion to accelerate the development of renewable energy by installing 17 GW of new renewables capacity in the 2022-2024 period, reaching 67 GW of consolidated renewables capacity by 2024
	21.3 million tCO_{2eq} by 2024	**100% of Scope 3** emissions connected with the sale of natural gas on end-user market	1.5 °C[2]	• Promote the switch of customers from gas to electricity (especially residential customers) • Optimize the gas portfolio of customers (especially industrial customers)
	≤130 gCO_{2eq}/kWh by 2024	**100% of of Scope 1 and Scope 3** emissions connected with the sale of electricity on end-user market	1.5 °C[2]	• Increase the percentage of renewable energy sold to customers, while increasing Group's renewables production
Medium term (2030)	82 gCO_{2eq}/kWh by 2030 (80% reduction compared with 2017)	**100% of Scope 1** GHG emissions[1]	1.5 °C, SBTi certified	• Exit from coal-fired generation (phasing out 16 GW of coal capacity) • Invest €65 billion to accelerate the development of renewable energy by installing 75 GW of renewables capacity in the 2021-2030 period, reaching 120 GW of consolidated renewables capacity by 2030 (3 times installed renewables capacity in the 2017 base year)
	11.4 million tCO_{2eq} by 2030 (55% reduction compared with 2017)	**100% of Scope 3** emissions connected with the sale of natural gas on end-user market	1.5 °C[3]	• Update to previous target, equal to a 46% reduction compared with the previous 2030 target • Promote the switch of customers from gas to electricity (especially residential customers) • Optimization of the gas portfolio of customers (especially industrial customers)
	≤73 gCO_{2eq}/kWh by 2030 (80% reduction compared with 2017)	**100% of Scope 1 and Scope 3** emissions connected with the sale of electricity on end-user market	1.5 °C[3]	• Increase the percentage of renewable energy sold to customers, while increasing Group's renewables production

	GHG target	Scope	Climate scenario	Main drivers and actions to achieve target
Long term (2040)[4]	~0 gCO_{2eq}/kWh by 2040	**100% of Scope 1** GHG emissions[1]	1.5 °C[3]	• Gradual phase out of thermal capacity and achieve a 100% renewable energy mix • No use of carbon-removal technologies
	~0 million tCO_{2eq} by 2040	**100% of Scope 3** emissions connected with the sale of natural gas on end-user market	1.5 °C[3]	• Exit from the sale of gas to end users by promoting the electrification of energy consumption • No use of carbon-removal technologies
	~0 gCO_{2eq}/kWh by 2040	**100% of Scope 1 and Scope 3** emissions connected with the sale of electricity on end-user market	1.5 °C[3]	• Aim to achieve sale of 100% renewable energy to end users by 2040 • No use of carbon-removal technologies
	Net-zero emissions by 2040	**All remaining emissions** (Scopes 1, 2 and 3)	1.5 °C[3]	• Potential use of carbon-removal technologies

(1) Although Enel constantly monitors Scope 2 emissions and is actively committed to reducing them, the Group has not set a specific reduction target, as they represented less than 4% of total Scope 1 and Scope 2 emissions in 2017 (base year of the target certified by SBTi). Therefore, they are considered marginal and fall within the exclusion criteria under the SBTi methodology, which sets a margin of 5% on total Scope 1 and Scope 2 emissions.
(2) The target could not be officially validated by SBTi because the targets must cover a minimum of 5 years and a maximum of 15 years from the date the target is presented to SBTi for official validation. However, they meet the 1.5 °C path established by the SBTi for the electricity services sector (sectoral decarbonization approach, SDA).
(3) We expect to request SBTi certification of the target in June 2022 and, in any event, based on a schedule agreed upon with SBTi.
(4) In compliance with the Group's Net-Zero commitment, which comprises both direct and indirect emissions, targets also will be set for additional components of Scope 2 and Scope 3 emissions in accordance with the Net-Zero Standard that SBTi published in October 2021.

The Enel Group's strategy with regard to the IEA NZE scenario

The Net Zero Emissions (NZE) scenario of the International Energy Agency (IEA) sets out one of the possible paths to achieving global net-zero emissions by 2050. It is the most ambitious of the scenarios defined by the IEA and was developed with the goal of reducing emissions by the energy system in line with the goal of containing the average increase in global temperatures to within +1.5 °C. Compared with the IEA's other scenarios, there is a gap to be closed in emission reductions by way of a sharp acceleration in terms of policies and in terms of the rate of electrification and the development of renewables capacity. Like all IEA scenarios, this scenario, too, is based on currently known industrial processes and consumption models and on existing technologies and does not include any disruptive technologies that could emerge in the coming years.

The IEA NZE scenario is particularly useful to help businesses assess the sustainability of their strategies in relation to a scenario of net-zero emissions by 2050. The roadmap to net-zero emissions set out in this scenario provides helpful, global and regional signposts in terms of the evolution and penetration of technologies deemed necessary to reach this goal. Nonetheless, local details are not always available in order to test more granular business assumptions and hypotheses.

As for Enel's strategy, the main points of note are as follows:

- exit from gas-fired generation by 2040, with a roadmap that does not call for any carbon-removal technologies or solutions, which are not compatible with the Group's strategic or technological positioning. Therefore, this is a target of zero, not "net" zero, direct emissions characterized by power generation that is entirely renewable;
- forecasts of end-use electrification that, in accordance with the IEA NZE roadmap, call for milestones that would leave room for additional business opportunities due, in particular, to the segments of transportation (e.g., 60% of global car sales must be electric vehicles, no new combustion-engine cars by 2035, etc.) and heating and air conditioning.

The Sustainability Plan

People centricity is one of the pillars of Enel's sustainability strategy.

The Group is committed to providing the best conditions and opportunities for the people who work for us, with the goal of facing the challenges of the energy transition in line with the United Nations' just-transition commitment signed in 2019. Upskilling, reskilling and specific training in digital skills are being paired with action plans for employee development and valuing diversity aimed at creating an inclusive workplace by way of detailed objectives, including in terms of listening to employees and evaluating their performance. Within this context, the Group has raised targets, compared with the previous year, related to the percentages of female senior managers and middle managers to 26.8% and 33.4%, respectively, by 2024.

At the same time, one of the pillars of our sustainability strategy centers on the importance of the relationship with the local communities in which the Group operates, with the commitment, for the period 2015-2030, to reach: 5 million beneficiaries of a quality education (SDG 4); 20 million beneficiaries of clean, accessible energy (SDG 7); and 8 million beneficiaries of decent work and lasting, inclusive and sustainable economic growth (SDG 8).

To support the Group's sustainability strategy, a focus on health and safety throughout the value chain continues to be of central importance, made possible by way of constant, increasing monitoring. The Group is committed to promoting issues of sustainability and quality in supplier relations throughout the supply chain. Also crucial is environmental management aimed at reducing emissions, the consumption of water and other natural resources, and the preservation of biodiversity, and a strong governance structure continues to be a cornerstone of Group strategy. Finally, the energy transition must include enabling factors such as digitalization and cyber security, by way of which the Group is committed to promoting the most advanced solutions and actions to verify them (e.g., ethical hacking, vulnerability assessments, and cyber exercises involving industrial plant and facilities).

The adoption of a fully sustainable business model requires us to completely rethink the concept of circularity. The circular economy is fundamental for two reasons in particular: on the one hand, it is an indispensable lever in achieving the goals of decarbonization throughout the value chain,[(5)] as well as making a positive contribution to resolving a series of other critical environmental issues in terms of the use of soil, water consumption, the creation of waste, etc.; on the other, the large-scale adoption of technologies such as photovoltaic power, batteries, and electrical mobility requires, right from the start, a circular

(5) It is estimated that about 45% of emissions at the Planet level are currently associated with the extraction and production of materials, manufacturing and disposal.

approach to raw materials – and critical raw materials especially – throughout the value chain.
For years now, based on this awareness, Enel has included the circular economy among our strategic drivers by way of:

- increasing engagement with suppliers in order to measure the circularity of all that we purchase (e.g., the EPD project, which covers the Group's strategic categories and accounts for about 55% of all products purchased globally), the implementation of a system of tracking the raw materials procured, and co-innovation with suppliers with an emphasis on solutions to close loops together by way of specific projects;
- focusing on new models for the use of assets, extending the useful lives of the assets in use, and increasing focus by way of remanufacturing and recycling projects for assets that have reached the end of their useful lives;
- in terms of customers, both increasing the circularity of the solutions offered by Enel X for end users and supporting customers in terms of metering and improving circularity by way of reporting and consulting services.

A transition of this sort requires a change both in technology and business models, methods of interaction within the value chain and the functioning of the economic model writ large. To this end, Enel is collaborating with businesses, organizations and stakeholders in all countries in which we have a presence. All of this will also require a profound transformation in skills and professionalism, for which we are placing a great deal of emphasis on training and on new approaches to collaboration between the various areas of the Group.
We have also seen growing interest in this issue in recent years from the financial services industry, and Enel has, for some time now, been supplementing our efforts with a view to financing in order to ensure that new initiatives are designed from the start to be financially competitive (and so scalable) and to contribute to the profitability and derisking of Group performance overall.

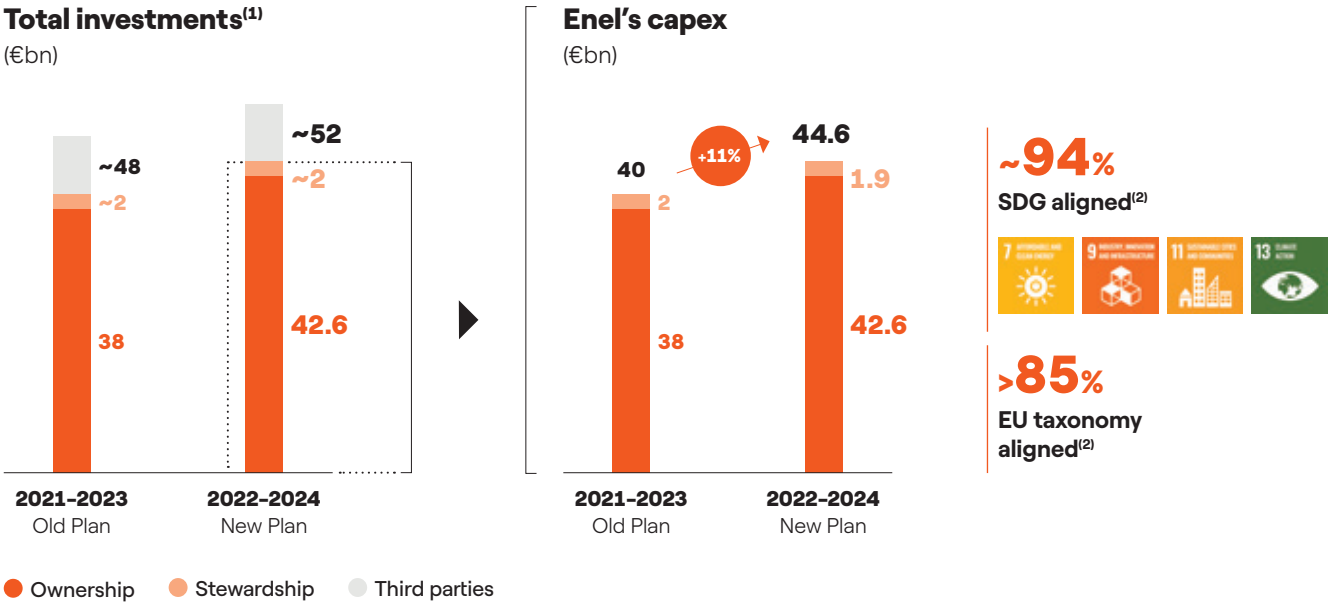
The 2022-2024 Business Plan

Within the broader ambitions for the positioning of the Group by 2030, the 2022-2024 Business Plan is ideally placed as the starting point for a growth path spanning the entire decade.
Over the next three years, the Group will be operating within the framework of the objectives set for 2030. More specifically, the mid- and long-term strategies are fully in line with the following strategic actions.

I. *Allocating capital to support the delivery of decarbonized electricity*

The Group plans to directly invest a total of around €45 billion over the period 2022-2024, an increase of 12% above the previous Plan, while also mobilizing an additional €8 billion from third parties within the scope of the Stewardship business model.

For the period 2022-2024, the Group plans to invest some €43 billion within the Ownership business model, aligning 94% with the United Nations Sustainable Development Goals (SDGs). Specifically, these funds will be aimed at achieving the targets of SDG 7 ("Affordable and Clean Energy"), SDG 9 ("Industry, Innovation and Infrastructure"), and SDG 11 ("Sustainable Cities and Communities"), thereby helping to combat climate change (SDG 13 - "Climate Action").
The alignment of the investments envisaged in the Group's Strategic Plan with decarbonization and greenhouse gas reduction objectives is defined on the basis of a specific methodology in which investments in renewables and retail power by their very nature fall under SDG 7, investments in the distribution grid fall under SDG 9 and investments in Enel X concern SDG 11. The 94% mentioned above therefore excludes investments in conventional generation and retail gas.
Furthermore, it is estimated that between 80% and 90% of planned investments will be aligned with the criteria of the European taxonomy, given the substantial contribution to climate change mitigation.

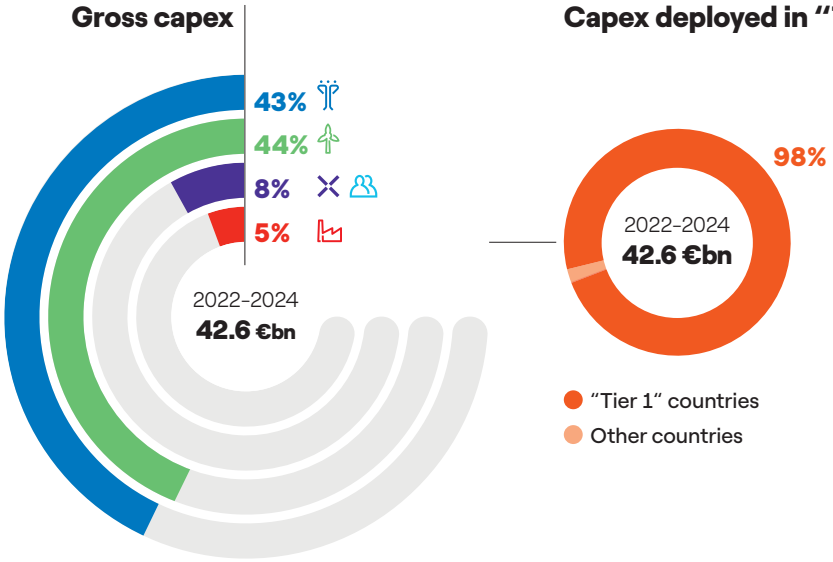


(1) 2021-2023 Old Plan included Enel X consolidated capex in stewardship.
(2) Referred only to capex under the ownership model.

Over the same period, the Group also plans to invest some €2 billion (of which 27% in renewables, 17% in the distribution grid and the remaining 56% to enable customer electrification) within the scope of the Stewardship business model by way of capital contributions and acquisitions of minority interests, while also mobilizing an additional €8 billion in investment by third parties. Investment in conventional generation will decline progressively over the period covered by the Plan.

Of the Group's total investment planned under the Ownership and Stewardship models for 2022-2024:

- about €19 billion is expected to go to Renewables, particularly in countries in which the Group benefits from business integrated with the end user. The Group's total renewables capacity is expected to increase to 77 GW, up from an estimated 53 GW installed at the end of 2021. As a result, it is estimated that zero-emission production will reach 77% by 2024 and that, over the same period, carbon emissions per kWh will decline by more than 35% compared with 2021, moving the Group closer to achieving our net-zero goals on schedule;
- about €18 billion is expected to go to the Infrastructure and Networks business, up 12% from the previous Plan, as a result of increased investment in Europe, which is expected to take advantage of opportunities created by the national plans under the EU's Recovery and Resilience Facility. With these investments, the goal of which is to further increase grid quality and resilience, it is estimated that the Group's RAB will reach €49 billion, an increase of nearly 14% over 2021.



II. *Enabling the electrification of energy demand among customers*

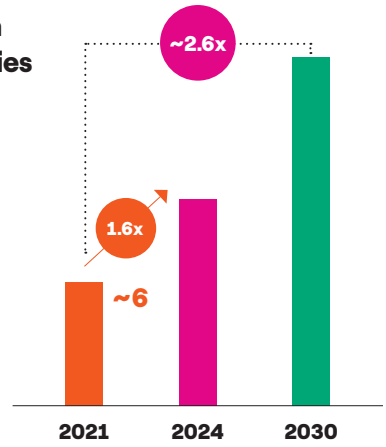
With the Group's new customer-centric model, the integrated margin is expected to grow 1.6 times by 2024 as compared with 2021. Over the next three years, revenue from customers are expected to increase by 26%, while electricity sales are expected to rise by 25%. This will be accompanied by about a 15% decrease in the total cost of energy sold compared with 2021, thanks, in part, to a reduction of about 23% in average production costs.

III. *Focusing on the creation of value throughout the value chain*

Active management of assets will complete the process of streamlining the Enel Group and providing the resources to be used to take advantage of additional opportunities for growth. These actions are expected to generate a €300 million increase in profits once fully operational.

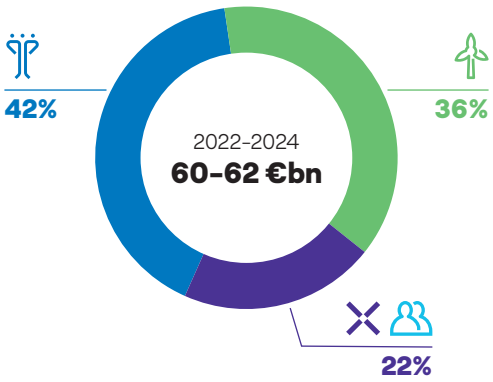
Integrated margin in "Tier 1" countries

(€bn)



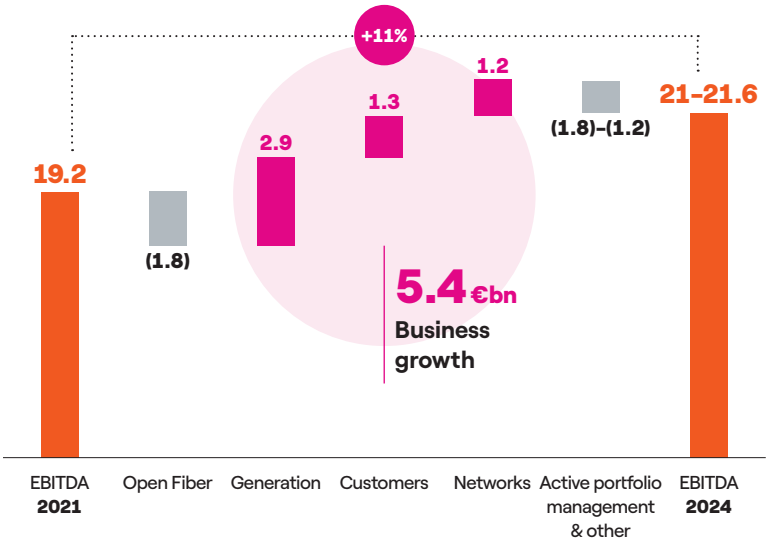
At the Group level, ordinary EBITDA is expected to grow by 11%, from €19.2 billion in 2021 to between €21.0-21.6 billion by 2024.

Cumulated EBITDA by GBL



EBITDA evolution over 2021-2024

(€bn)



The following factors are expected to contribute to this growth in the Group's ordinary EBITDA:

- growth in Renewables will be the main driver for the period, with an expected contribution of about €2.0 billion out of a total contribution of the power generation business of €2.9 billion. The evolution of the generation portfolio is expected to translate into a 45% increase in the EBITDA of Enel Green Power[6] over the period of the Plan, from the €6.0 billion of 2021 to €8.7 billion by 2024;
- EBITDA for the Customers business is expected grow by about 40% over the period of the Plan to reach €4.9 billion by 2024, up from the €3.4 billion of 2021. This growth will be driven by Group actions to implement an integrated strategy in terms of commercial strategy and generation capacity, as well as by the contribution of electricity volumes on the free market and by incremental needs for additional services;
- EBITDA for the Infrastructure and Networks business is expected to increase by 16% to €8.7 billion by 2024, up from the €7.7 billion of 2021. The primary factors in this growth are the increase in RAB, driven by increased capital expenditure, programs to increase efficiency, increases in inflation-indexed rates, particularly in Latin America, and increased volumes in energy distribution.

(6) Including conventional generation activities.

Ordinary profit is expected to increase by about 20%, from €5.6 billion in 2021 to between €6.7-6.9 billion by 2024, as a result of the operating trends described above and the ongoing optimization of the Group's financial management. This optimization will be achieved primarily by way of increases in sustainable sources of financing, which are expected to account for about 65% of total gross debt by 2024, decreasing the cost of gross debt to an estimated 2.9% by 2024, down from 3.5% in 2021.

We expect the use of debt to remain stable at a ratio of net debt to EBITDA for the Group of 2.9 times over the period of the Plan, with net debt for the Group expected to be €61-62 billion by 2024, up from €52 billion in 2021.

Enel's dividend policy for the period will remain simple, predictable and attractive. Shareholders are expected to receive a fixed dividend per share (DPS) that will grow by 13% from 2021 to 2024 to reach €0.43/share. We estimate that the expected growth in profits, added to the underlying dividend yield, will translate into a total yield of around 13%.

		2021	2022	2023	2024
Earnings growth	Ordinary EBITDA (€bn)	19.2	19-19.6	20-20.6	21-21.6
	Net ordinary income (€bn)	5.6	5.6-5.8	6.1-6.3	6.7-6.9
Value creation	Fixed DPS (€/sh)	0.38	0.40	0.43	0.43
	Implied dividend yield[(1)]	5.4%	5.7%	6.1%	6.1%

(1) Enel Share Price: 7 €/sh.

Total return

Reference scenario

Macroeconomic environment

The world economic environment in 2021 was characterized by a broad-based economic recovery, with world GDP growth of about 5.8% on an annual basis in 2021, following a sharp drop of about 3.5% the previous year. This recovery was made possible – especially in more developed countries – with significant fiscal support from governments and rapid and effective vaccination, which prevented the introduction of significant restrictions on economic activity and mobility, especially in the 2nd Half of the year. However, the differences in the pace of vaccination between developed and developing countries was also substantially reflected in the GDP growth rates, engendering clear disparities in the recovery of the different economies.

The generalized reopening of countries at the beginning of 2021 in concomitance with the initial roll out of vaccines generated sharp imbalances between supply and demand on a global scale, creating large distortions in supply chains and, consequently, pushing up the prices of raw materials. These inflationary pressures also spilled over into the prices of intermediate and consumer goods, creating a surge in inflation spiral that, accompanied by severe bottlenecks due to logistical hurdles, is expected to continue in 2022.

In the advanced countries, the 2nd Half of the year was marked by an unexpected economic slowdown, reflecting interrelated factors such as an upturn in COVID-19 cases driven by the spread of new variants on a global scale and bottlenecks associated with logistical challenges. With resurgent demand buoyed by the reopening of economies, limits on production accompanied by the already rising prices of commodities have generated severe inflationary pressures, boosting inflation to record levels.

US GDP grew by 5.7% on an annual basis in 2021, but in the 2nd Half expanded more slowly than expected at the beginning of the year due to general slowdowns in private consumption and industrial production in connection with the various waves of COVID-19, the reduction of the government support for private individuals that marked the first months of the pandemic, shortages of raw materials and sharply higher energy prices. For 2022, projections confirm a slowdown in the economy as the support provided by excess private saving, which helped fuel the recovery in early 2021, will dissipate. Another factor will be the shift in the monetary policy stance to a less accommodative posture with the Federal Reserve's announcement that it would begin tapering its purchases of securities and could increase its main official rates as early as this year. Furthermore, significant risks linked to the pandemic, inflation pressures at least until the end of the year, and political uncertainty connected with the mid-term elections in November 2022 persist.

In the euro area, the real economy posted a strong recovery in both the 2nd and 3rd Quarters of 2021, with annual GDP growing by 5.2%. However, the economic recovery slowed in the 4th Quarter due to steep increases in energy prices and the resurgence of COVID-19 with the Omicron variant, which prompted many countries to reintroduce business closures and restrictions on mobility. The price increases in the energy sector represent a crucial risk factor, especially for industrial production, which is more sensitive than private consumption, and therefore for the outlook for growth in 2022. However, inflationary pressures associated with the high prices of electricity and natural gas will have heterogeneous impacts within the euro area, and investment will receive significant support from the Next Generation EU recovery plan. Finally, the monetary policy stance of the European Central Bank will remain accommodative in 2022, although it has been announced that the massive pandemic emergency purchase program (PEPP) will be gradually tapered, but not before March.

In Latin America, the progress of national vaccination campaigns led to a steep drop in COVID-19 cases in the 2nd Half of 2021. The associated reopening of national economies coincided with a global increase in food and energy prices, weak local currencies and periods of severe drought in several large areas of the continent. These factors produced a general increase in the price level, with inflation well above the targets of many local central banks. The Argentine economy has shown signs of recovery, with GDP growing by 9.8% on an annual basis in 2021. Structural problems persist, mainly concerning inflation and the public finances, but negotiations with the International Monetary Fund continue on a debt restructuring to avoid default in 2022. In Brazil, most sectors of the economy recovered to pre-pandemic levels, with GDP growth estimated at an annual 4.7% in 2021. High levels of inflation prompted a restrictive monetary policy stance, which, combined with the limited contribution of reopening to growth as a result of the vaccination process, is moving the country towards a 2022 of stagflation. Further downside risks are represented by political uncertainty, with the previous President Lula favored for the upcoming elections. In 2021, the Chilean economy was driven by an upturn in private consumption and investment, which produced GDP growth of 12% on annual basis. Current risks are mainly represented by the uncertainties associated with the choices that the newly elected leftist candidate Gabriel Boric will

make. With inflation above the national target and a growing current account deficit, he could pursue excessively radical programs, with consequences for Chilean assets, including the local currency, which had adverse repercussions at the beginning of 2022. In Colombia, currency and inflationary pressures led to a generalized increase in prices, with annual inflation standing at 3.5% in 2021. For 2022, downside risks are represented by a slowdown in oil prices and global demand despite the estimated annual GDP growth of 9.6% in 2021. In Peru, the reopening of the economy and an accommodative monetary policy stance fueled annual GDP growth of 12.9% in 2021. For 2022, the risks of low or moderate growth are mainly attributable to the removal of current fiscal and monetary stimuli and considerable political uncertainty, with President Castillo surviving an impeachment attempt just four months after taking office.

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GDP growth and inflation(1)

%	GDP		Inflation		
	2021	2020	2021	2020	Change
Italy	**6.5**	**-9.0**	**2.0**	**-0.1**	**2.1**
Spain	5.0	-10.8	3.0	-0.3	3.3
Portugal	4.9	-8.4	-	-	-
Greece	8.8	-8.8	-	-	-
Argentina	9.8	-9.9	48.1	42.0	6.1
Romania	6.3	-3.7	4.1	2.6	1.5
Russia	4.4	-3.0	6.7	3.4	3.3
Brazil	4.7	-4.2	8.3	3.3	5.0
Chile	12.0	-6.0	4.5	3.0	1.5
Colombia	9.6	-6.8	3.5	2.5	1.0
Mexico	5.2	-8.4	5.7	3.4	2.3
Peru	12.9	-11.0	4.0	1.8	2.2
Canada	4.7	-5.2	3.4	0.8	2.6
United States	5.7	-3.4	4.7	1.2	3.5
South Africa	4.7	-6.4	4.5	3.3	1.2
India	-	-	5.1	6.8	-1.7

(1) The GDP and inflation figures are the best estimate available at the publication date and are subject to revision by national statistical institutes in the coming months.

Source: national statistical institutes and Enel based on data from ISTAT, INE, EUROSTAT, IMF, OECD and Global Insight.

Exchange rates

	2021	2020	Change
Euro/US dollar	1.18	1.14	3.39%
Euro/British pound	0.86	0.89	-3.49%
Euro/Swiss franc	1.08	1.07	0.93%
US dollar/Japanese yen	110	107	2.80%
US dollar/Canadian dollar	1.25	1.34	-7.20%
US dollar/Australian dollar	1.33	1.45	-9.02%
US dollar/Russian ruble	73.71	72.29	1.93%
US dollar/Argentine peso	95.16	70.68	25.73%
US dollar/Brazilian real	5.40	5.16	4.44%
US dollar/Chilean peso	760.72	791.61	-4.06%
US dollar/Colombian peso	3,747.97	3,692.87	1.47%
US dollar/Peruvian sol	3.88	3.50	9.79%
US dollar/Mexican peso	20.29	21.48	-5.86%
US dollar/Turkish lira	8.90	7.02	21.12%
US dollar/Indian rupee	73.93	74.08	-0.20%
US dollar/South African rand	14.79	16.46	-11.29%

The energy industry

Energy – Commodity conditions in 2021

During 2021, the oil market experienced sharp growth in its indices, reflecting the optimism for the recovery of economic activity, combined with the precautionary measures of OPEC+ regarding production cuts, which produced tensions in price indices in the 2nd and 3rd Quarters. After peaking in October, with the spread of new COVID-19 variants, prices began to ease, falling below $75/barrel in December.

In 2021, the European gas market experienced considerable volatility, caused by both supply and demand factors. In the 1st Half of the year, lower than average temperatures and a heating season that lasted until May led to a progressive depletion of gas inventories in Europe, with a consequent increase in demand during the summer months.
On the supply side, however, LNG exports from the United States have been attracted to the Asian market, further exacerbating the commodity's scarcity.

The rise in gas prices, combined with strong Chinese demand, in turn led to an increase in coal prices, which peaked at $231 per metric ton in October, before falling below $150 per metric ton in November following the reopening of a number of mines in China, which eased supply-side strains.

		2021	2020	Change
Brent	$/barrel	71	43	65.1%
API2	$/ton	120	50	-
TTF	€/MWh	46	9	-
CO_2	€/ton	53	25	-
Copper	$/ton	9,310	6,177	50.7%
Aluminum	$/ton	2,472	1,704	45.1%
Nickel	$/ton	18,461	13,787	33.9%

The prices of CO_2 in the ETS are also increasing, following the strong commitment expressed by the European authorities, culminating in the approval in July of the "Fit for 55" package, an expression of the desire to reduce CO_2 emissions by at least 55% by 2030. Expectations of rising prices, combined with strains in the gas market and the increase in speculative positions in this market, produced an increase in the price of the commodity, which at the end of December stood above €80/ton.

Similarly to developments in energy commodities, 2021 was a very volatile year, characterized by sharp increases in the prices of the main industrial metals as well. The resumption of post-COVID-19 economic activities and the launch of investment and recovery plans focused on the energy transition around the world have driven the demand for metals up sharply.
At the same time, metal supply, which is intrinsically inelastic and affected by availability problems and logistical and transport bottlenecks, has not managed to keep pace with the growth in demand, generating scarcity on the market with a consequently large increase in prices.

For copper and aluminum, after the highs reached during the year (over $10,000/ton in May for copper and around $3,000/ton in October for aluminum), prices appear to have stabilized during the last quarter, albeit at a high level, with less strained market fundamentals looking forward.

Similarly, after the peaks recorded in the 3rd Quarter of 2021, demand for steel has declined, reflecting both the slowdown in the Chinese economy and the environmental and energy limitations that have slowed down production at foundries in the Far East. All these factors paved the way for a substantial stabilization of prices in the final months of the year.

Finally, as regards metals used in batteries, in particular nickel, lithium and cobalt, prices rose steadily throughout the year, driven by strained market fundamentals, in particular demand from the electric vehicle and general energy sectors, which has not shown any signs of slowing down.

Please see the section "Fighting climate change and ensuring environmental sustainability" for an analysis of the circular management of commodities linked to the energy transition.

Electricity and natural gas markets

Electricity demand

Developments in electricity demand[(1)]

TWh	2021	2020	Change
Italy	**319.3**	**302.8**	**5.4%**
Spain[(2)]	256.4	250.1	2.5%
Romania	62.2	59.3	4.9%
Russia[(3)]	820.1	778.6	5.3%
Argentina	138.7	131.7	5.3%
Brazil	609.0	586.6	3.8%
Chile	81.5	77.7	4.9%
Colombia	74.1	70.4	5.3%

(1) Gross of grid losses.
(2) National data.
(3) Europe/Urals.
Source: Enel based on TSO figures. The figures are the best estimate available at the publication date and could be revised by TSOs in the coming months.

The year 2021 was characterized by a broad recovery in electricity consumption, which returned to pre-pandemic levels in most of the countries in which we operate.
In Italy, electricity demand grew by 5.4%, thanks to the gradual reopening of various sectors of the economy. Spain also recovered, registering a rise of 2.5% compared with 2020, although demand remains below pre-pandemic levels (-2.9% compared with 2019). This difference is due to the slower recovery to normal economic activity, which dampened demand in the services sector, combined with summer temperatures that were below the seasonal average.

The high prices of electricity recorded in Europe in the 4th Quarter nevertheless had an impact on industrial consumption, and demand destruction is also expected in the 1st Quarter of 2022 given the current tensions in the European markets.
Consumption also increased in Russia and Romania, by 5.3% and 4.9% respectively.
Similar developments were recorded in Latin America, where electricity demand grew by an average of 4.8%. Growth was particularly rapid in Argentina (+5.3%), Colombia (+5.3%) and Chile (+4.9%); in the latter country, demand had also grown in 2020, albeit only very slightly (+0.8%).

Electricity prices

Electricity prices

	Average baseload price 2021 (€/MWh)	Change in average baseload price 2021-2020	Average peakload price 2021 (€/MWh)	Change in average peakload price 2021-2020
Italy	**125.0**	**86.1**	**139.8**	**95.2**
Spain	111.5	77.5	120.8	84.8

Electricity prices in Italy and Spain rose sharply compared with 2020, reflecting the rise in prices on commodity markets in 2021.
More specifically, the sharp increase in the price of gas, together with a decline in output from renewable sources and maintenance at a number of nuclear power plants in Europe, caused power prices in Italy and Spain to increase by more than 220% compared with 2020, reaching record highs in the 4th Quarter of 2021. The strains on electricity prices recorded at the end of 2021 are expect-

ed to continue in 2022.
The following table provides an overview of prices in end-user markets by main consumption segment.

Price developments in the main markets

Eurocents/kWh

	2021	2020	Change
End-user market (residential)[1]			
Italy	0.1432	0.1357	5.5%
Romania	0.1115	0.1043	6.9%
Spain	0.1358	0.1219	11.4%
End-user market (industrial)[2]			
Italy	0.0939	0.0867	8.3%
Romania	0.0824	0.0869	-5.2%
Spain	0.0931	0.0834	11.6%

(1) Annual price net of taxes - annual consumption of between 2,500 kWh and 5,000 kWh.
(2) Annual price net of taxes - annual consumption of between 70,000 MWh and 150,000 MWh.
Source: Eurostat.

Natural gas markets

Natural gas demand

Billions of m^3

	2021	2020	Change	
Italy	**75.0**	**70.0**	**5.0**	**7.1%**
Spain	32.5	31.0	1.5	4.8%

The resumption of activity in various sectors of the economy, combined with a particularly long and severe winter in the Northern hemisphere, drove global demand for gas in 2021.
In Italy and Spain, demand grew by 7.1% and 4.8% respectively.

Natural gas demand in Italy

Billions of m^3

	2021	2020	Change	
Distribution grids	33.4	31.0	2.4	7.7%
Industry	14.0	13.0	1.0	7.7%
Thermal generation	25.9	25.0	0.9	3.6%
Other[1]	1.7	1.0	0.7	70.0%
Total	**75.0**	**70.0**	**5.0**	**7.1%**

(1) Includes other consumption and losses.
Source: Enel based on data from the Ministry for Economic Development and Snam Rete Gas.

In Italy, demand increased by 7.1% compared with 2020, with a particularly strong rise in the distribution grid (+7.7%) and industrial (+7.7%) sectors, attributable to the greater demand for gas for heating and industrial production. The recovery in thermal generation (+3.6%) was less marked, but still significant.

Climate change and long-term scenarios

Enel promotes transparency in its climate-change disclosures and works to demonstrate to its stakeholders that it is tackling climate change with diligence and determination. Enel has publicly committed to adopting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Board and to following all published updates. The Group is also taking on board the "Guidelines on reporting climate-related information" published by the European Commission in June 2019, which, together with the TCFD recommendations and the GRI standard, constituted the main framework for the Group's reporting on climate change issues in 2021. Enel has been involved in a working group to develop specific recommendations to support the implementation of the TCFD guidelines concerning scenario analysis. The TCFD Advisory Council worked on the scenarios in 2020 and, since then, Enel has been involved in various initiatives of scenario analysis, sharing our experience in order to support the increasingly widespread and transparent implementation of this practice among a growing number of organizations.

Scenario analysis

Analysis of the evolving external conditions is a fundamental component of Enel's strategy. In today's complex world and faced with uncertainty about the future, defining a solid and resilient strategy is crucial to the creation of value for all stakeholders. Therefore, Enel's strategic planning process begins with an analysis of the evolving external landscape, with a particular emphasis on climate change and the energy transition. To this end, the Group adopts a structured approach to scenario analysis in order to maximize opportunities and mitigate risks.

Scenario-based planning involves defining "alternative futures" based on a number of key uncertainty variables, such as achieving the goals of the Paris Agreement or the development of technology. Compared with forecasting, scenario analysis provides greater flexibility and enables us to prepare for handling risks and seizing opportunities. Forecasting, on the other hand, seeks to understand the future based on past trends, so it cannot anticipate changes, risks or significant uncertainties.

At Enel, scenario analysis is used in planning, the allocation of capital, strategic positioning, and the assessment of risks and of strategy resilience. The preparation of scenarios helps companies to make strategic decisions under complex, uncertain conditions by exploring plausible alternative futures, designing various paths forward with different timing and options for mitigation, and conducting risk-based analyses in order to challenge our strategic thinking.

In 2021, the scenario framework was defined by way of a specific workstream to support the decision-making process ("strategic dialogue"). The topic was analyzed in dedicated workshops with senior management that focused on identifying the primary trends, disruptions, future uncertainties and potential scenario narratives.

Within the scope of defining Enel's long-term scenarios, the mid- and long-term trends identified were then analyzed in depth, and the results of this analysis were summarized in an Industry View document for internal use. Designed to support the decision-making process, this document provides an overview of the structural forces, macro-trends, potential disruptions, and technologies that have an impact on the development of the industry and the economy and describes the potential impact on the Company's business. As a result, it provides a framework for the definition of actions aimed at guiding, preventing, and adapting to changes in our various businesses, as well as at seizing related opportunities and developing a greater awareness of the risks involved.

Structural forces

3 macro-level structural factors

- People
- Planet
- Prosperity

Emerging trends and disruption

10 key factors

that delineate the long-term outlook for our industry. They may be affected by greater or lesser uncertainty but their common feature is high expected impact.

Scenario narratives

3 narratives

to capture the evolution of trends and uncertainty. They are the foundation of our long-term planning and the assessment of risks and opportunities in alternative scenarios. They are a starting point for "what-if" analysis.

Technologies

10 areas

Ideas for the future

5 suggestions for further analysis

Benchmarking and analyses were also conducted on the external energy-transition scenarios, which, together with an analysis of relevant reports on trends in the economy, in commodities, and in climate, have fed the internal model in order to define the assumptions for the long-term scenarios.

Analysis of trends and uncertainties

Analysis of key trends and disruptions that drive the scenarios, creating a "library" of trends that fuel our strategic dialogue and scenario planning.

Analysis of external scenarios and benchmarking

Collection and analysis of key available scenarios, comparing their main features.

Macroeconomic, financial and climate analysis and forecasting

Processing data for use in scenario planning based on internal models and analysis of performance data and indicators from key reports.

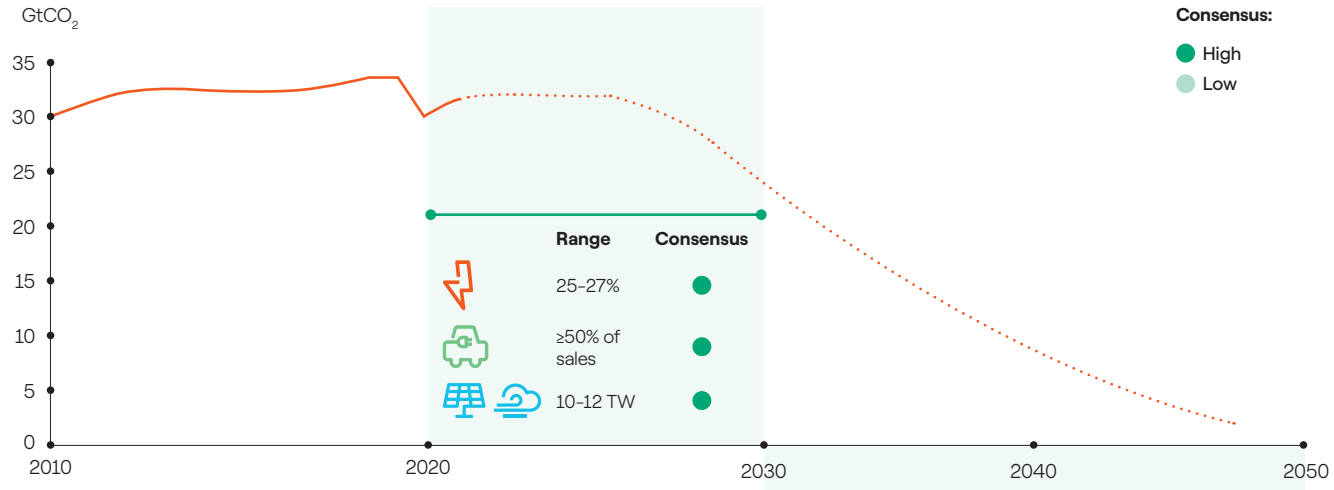
Internal Enel scenarios

Full vision of macroeconomic, financial, energy and climate variants.

Within this framework, each scenario narrative has been prepared so as to ensure consistency between the energy-transition scenarios and the climate scenarios, based on which the acute and chronic physical phenomena are analyzed.

This benchmarking of external scenarios is a key starting point in order to build robust internal scenarios. There are many global energy-transition scenarios published by various providers and designed for a wide range of purposes, from government planning to the support of enterprise decision-making processes. Benchmarking entails analyzing the scenarios produced by the external organizations in order to compare results in terms of the energy mixes, trends in emissions, and technology decisions and to identify the main drivers of the energy transition for each.
Global energy scenarios are typically grouped by family based on the degree of climate ambition, as follows:

- Business-as-usual/Stated-policies scenarios: these provide a fairly conservative benchmark for the future and represent how the energy system would evolve in the absence of additional climate and energy policies. These scenarios do not manage to achieve the goals of the Paris Agreement.
- Paris-Aligned scenarios: these include a goal of limiting the increase in average global temperatures "well below 2 °C" above pre-industrial levels. In order to achieve this goal, this family of scenarios consider new, more ambitious policies for the electrification of end uses and for the development of renewables.
- Paris-Ambitious scenarios: global energy scenarios that take a path towards net-zero greenhouse gas emissions by 2050, in line with the most ambitious of the Paris Agreement goals, i.e., to stabilize the average increase in global temperatures within 1.5 °C. All scenarios in this family are in agreement that the primary drivers of the energy transition to net zero by 2050 are the electrification of end uses and increasing the generation of renewable energy over the medium and long term. How they differ is in the additional solutions needed over the long term to close the gap towards the goal of net-zero emissions, in that they assign different relevance to the contributions of the various technologies and to the changes in consumer behavior.



Scenarios considered:

Bloomberg NEW ENERGY FINANCE

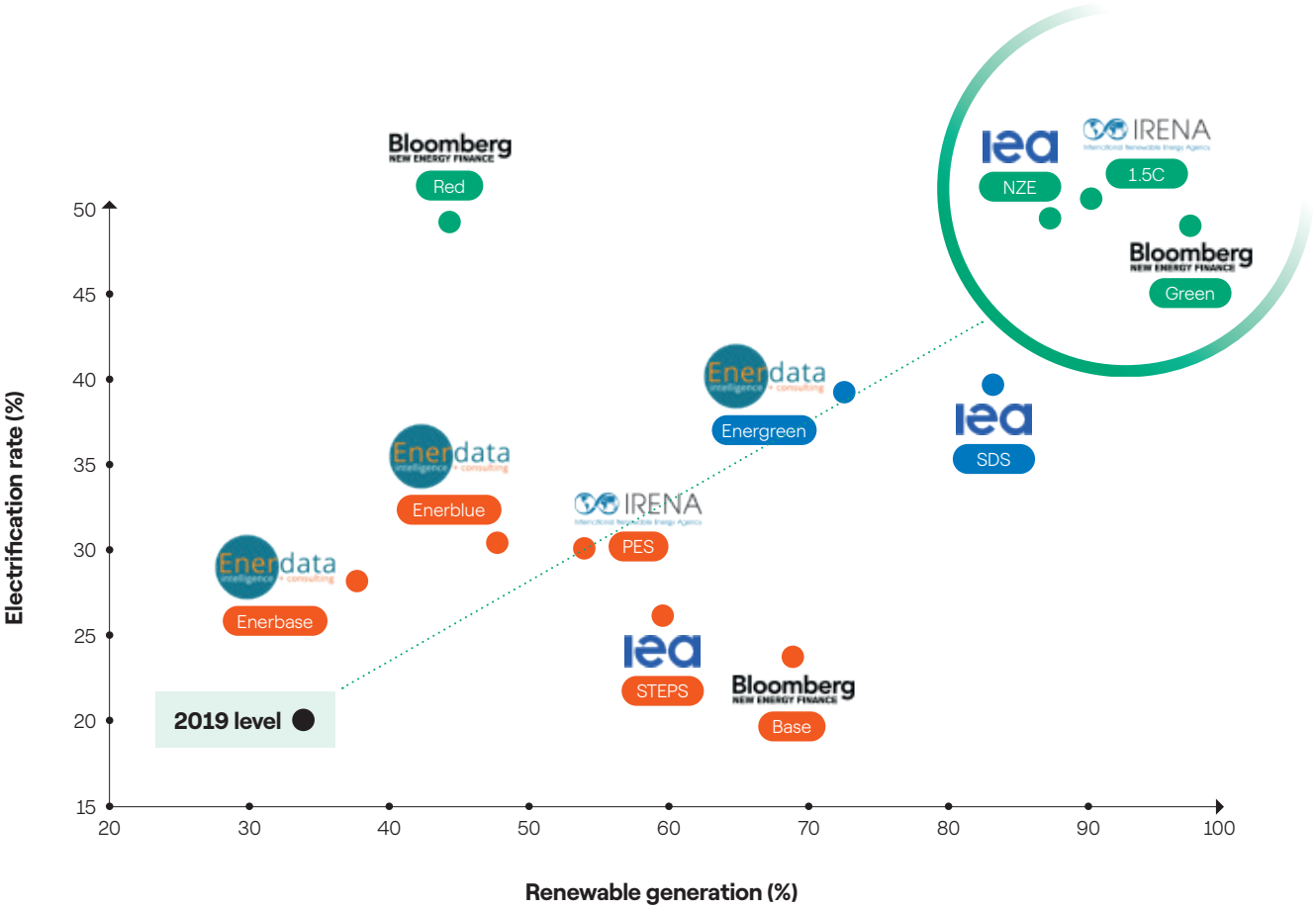
IRENA

iea

	Range	Consensus
	~50%	
	~100% sales EV	
	25-46 TW	
Hydrogen demand	500-1,000 MtH_2	
Behavioral changes and circularity	None - High impact	
CCS/CCUS, DAC	0-7 $GtCO_2$/year	
Nuclear	0.4-7 TW	

Source: IEA (2021) Net-Zero by 2050; BNEF (2021), New Energy Outlook; IRENA (2021); 1.5 Scenario.

In general, a systematic analysis of the various scenarios found that the response to the most challenging scenarios for climate change mitigation efforts involves a greater penetration of electrification and renewable energy.



To 2050 | Graphic source: internal processing based on IEA (2021), World Energy Outlook 2021 | BNEF (2021), New Energy Outlook | IRENA (2020), Global Renewables Outlook | IRENA (2021), World Energy Transition Outlook.

One climate scenario, multiple energy-transition scenarios

An energy-transition scenario represents how the contribution of the various energy sources might evolve within a specific economic, social, regulatory and policy context and based on the technology options available. Social and macroeconomic assumptions determine the service demand, while the regulatory, policy and cost restrictions define the optimal mix of technologies needed to meet that demand. Each scenario is associated with a trend in greenhouse gas emissions.

A given long-term result in terms of temperature increase may be associated with various trends in greenhouse gas emissions and, therefore, to more than one transition scenario. Each energy scenario is associated, more or less strictly, to a specific climate trajectory defined by the Intergovernmental Panel on Climate Change (IPCC) and, consequently, to a range of temperature increases estimated to

a certain degree of likelihood over a given period of time.[7] In turn, various increases in global temperatures by 2100 (and, therefore, various future scenarios of global warming) also change the trends in the other climate variables (e.g., rainfall, wind, etc.), causing changes in the intensity and frequency of the physical manifestations (e.g., heat waves, extreme rainfall, etc.). It should be underscored that these changes affect the entire globe, but the physical manifestations vary at the regional and local level.

That said, a global energy scenario is said to be Paris Aligned when the overall result, in terms of trends in greenhouse gas emissions, may be associated with an average increase in global temperatures that is in line with the Paris Agreement objective of "holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C".[8]

Enel's long-term scenarios

The issues associated with the industrial and economic transition towards solutions to reduce atmospheric concentrations of CO_2 are the characteristic elements of the "energy-transition scenario", while the issues connected with future trends in climate variables (in terms of acute and chronic manifestations) define the "physical scenario". The scenarios are constructed within an overall framework that ensures consistency between transition assumptions and climate projections.

	Granularity & extended geographical coverage	Forward-looking metrics & KPIs	Automation and advanced analytical techniques	Integration of interdependencies	Open databases available to stakeholders
Macro-Finance	**More than 150 countries monitored** for analysis of country risk and macroeconomic-financial scenarios	Monitoring of market expectations and **sensitivity analysis** of new social and technology paradigms	**General equilibrium models** and **machine-learning** techniques to manage **big data**	Incorporation of **social-environmental effects** in analysis to quantify effects of actions taken (e.g., TSI)	Periodic updating on **interactive platforms** with optimization for **graphical analysis**
Energy	**Broad coverage** of market and geographical indicators and **starting-point focus areas**	Monitoring of trends in electricity demand and price volatility. With analysis of **regulatory and transition impacts**	Econometric models and **neural networks** to produce forecasts	Impact analysis with **exogenous variables** (macroeconomic and climate)	Development of **integrated database** updated automatically
Climate	Climate scenario data available with **worldwide high-resolution coverage**	**Standard and/or *ad hoc* metrics** to assess **developments** in **future scenarios**	**Analytics** and **machine learning** to manage **georeferenced big data** in **downloadable cloud environments**	Integration of **exposure** data (e.g., demographic density, asset location/value)	**Platforms for sharing, visualizing and downloading** results
Integrated System Models	Main countries of interest for Enel. Developed to manage **integrated business models**	Development of scenarios by economic sector to identify trends in **electrification and efficiency**	Use of system models to optimize the use of technologies to **minimize emissions and costs**	Integrated management of both **energy supply** and **demand**	**Technology database** for each service: types of electric vehicles, heat pumps, etc.

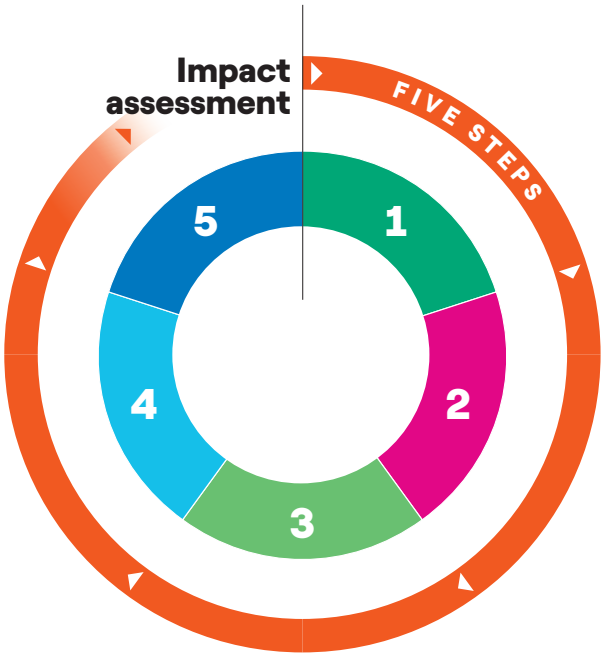
The acquisition and processing of the large volume of data and information needed to define the scenarios, and the identification of the methodologies and metrics necessary to interpret phenomena that are complex and – in the case of climate scenarios – at very high resolution, require a continuous dialogue with both external and internal sources.

In order to evaluate the effects of physical and transitional phenomena on the energy system, for example, the Group makes use of models that, for each country analyzed, describe the energy system in terms of specific technological, socio-economic, policy and regulatory aspects.

(7) For example, the scenario SSP1-1.9 (which includes the assumptions of the scenario SSP1 and the RCP 1.9 climate forecasts), which predicts an immediate decline in climate-altering emissions to reach net-zero emissions by around 2050, followed by net negative emissions, leads to an estimated average increase in global temperatures of 1.4 °C by 2081-2100, with a "very likely" (i.e., with a probability of 90 to 100%) range of average temperature increase of 1.0 to 1.8 °C. The SSP1-2.6 scenario considers a slower reduction in emissions, reaching net-zero emissions in the second half of the century, and is associated with a best-estimate average increase in global temperatures of 1.8 °C by 2018-2100, with a very likely range of 1.3 °C - 2.4 °C.

(8) Paris Agreement, published in the Official Journal of the European Union. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22016A1019(01)&from=EN.

The adoption of these scenarios and their integration into corporate processes take account of the guidelines of the TCFD and enable the assessment of the risks and opportunities connected with climate change.



The process that translates scenario phenomena into useful information for industrial and strategic decisions can be summarized in five steps:

1. **Identification of trends and factors** relevant to the business (e.g., electrification of consumption, heat waves, etc.)
2. Development of **link** functions connecting climate/transition scenarios and operating variables
3. Identification of **risks** and **opportunities**
4. **Calculation of impacts** on business (e.g., change in performance, losses, capex)
5. **Strategic actions:** definition and implementation (e.g., capital allocation, resilience plans)

Enel's energy-transition scenarios

A transition scenario describes how energy generation and consumption evolve in the various sectors in a specific economic, social, policy and regulatory context, and this corresponds to a trend in greenhouse gas (GHG) emission.
The main assumptions considered in developing the energy-transition scenarios concern:

- the local policies and regulatory measures to combat climate change, such as measures to reduce carbon dioxide emissions and the consumption of fossil fuels, to increase energy efficiency, and to decarbonize the electricity sector;
- the global macroeconomic and energy context (for example, gross domestic product, population and commodity prices), considering international benchmarks including those produced by the International Energy Agency (IEA), Bloomberg New Energy Finance (BNEF), the International Institute for Applied Systems Analysis (IIASA)[9] and others;
- the evolution of energy production, conversion and consumption technologies, in terms of both technical operating parameters and costs.

In 2021, Enel revised the framework of medium- and long-term energy-transition scenarios and defined three alternative scenario narratives.

- *Paris* scenario - Calls for achieving the objectives of the Paris Agreement, so it is a level of climate ambition that is significantly higher than business as usual. The greater ambition is supported by greater electrification of energy consumption and a growing development of renewables.
- *Slow Transition* scenario - Characterized by a slower energy transition that does not achieve the objectives of the Paris Agreement. This scenario involves a slower increase in renewables and in the electrification process than that of the *Paris* scenario, particularly over the short term (i.e., delays in implementation of the energy transition).
- *Best Place* scenario - Designed to test assumptions that improve upon the *Paris* scenario. Here, too, the objectives of the Paris Agreement are achieved, but the scenario considers a wider range of technology options, such as a greater penetration of green hydrogen (i.e., produced using renewable energy) used more widely in hard-to-abate sectors, thereby facilitating the decarbonization process towards net-zero emissions.

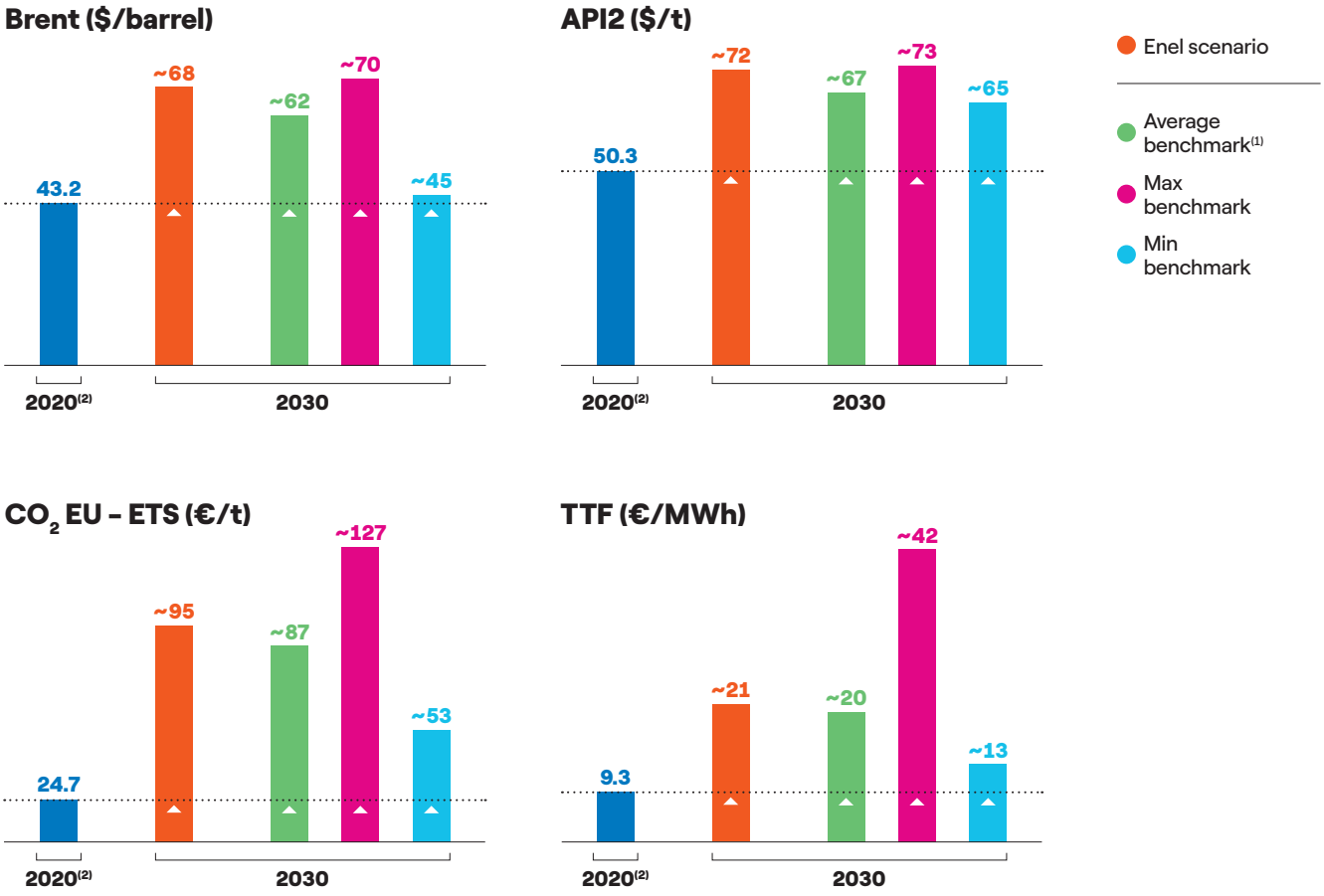
At Enel, we have selected the *Paris* scenario, which calls for achieving the Paris Agreement objectives, as the bench-

(9) As regards the IIASA, for example, we have considered the fundamentals of commodity demand and the population underlying the Shared Socioeconomic Pathways (SSPs), which project different scenarios describing socioeconomic developments and policies consistent with climate scenarios. The information from the SSPs is used, together with the internal modeling, to support long-term forecasts, such as those for commodity prices and electricity demand.

mark for long-term planning, unlike last year when the benchmark was the Stated-policies scenario. We did this on the belief that the world's governments, businesses, organizations, and people will work together effectively to mitigate greenhouse gas emissions. The increased commitment to net-zero emissions in 2021 among nations that currently account for 88% of global emissions[10] and the success of COP26 support the decision to select a scenario that achieves the Paris objectives as Enel's long-term benchmark. As for the possibility of assuming achievement of the more challenging Paris Agreement objective, i.e., to stabilize average global temperatures to within +1.5 °C, as a benchmark for long-term planning, there remain evident uncertainties that a number of countries could remain on business-as-usual trajectories, thereby slowing the decarbonization process towards net-zero emissions by 2050.
Given this external environment, the Enel Group implements a business model that is in line with the highest ambition of the Paris Agreement and so is consistent with an increase in average global temperatures of 1.5 °C by 2100.

Enel has set a long-term objective of reaching zero direct emissions (Scope 1) with fully renewable power generation and zero emissions connected with the retail sale of energy (Scope 3).

The assumptions for trends in commodities prices feeding the *Paris* scenario are consistent with the external scenarios that achieve the objectives of the Paris Agreement. More specifically, we assume sustained growth in the price of CO_2 through 2030, caused by a gradual reduction in the supply of permits as demand increases, as well as stabilization in the price of coal due to declining demand. As for gas, we expect pricing pressures to lessen in the coming years as we see a realignment between global supply and demand. Finally, we are forecasting a gradual stabilization in oil prices, with demand expected to peak by around 2030.
In the following tables, the values for "Enel scenario" represent the assumptions in the Group's baseline scenario used for various applications, including planning activities and determining impairment.



(1) Sources: IEA, Sustainable Development Scenario and Net-Zero Scenario; BNEF; IHS green case scenario; Enerdata green scenario. N.B. The scenarios used as benchmarks have been published at various points throughout the year and may not be up to date with the latest market trends.
(2) Actuals.

(10) At December 28, 2021.

The two alternative scenarios, i.e., *Slow Transition* and *Best Place*, are used for strategic stress testing, risk assessment, and the identification of business opportunities.

Analysis of the main components of the transition scenarios

The Group analyzes energy-transition scenarios and defines assumptions regarding trends in policy, technology, commodities, and other macroeconomic variables.

Enel's benchmark scenario, the *Paris* scenario, is based on a decarbonization ambition that is in line with the objectives of the Paris Agreement, supported by a growing electrification of energy consumption and the development of renewable capacity.

Definition of the *Paris* scenario at the local level has been set up based on two different approaches that vary based on the availability of models fundamental to simulating the long-term equilibrium of the entire energy system. More specifically, in the primary countries in which we have a presence and for which these models are available (i.e., Italy, Spain and Brazil at present), we have taken a bottom-up approach, imposing an explicit limit on the trend in CO_2 emissions for the country. The values of the scenario variables of relevance to the activities of the Group (including electricity demand, electrification rates, renewable and distributed-generation capacity, the number of electric vehicles, and the production of green hydrogen) have been calculated by the model over a time horizon to 2050, in line with the limit on emissions and with a view to minimizing costs for the system. For the rest of the world, we have taken a top-down approach, such that the variables of interest have been calculated by way of analyses of consensus in relation to external scenarios aligned with the objectives of the Paris Agreement as provided by international accredited bodies. These two different approaches have also been used to define the alternative *Slow Transition* and *Best Place* scenarios at the local level.
Under the *Paris* scenario, European countries show a downward trend in emissions consistent with the European "Fit for 55" package thanks to a greater electrification of energy consumption supported by an increasing contribution of renewables in the energy mix. More specifically, the *Paris* scenario for Italy, which is more ambitious than the national plan currently in place, calls for an increase in electrification to 28% by 2030 (vs. 22% in 2021) and a level of renewable energy generation that can meet 70% of electricity demand (vs. about 55% under the Italian national plan at the same date). Romania, too, sees an increase in the electrification of energy consumption and in the role of renewables in pursuing a more aggressive reduction in emissions compared with the current national plan. For Spain, the ambition level defined under the national plan is in line with achievement of the Paris Agreement objectives. As such, the *Paris* scenario calls for an electrification rate of 29% by 2030 and development of renewables capacity that would bring the percentage of electricity demand met by renewable energy to over 80%. For Brazil, the *Paris* scenario has been defined based on the assumption of reaching the target of net-zero emissions by 2050. For the remaining countries of interest to the Group, the *Paris* scenario and the alternative scenarios have been defined based on a consensus analysis of the external scenarios available.

The *Slow Transition* scenario shows a lower ambition in combating climate change, which translates into a slower development of renewables and slower growth in electrification at all levels. This scenario has been constructed based on the assumption that countries will remain essentially tied to the current national plans, where these plans do not feature a climate ambition in line with achieving the Paris Agreement objectives, or that the ambition, if high, is not supported by adequate implementing policies. This latter case, for example, applies to Spain, which, under the *Slow Transition* scenario, fails to meet the ambition of the national plan due to delays in implementing policies that would enable a greater penetration of renewables and of other electricity technologies.

The *Best Place* scenario assumes a faster reduction in the cost of technologies to produce green hydrogen. This, then, translates into greater penetration of green hydrogen in the hard-to-abate sectors, at the expense of blue and gray hydrogen (i.e., gas-fueled hydrogen production with or without, respectively, the use of CCS technologies), resulting in an increase in electricity demand and in the installation of renewables capacity in the countries analyzed as compared with the *Paris* scenario.

With the help of fundamental system models, we have also been able to estimate the impact of energy efficiency measures on both energy consumption and trends in electricity demand. We have also quantified the benefit of electrification of the average household's energy consumption and transportation in terms of lower energy bills and lower emissions. This analysis was done in relation to an average Enel customer, which showed a higher degree of electrification than the national average for the country in question as a result of Enel's electrification strategy. Finally, we have analyzed the impact of each scenario in terms of the reduction in overall consumption of fossil fuels and energy dependency.

Within the scope of defining the scenario, we also developed a specific analysis of electric mobility in Latin America in order to determine the primary drivers of electrification in end-user consumption. A number of countries are working to promote electric mobility in the region: Chile and Colombia, for example, have set specific targets for electric mobility and their governments are implementing clear policies to promote growth in this market. Most of the scenarios expect private-sector electric mobility to take off in the region between 2025 and 2030, when costs will become more competitive.

The physical climate scenario

Under the scenarios, the role of climate change is always the most important and generates effects both in terms of transitioning the economy towards net-zero emissions and in terms of physical impacts, which may be:

- acute phenomena (heat waves, flooding, hurricanes, etc.) and their potential impact on industrial assets;
- chronic phenomena related to structural changes in the climate, such as the rising trend in temperatures, rising sea levels, etc. which can bring about constant changes, for example, in the output of generation plants and in electricity consumption profiles in the residential and commercial sectors.

The Group has selected three of the global climate pathways developed by the Intergovernmental Panel on Climate Change (IPCC), which are in line with those of the IPCC's sixth assessment report (AR6). These scenarios are associated with emission patterns linked to a level of the Representative Concentration Pathway, each of which is connected to one of the five scenarios defined by the scientific community as Shared Socioeconomic Pathways (SSPs). The SSP scenarios include general assumptions concerning population, urbanization, etc. The three physical scenarios analyzed by the Group are as follows:

- SSP1-RCP 2.6: compatible with a range of global warming below 2 °C from pre-industrial levels (1850-1900) by 2100 (the IPCC forecasts an average of about +1.8 °C from 1850-1900 with a 44% likelihood of staying below 1.5 °C and 78% of staying below +2 °C [(11)]); in the analyses that consider both physical and transition variables, the Group associates the SSP1-RCP 2.6 scenario with the *Paris* and *Best Place* scenarios.
- SSP2-RCP 4.5: compatible with an intermediate scenario that calls for an average temperature increase of about 2.7 °C by 2100 from pre-industrial levels. The RCP 4.5 scenario is the one that is most representative of the world's current climate and political landscape and correlated transition assumptions. This scenario forecasts global warming in line with the estimates of temperature increases that consider current policy around the world;[(12)] in the analyses that consider both physical and transition variables, the Group associates the SSP2-RCP 4.5 scenario with the *Slow Transition* scenario.
- SSP5-RCP 8.5: compatible with a scenario where no particular measures to combat climate change are implemented. This scenario forecasts an increase in global temperatures of about +4.4 °C from pre-industrial levels by 2100 (definitely above 3 °C and with a 62% likelihood of being above 4 °C according to IPCC estimates).

The Group considers the RCP 8.5 scenario to a worst-case climate scenario used to assess the effects of physical phenomena in a context of particularly significant climate change, but it is currently deemed not to be very likely. The RCP 2.6 scenario is used both to assess physical phenomena and perform analyses that consider an energy transition consistent with most ambitious mitigation objectives.

The analyses carried out for the physical scenarios considered both chronic and acute phenomena. For the description of specific, complex events, the Group considers data and analyses of public bodies, universities, and private-sector entities.

The climate scenarios are global and must be analyzed at the local level in order to determine their impact in the areas of relevance to the Group. Among active partnerships, collaboration is under way with the Earth Sciences Department of the International Centre for Theoretical Physics (ICTP) in Trieste. As part of this collaboration, the ICTP provides projections for the major climate variables with a grid resolution of varying from about 12 km to 100 km and a forecast horizon running from 2020 to 2050. The main variables are temperature, rain and snowfall, and solar radiation. Compared with past analyses, current studies are based on the use of multiple regional climate models: the one of the ICTP along with five other simulations, which have been selected as being representative of the set of climate models currently available in the literature. The output of this set is representative of the average of the various climate models. This technique is usually used in the scientific community to obtain a more robust and bias-free analysis, mediating the different assumptions that could characterize the single model.

(11) IPCC Fifth Assessment Report, Working Group 1, "Long-term Climate Change: Projections, Commitments and Irreversibility".
(12) Climate Action Tracker Thermometer, estimates of global heating at 2100 considering existing policies and action, and 2030 targets only (November 2021 update).

In this phase of the study, future projections have been analyzed for Italy, Spain and all countries of interest to the Group in South America, obtaining – thanks to the use of the set of models – a more highly defined representation of the physical scenario. In the same way, the Group is also analyzing data related to climate projections for North America.
The ICTP is also providing science support to interpret all other climate data we gather. We are using climate scenarios for the countries of interest to the Group to allow for a homogeneous assessment of climate risk.

Some of these phenomena entail high levels of complexity, as they depend not only on climate trends but also on the specific characteristics of the territory and require further modeling to obtain a high-resolution representation. For this reason, in addition to the climate scenarios provided by ICTP, the Group also uses natural hazard maps. This tool makes it possible to obtain, with a high spatial resolution, recurrence intervals for a series of events, such as storms, hurricanes and floods. As described in the section "Risks and strategic opportunities associated with climate change", these maps are widely used within the Group, which already uses historical data to optimize insurance strategies. In addition, work is under way to be able to take advantage of this information developed in accordance with climate scenario projections.
Finally, the Group has acquired the tools and capabilities needed to autonomously gather and analyze the raw output published by the scientific community, so as to have a global, high-level view of the long-term trends in the climate variables of interest to us. These sources include the output from the climate and regional models CMIP6[13] and CORDEX[14]. CMIP6 is the sixth assessment of the Coupled Model Intercomparison Project (CMIP), which is a project of the World Climate Research Programme (WCRP) and of the Working Group of Coupled Modelling (WGCM), which provides raw climate data from global climate models. These are used to assess standard global measurements at a resolution of about 100x100 km. The Coordinated Regional Climate Downscaling Experiment (CORDEX) also falls within the scope of the WCRP and generates regional climate forecasts at a higher resolution.

Physical scenario analysis – Integration of climate scenarios within the Open Country Risk model

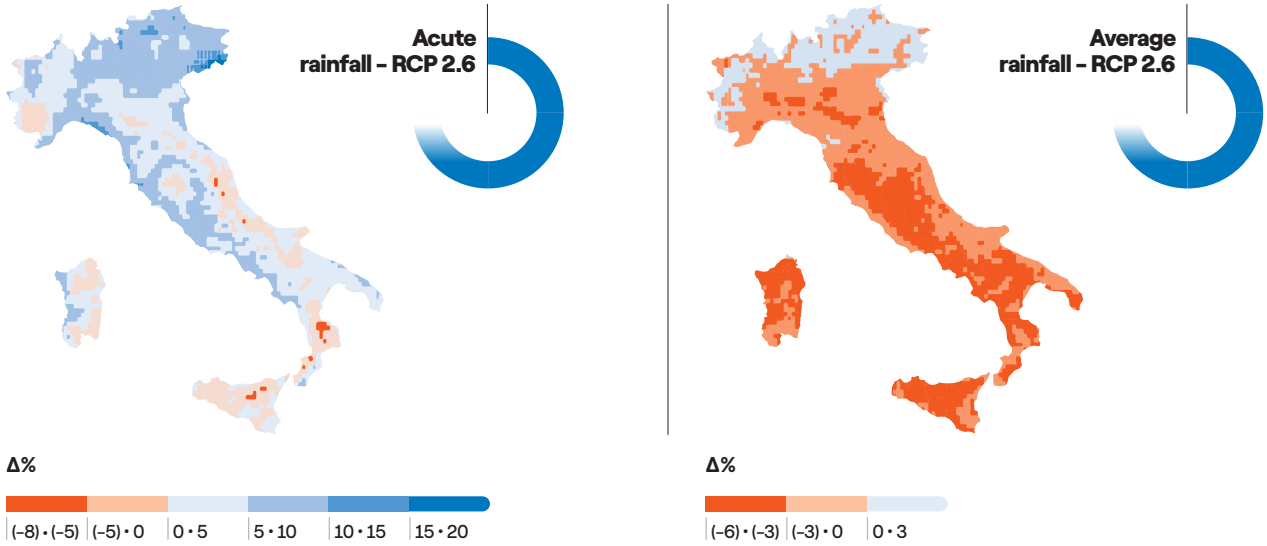
In addition to using high-resolution data to analyze the impact of physical phenomena, the Group has also designed a higher-level analysis framework that enables us to obtain a country-level assessment of trends in certain global climate hazards in a manner that is consistent across all regions. More specifically, we have adopted a modular approach that will enable us to progressively upgrade our analyses by including new physical phenomena and refining both the data and our methodologies. At present, four climate phenomena are included: two related to extreme temperatures; one related to intense rainfall; and one related to drought. The phenomena are assigned a numerical index based on the global distribution to a resolution of about 100x100 km and are summarized in a composite index. This has enabled us to include a dimension related to climate change in the Open Country Risk model. This enables the tool to include both the aspects considered by the Country Risk models and those aspects related to the physical risks considered in the model as a cause of environmental and economic stress in a given country. The Open Country Risk model is described in greater detail in the section "Macroeconomic and geopolitical trends".

Physical scenario analysis – Italy

Acute phenomena: for Italy, we first analyzed the phenomenon of acute rainfall to study the change in daily rainfall above the ninety-fifth percentile, calculated as average millimeters per year for the periods of analysis. As shown in the left-hand figure below, comparing 2030-2050 with the historical period 1990-2020, under the RCP 2.6 scenario, intense rainfall is forecast to increase, above all, in the northeast and significantly along the Tyrrhenian coastline. It is interesting to note that, under the RCP 2.6 scenario, this general increase in extreme rainfall is accompanied by a slight decrease in the annual total of daily rainfall excluding the acute phenomena (see right-hand figure). Under the other scenarios (RCP 4.5 and 8.5), too, we see the same dichotomy between intense and average rainfall.

(13) https://www.wcrp-climate.org/wgcm-cmip/wgcm-cmip6.
(14) https://cordex.org/.

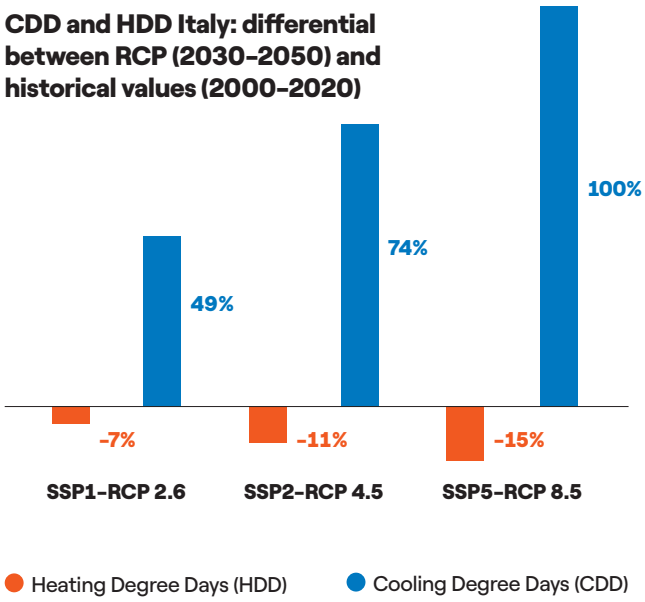
Acute rainfall and average rainfall (i.e., total rainfall net of acute rainfall): difference between RCP 2.6 (2030-2050) and historical values (2000-2020)



As seen in previous analyses published by the Group, heat waves and fire risk will change significantly, both increasing under the various climate scenarios considered. Fire risk is described by the Fire Weather Index (FWI), an indicator widely used internationally that takes account of temperature, humidity, rainfall, and wind in order to calculate an estimate of fire risk. Figures provided by the ICTP may be used to describe the trend in fire risk in order to support the business in properly managing this risk. Studies that examine the changes in the 2030-2050 forecasts compared with 1990-2010 show that, under all scenarios, there is an increase in the number of high-risk days (index > 45) in summer. This change mainly impacts the islands and southern Italy, where the increase in high-risk days goes from about +6 to +8 days compared with historical values.

Chronic phenomena: chronic temperature changes can be analyzed to obtain information about the potential effects on the cooling and heating demand of local energy systems. As was done in 2020, to measure the thermal requirement are Heating Degree Days (HDDs), i.e., the sum, for all days of the year with a $T_{average} \leq 15$ °C, of the differences between the internal temperature (with $T_{internal}$ assumed to be 18 °C) and the average temperature, and Cooling Degree Days (CDDs), i.e., the sum, for all days of the year with $T_{average} \geq 24$ °C, of the differences between the $T_{average}$ and the $T_{internal}$ (assumed to be 21 °C), respectively, for heating and cooling requirements. The analysis for Italy has been refined both by increasing the number of models considered, from 3 to 6, and by increasing data resolution, from about 50x50 km to 12x12 km. The country averages have been calculated as an average over the country, weighting each geographical node by population thanks to the use of the Shared Socioeconomic Pathways (SSPs) associated with each RCP scenario. In 2030-2050, the heating requirement is expected to decrease from 7% to 15% compared with 2000-2020 under the various scenarios, while CDDs are always greater than historical data, with an increasing trend going from the RCP 2.6 scenario (~+50%) to RPC 8.5 (~+100%).

CDD and HDD Italy: differential between RCP (2030-2050) and historical values (2000-2020)

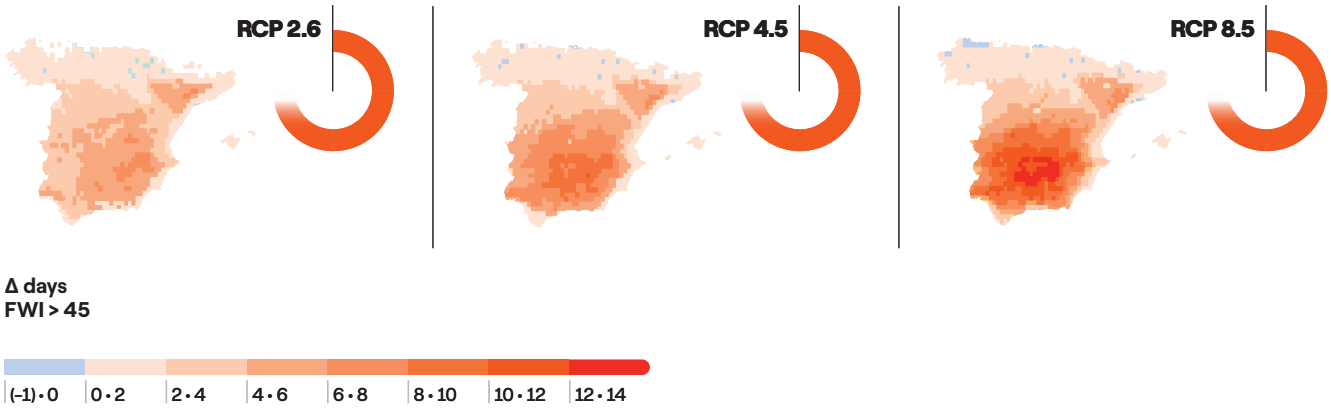


With regard to rainfall, changes in the areas of interest for the Group's hydroelectric power generation have been analyzed. A preliminary analysis points to no significant change, with a generalized slightly downward trend in southern Italy and a slight increase in the north under the RCP 2.6 and RCP 4.5 scenarios.

Physical scenario analysis – Spain

Acute phenomena: as regards fire risk, the number of days at extreme risk (i.e., Fire Weather Index > 45) is higher in the RCP 8.5 scenario than in the RCP 2.6 scenario, and is always greater than the historical average. The south-central region of Spain is expected to see the greatest increase in average number of days of high fire risk per year in summer under all future scenarios.

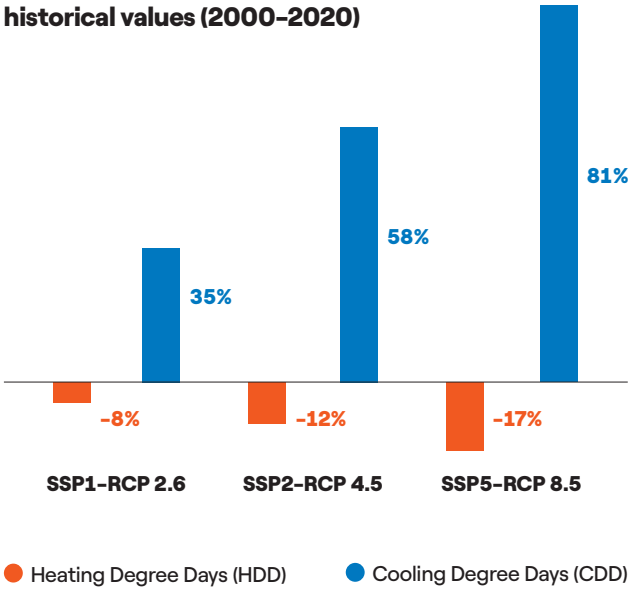
Increase in average number of days of high fire risk per year in summer under the various RCP scenarios compared with historical values (2000-2020)



As seen in previous analyses published by the Group, heat waves are expected to be more widespread geographically and more frequent in 2030-2050, particularly in the southern regions of the country.
Extreme rainfall will change in frequency throughout most of Spain. A preliminary analysis that looked at days of average annual rainfall in millimeters above the ninety-fifth percentile pointed to a reduction in certain areas of southern Spain even under the RCP 2.6 scenario.

Chronic phenomena: the analysis of heating and cooling needs has been refined and updated in the same manner as for Italy. For the period 2030-2050, compared with 1990-2020, we estimate a reduction in Heating Degree Days (HDDs) under all scenarios within a range of -8% under RCP 2.6 to -17% under RCP 8.5. The data also confirms the increase (+35%) in Cooling Degree Days (CDDs) under the RCP 2.6 scenario and increases of 58% and 81%, respectively, under the RCP 4.5 and RCP 8.5 scenarios.

CDD and HDD Spain: differential between RCP (2030-2050) and historical values (2000-2020)



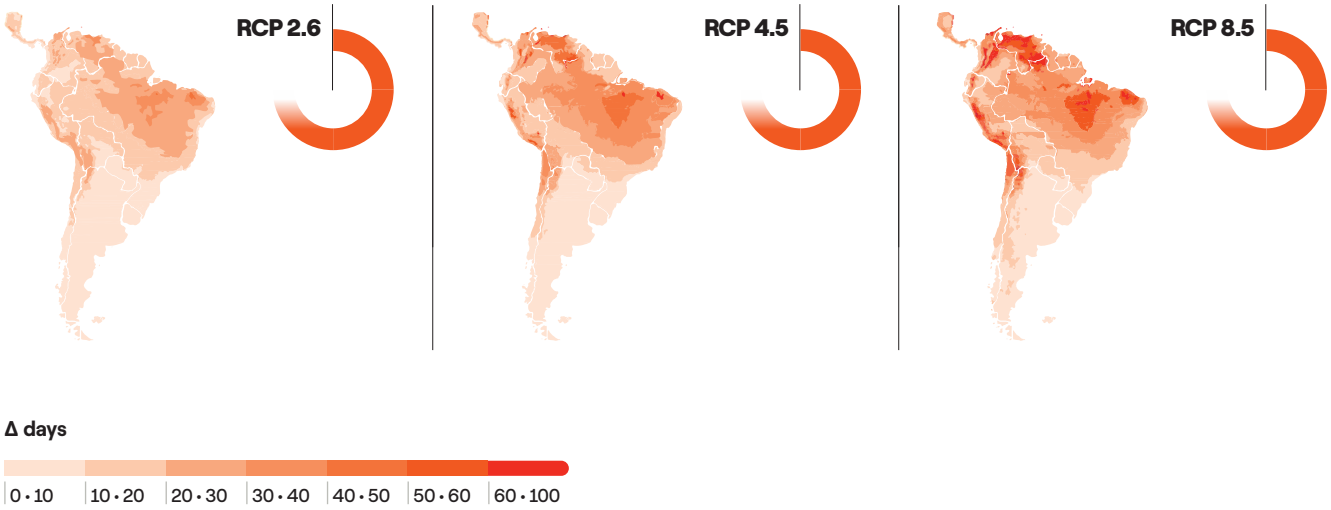
With regard to rainfall, changes in the areas of interest for the Group's hydroelectric power generation have been analyzed. According to a preliminary analysis, the figures do not change significantly when comparing 2030-2050 to 1990-2009, pointing to a generalized slight downward trend in southern Spain under all scenarios.

Physical scenario analysis – Latin America

Acute phenomena: for very large countries such as Brazil, the trend in acute phenomena can differ significantly in the various areas of the country. To have a holistic view of the entire continent and identify the areas of greatest interest for our studies, we have analyzed a number of acute phenomena using standard indicators. The analyses have been based on data from a set of 6 climate models at a spatial resolution of 25x25 km.

In order to study the phenomenon of extreme temperatures, we have used the Warm Spell Duration Index (WSDI), which considers heat waves of at least 6 consecutive days with an average daily high above the ninetieth percentile. Comparing 2030-2050 with 1990-2020, the figures point to a significant increase in heat waves even under the RCP 2.6 scenario, particularly in certain areas of Brazil, in Colombia, in Peru, and in northern Chile. This increase in extreme temperatures is expected to be even more accentuated under the other scenarios, particularly RCP 8.5.

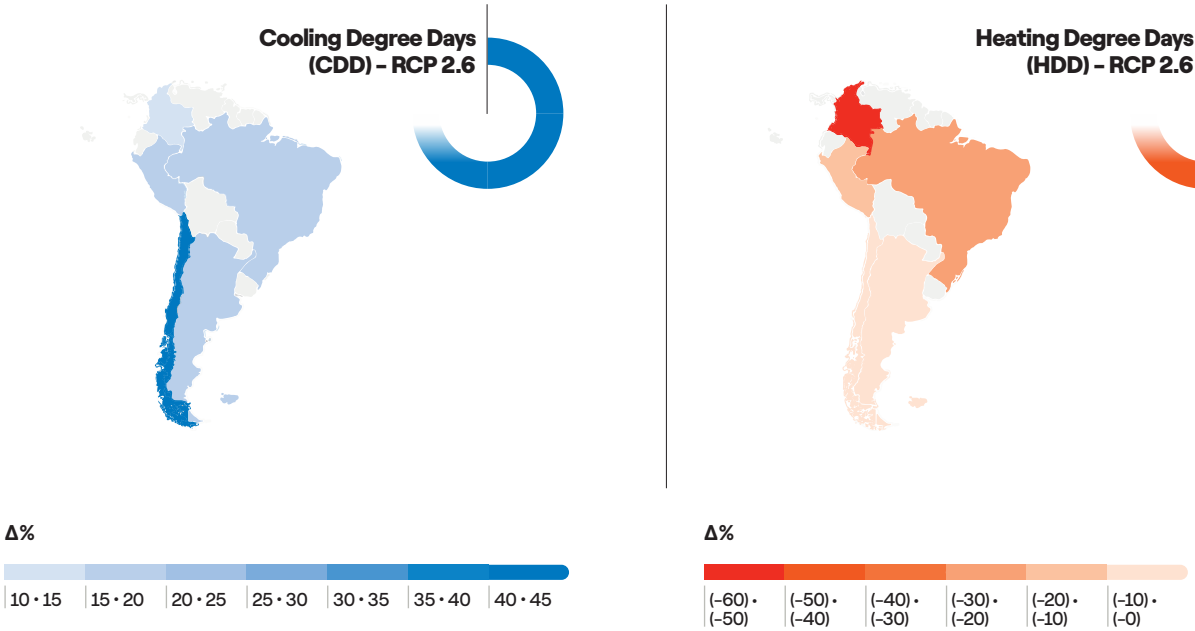
Warm Spell Duration Index (heat stress): difference between RCP (2030-2050) and historical values (2000-2020)



With regard to extreme rainfall, we have considered daily rainfall above the ninety-fifth percentile, as was done for Italy and Spain. Future changes in this phenomenon vary to a greater degree. Under the RCP 2.6 scenario, certain areas, such as northern Brazil and northern Argentina, are expected to see declines, whereas other areas, such as western Colombia and certain areas of Brazil and Peru, are expected to see increases in extreme rainfall.

Chronic phenomena: for the major countries in which we have a presence, we studied the potential changes in heating and cooling needs related to chronic temperature changes. Here, too, we calculated the changes in Heating Degree Days (HDDs) and Cooling Degree Days (CDDs) for 2030-2050 compared with 1990-2020 based on data from 6 models at a resolution of 25x25 km. The country averages have been calculated as an average over the country, weighting each geographical node by population using the Shared Socioeconomic Pathways (SSPs) associated with each RCP scenario. In each country studied, the CDDs increase progressively across all scenarios: under the RCP 2.6 scenario, they increase by 42% in Chile, but by only 14% and 19% in the other countries considered. Under the RCP 4.5 scenario, the increases become 108% in Chile and just over 25% for Argentina, Brazil and Peru, settling at 20% for Colombia. The increase in CDDs compared with the historical values is even more significant under the RCP 8.5 scenario. As for HDDs, the RCP 2.6 scenario forecasts considerable reductions in Colombia (-51%), Brazil (-21%), and Peru (-15%). This trend is even greater under the RCP 4.5 scenario: ~-61% in Colombia; ~-28% in Brazil; and ~-20% in Peru.

CDDs and HDDs in the countries of interest to the Group: difference between RCP 2.6 and historical values (2000-2020)



With regard to rainfall, changes in the areas of interest for the Group's hydroelectric power generation have been analyzed. Initial analyses, which compare 2030-2050 forecasts under the three scenarios with the historical period 1990-2009, show a prevalent downward trend in chronic rainfall. The most significant average reductions are expected to be seen in Chile and Colombia, at just under 10%. A closer look at the averages for Chile shows that, in the areas considered, the expected rainfall for 2030-2050 is in line with the rainfall experienced over the last decade (2010-2019). These figures show how, in these areas, we are already seeing climate change compared with the historical period used as a benchmark.

Overall effect of the transition and physical scenarios on electricity demand

Italy and Spain

The use of integrated energy system models makes it possible to quantify the individual service demand of a country. This level of detail therefore makes it possible to discriminate the specific effects that a change in temperature can have on energy requirements. For this purpose, the *Paris*, *Slow Transition*, and *Best Place transition* scenarios described above have been expanded to include the effect that temperature increases, measured in terms of Heating Degree Days (HDDs) and Cooling Degree Days (CDDs) as discussed above, have on (total, not just electricity) energy demand for residential and commercial heating and cooling. By defining a strategic base scenario in line with achieving the Paris objectives and with Europe's commitment to reduce greenhouse gas emissions,[15] we were able to associate HDDs and CDDs consistent with the RCP 2.6 scenario with the *Paris* and *Best Place* scenarios, while those that are consistent with the RCP 4.5 scenario are associated with the *Slow Transition* scenario. For further stress testing, this latter scenario was also associated with the RCP 8.5 scenario. Given current policy and the European Union's keen focus on achieving carbon neutrality by 2050, all three scenarios (i.e., *Paris*, *Slow Transition*, and *Best Place*) for Italy and Spain converge on this result. However, the *Slow Transition* scenario, as specified above, is associated with a different, higher RCP because it corresponds to a slower downward trend in greenhouse gas emissions. As concerns the effect of the transition con-

(15) European Commission - Fit for 55: https://www.consilium.europa.eu/en/policies/green-deal/eu-plan-for-a-green-transition/.

sidered on its own, the greater speed in achieving carbon neutrality under the *Paris* scenario makes it, on average, a more electrified scenario than the *Slow Transition*, which points to lower average figures for electricity demand of 2031-2050 of about 2% for Italy and 1.5% for Spain. In turn, as mentioned, the crucial role that green hydrogen will play under the *Best Place* scenario is expected to lead to electricity demand far above the *Paris* scenario, of 19% for Italy and 15% for Spain.

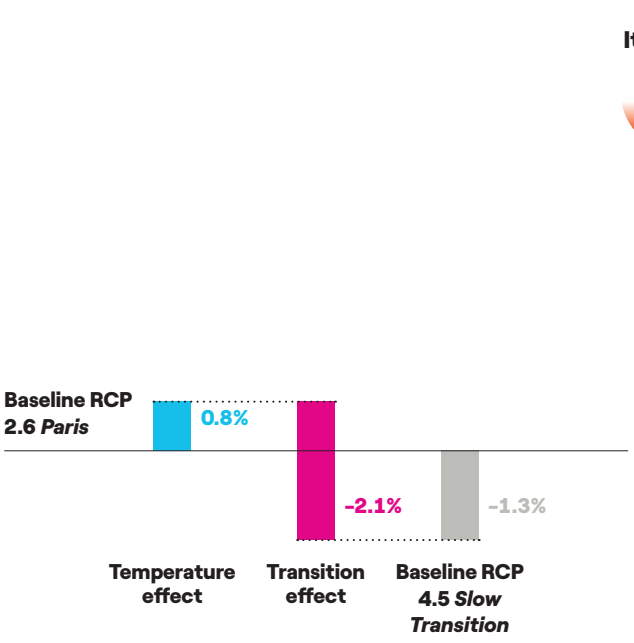
Similarly to the previous year, the speed of the energy transition has had a much greater impact on electricity demand than the increase in temperature as a result of climate change. Decarbonization policies, together with technological innovation, social responsibility, and consequent changes in consumer behavior, will play an active role in trends in electricity demand and in the energy mix generally. However, analysis makes it clear that an increase in temperature as a result of climate change will lead to an increase in electricity demand, even if limited within a range of one percentage point for both Italy and Spain.

Considering the integrated view, the potential effect of more ambitious transition scenarios has a more significant impact on electricity demand than the increase in temperature resulting from climate change.

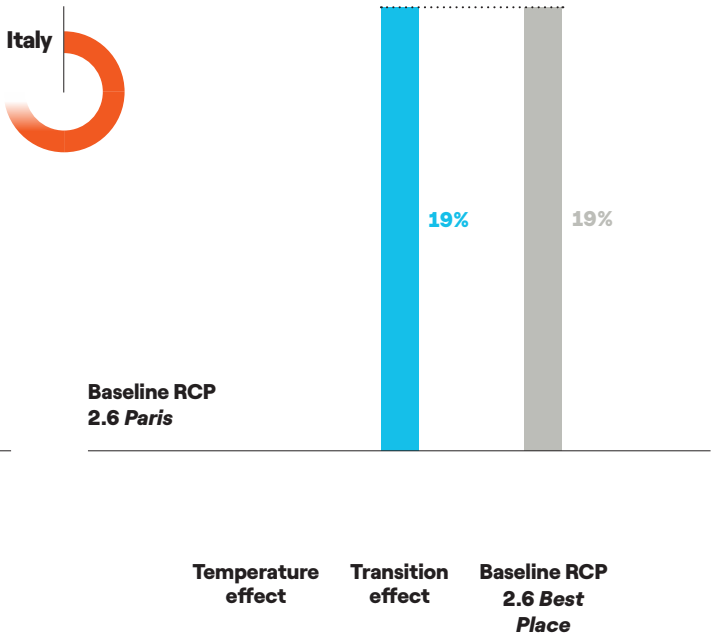
Although the trends in degree days (both HDDs and CDDs) are similar, the percentage differences in electricity demand in Spain for the three scenarios are lower than in Italy. The essential difference concerns the energy system by 2030, for which Spain's existing national energy plan is already very ambitious and in line with RCP 2.6, meaning that the *Slow Transition* scenario is closer to the *Paris* scenario. Therefore, we expect less volatility in energy system trends and in electricity demand over the 2031-2050 period.

Italy - Average impact on electricity demand (2031-2050) of the three transition scenarios paired with RCP 2.6 and 4.5

Paris RCP 2.6 to *Slow Transition* RCP 4.5

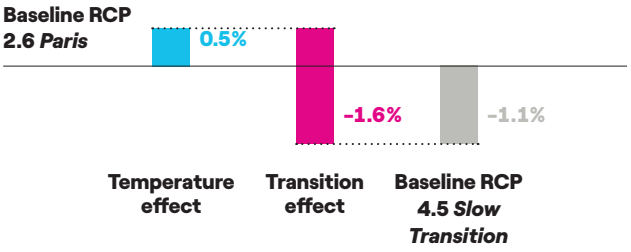


Paris RCP 2.6 to *Best Place* RCP 2.6

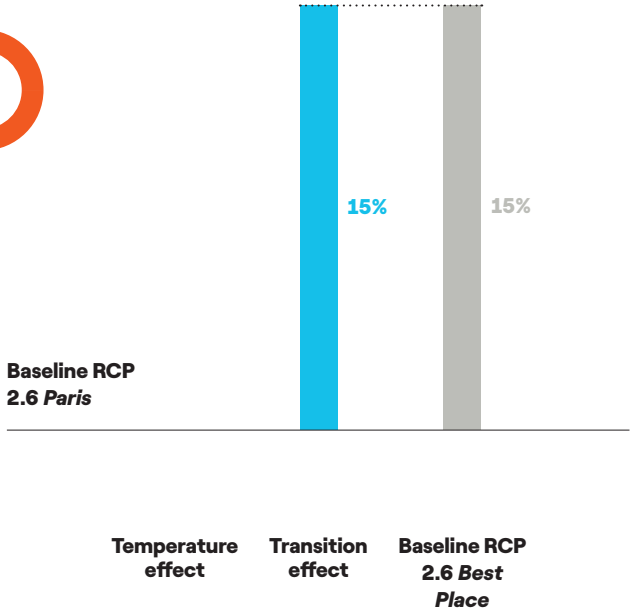


Spain – Average impact on electricity demand (2031-2050) of the three transition scenarios paired with RCP 2.6 and 4.5

Paris RCP 2.6 to *Slow Transition* RCP 4.5



Paris RCP 2.6 to *Best Place* RCP 2.6



In order to investigate the effect of temperature on transition scenarios further and at the same time expand the range of assumptions regarding climate change, a sensitivity analysis was carried out by associating the *Slow Transition* scenario with RCP 8.5, in addition to RCP 4.5. An assumption of a further temperature increase, without changing the energy transition, results in a more limited change in demand equal to -0.8% for Italy and -0.6% for Spain.

Effect of temperature and transition on electricity demand, average over specified period of temperature and transition contributions for different combinations of transition scenarios and climate pathways

		***Paris* to *Slow Transition* RCP 4.5**			***Paris* to *Slow Transition* RCP 8.5**			***Paris* to *Best Place***		
		Transition effect	Temperature effect from RCP 2.6 to RCP 4.5	Total impact	Transition effect	Temperature effect from RCP 2.6 to RCP 8.5	Total impact	Transition effect	Temperature effect from RCP 2.6 to RCP 2.6	Total impact
Italy	2022-2030	-1.3%	0.0%	-1.3%	-1.3%	0%	-1.3%	2.7%	0.0%	2.7%
	2031-2050	-2.1%	0.8%	-1.3%	-2.1%	1.3%	-0.8%	19.0%	0.0%	19.0%
Spain	2022-2030	-0.9%	0.0%	-0.9%	-0.9%	0.0%	-0.9%	3.1%	0.0%	3.1%
	2031-2050	-1.6%	0.5%	-1.1%	-1.6%	0.9%	-0.6%	15.2%	0.0%	15.2%

As a final consideration, however, note that, in the future, greater than forecast electrification of residential heating could change both the sign and the size of the temperature effect in both countries. It is therefore necessary to monitor developments over time in the share of electrification of heating during the annual review.

Effect of the variation in temperatures on electricity demand in the main Latin American countries in which the Group operates

In Latin American countries, the impact of temperature trends, quantified through the Heating Degree Days (HDDs) and Cooling Degree Days (CDDs) metrics, was estimated using econometric forecasting models based on historical elasticity.

The analysis shows that Brazil could experience a significant increase in demand due to the increase in temperature, with an estimated increase of between 0.8% and 1.5% in prospective demand (calculated as the average of the demand forecasts in the 2030-2050 period). The driving factor would be the greater demand for cooling expected in the country. This change is also confirmed using a system modeling approach. However, these forecasts are subject to a significant degree of uncertainty given the volatility of Brazilian economic growth.

Argentina could also experience an increase in demand linked to an increase in temperature, estimated at between 0.3% and 0.6% of prospective demand. Similarly to Brazil, this forecast depends largely on the impact of macroeconomic developments in this country on electricity demand.

The same considerations can also be extended to the other countries in which the Group is present. In particular, in the rest of South America, where we again observe the positive elasticity of electricity demand to temperatures, the expected rise in temperature would still have less impact than economic growth. In fact, in Chile and Colombia, historical evidence still shows a strong coupling between the growth of electricity demand and GDP growth, with demand from the industrial sector accounting for around 50% of electricity consumption. Furthermore, the variability of the macroeconomic context could have repercussions on the electrification of the residential and service sectors, which represent the most immediate drivers of the increase in electricity demand in the event of an increase in temperatures.

The following table summarizes the main temperature effects in the South American countries, with ranges obtained by applying a 95% confidence interval to our baseline case.

Upper bound

Country	Temperature effect (annual average)			
	from RCP 2.6 to RCP 4.5		from RCP 2.6 to RCP 8.5	
	TWh	%	TWh	%
Argentina	0.68	0.3	1.37	0.6
Brazil	7.92	0.8	15.83	1.5
Chile	0.05	0.0	0.10	0.1
Colombia	0.08	0.1	0.17	0.1

Lower bound

Country	Temperature effect (annual average)			
	from RCP 2.6 to RCP 4.5		from RCP 2.6 to RCP 8.5	
	TWh	%	TWh	%
Argentina	0.57	0.3	1.15	0.5
Brazil	2.48	0	4.96	0
Chile	0.01	0.0	0.01	0.0
Colombia	0.02	0.0	0.05	0.0

Effect of the variation in temperature on electricity demand in the main Latin American countries in which the Group operates (average 2030-2050).

Assessment of the risks and opportunities connected with the Strategic Plan

The process of defining the Group's strategies is accompanied by a careful analysis of the risks and opportunities connected with those strategies.
Identifying those risks and opportunities within the Enel Group's strategic and industrial planning process is designed to span the horizon of the Plan in an integrated manner.
Although the strategy underlying the Plan, as described above, envisages a phase of careful analysis and verification of the strategic risk factors and variables, it retains scenario assumptions regarding future events that will not necessarily occur, as they depend on variables that cannot be controlled by management. Upside and downside developments may occur as time unfolds.
Before being able to approve the Strategic Plan, a quantitative analysis of the risks and opportunities associated with the Group's strategic positioning is presented annually to the Control and Risk Committee appointed by the Board of Directors. In particular, risk factors such as macroeconomic and energy variables (such as exchange rates, inflation, commodity prices and electricity demand), regulatory developments, weather and climate events and risks connected with the competition are identified.
Based on the nature of the risk and opportunity drivers, the analytical approach that best represents their volatility is selected. In practice, we perform scenario analysis for all those variables whose market time series provide a robust foundation to estimate levels of correlation and representative volatility for future risk, and a deterministic analysis based on what-ifs of the possible evolution of the business with respect to the main risk factors for the execution of the Business Plan.
The validity of the results is also monitored with ex-post analyses by risk cluster. In 2021, most of the actual upside and downside events fell well within the limits estimated by the risk models of the Strategic Plan presented at the end of 2020.
Focusing on the scenario risk analysis for the Strategic Plan, exchange rates, electricity demand and the volatility of energy and commodity prices represent almost all the volatility of the drivers. In particular, in addition to the US dollar the most impacting currencies are the Chilean peso, the Colombian peso and the Brazilian real. Nevertheless, the Group's very structure ensures that the volatility of the South American currencies has only a negligible impact on profits. Italy and Spain represent nearly all of the Group's exposure to the impact of the volatility of energy prices and commodity price fluctuations on margins.
Examining the other risk factors, such as those connected with weather and climate events, we can see that geographical diversification significantly reduces the exposure to the risk associated with renewable resources – a highly positive factor considering the Group's positioning and the steady expansion of renewable generation. Furthermore, with regard to climate change, the risk associated with "acute" events is managed as part of investment for adaptation to climate change and the Group's insurance strategy.
With regard to risk factors estimated deterministically, the monitoring of all possible regulatory issues is crucial for assessing any upside or downside impact on the Group.
In general, correlations between all the risk factors create diversification effects that substantially mitigate total exposures.

Risk management

The Group adopts a risk governance model supported by principles (risk governance pillars) and by a homogeneous taxonomy of risks for the Group (risk catalog).
The governance of the Group's risks is based on a structured and formalized set of elements that are periodically defined and updated in line with the evolution of the Group, with the international risk management standard ISO 31000 and with the best risk management practices.

Pillars of risk governance

The risk governance pillars provide for:

1 Group Risk Committee
established at the highest level and headed by the CEO of the Enel Group.

2 Local risk committees
established for the main Business Lines and geographical segments (countries and regions), led by the head of the appropriate organization (head of Business Line/country/region) coordinating with the Group Risk Committee.

3 Risk Appetite Framework
expressly formalized in the Group risk catalog.

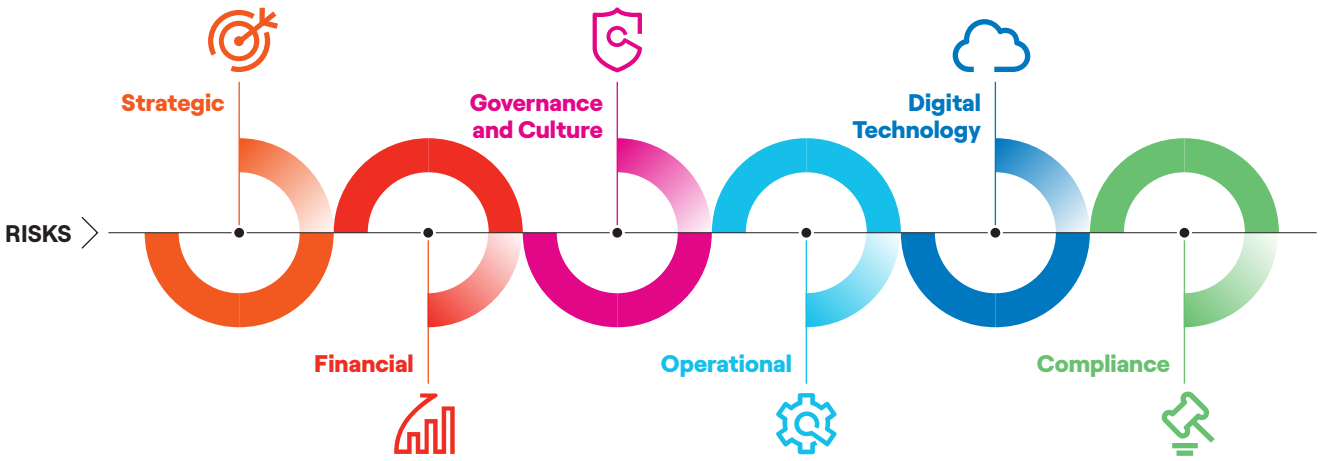
4 Three lines of defense
Clear and defined assignment of roles and responsibilities in accordance with the principle of three lines of defense
(1 = Management, 2 = Control, 3 = Internal Audit).

5 System of risk procedures and policies
to develop processes for the measurement, management, monitoring and control of significant risks.

6 Reporting system
for ongoing and structured reporting to decision-makers on risk exposures and metrics, delivered at the level of the Group, Business Line and significant geographical area.

Risk catalog

In view of the nature of its operations, Enel adopts a six-category classification of the risks to which it is exposed: Strategic, Financial, Digital Technology, Operational, Compliance, Governance and Culture.



Risks are defined in a risk catalog that serves as a reference for all areas of the Group and for all the units involved in management and monitoring processes. The adoption of a common language facilitates the mapping and comprehensive representation of risks within the Group, thus facilitating the identification of those that impact Group processes and the roles of the organizational units involved in their management.

The six most significant categories of risk in relation to the impacts on the Group are described as follows:

Category	Risk	Definition
Strategic	Climate change	Risk associated with delayed or inadequate strategic and operational initiatives for climate change adaptation and mitigation.
	Competitive environment	Risk associated with evolving market trends that may affect the Group's competitive positioning in the markets, growth and profitability.
	Innovation	Risk associated with inadequate technology scouting, erroneous or incomplete analysis of the uncertainty, complexity or feasibility of innovative projects.
	Legislative and regulatory developments	Risk associated with adverse developments in the legislative or regulatory environment that are not promptly identified, assessed or managed.
	Macroeconomic and geopolitical trends	Risk associated with a deterioration in global economic and geopolitical conditions associated with economic, financial, political, social or macroeconomic crises.
	Strategic planning and capital allocation	Risk associated with scenarios that do not capture emerging trends, compromising the implementation of timely mitigation actions.
Governance and Culture	Corporate culture and ethics	Risk associated with the inadequate integration of the Group's principles of ethics, diversity and equal opportunities in corporate processes and activities.
	Corporate governance	Risk associated with ineffective corporate governance rules and/or a lack of integrity and transparency in decision-making processes.
	Reputation	Risk of adversely impacting the public image of the Group and prejudicing the relationship of trust with shareholders.
	Stakeholders	Risk of ineffective engagement with the main stakeholders in Enel's strategic positioning in terms of sustainability and financial objectives, with potential adverse effects on its reputation and competitiveness.
Digital Technology	IT effectiveness	Risk associated with ineffective IT system support for business processes and operational activities.
	Cyber security	Risk arising from cyber-attacks and theft of sensitive company and customer data attributable to a lack of security in networks, operating systems and databases.
	Digitalization	Risk of ineffective business processes and incurring higher operating costs associated with the lack of digitalization in the workflow, systems integration and adoption of new technologies.
	Service continuity	Risk associated with exposure of IT/OT systems to service interruptions and data loss.

Category	Risk	Definition
Financial	Appropriate capital structure and access to financing	Risk that the Group's debt/equity ratio or the mix of long- and short-term debt may not support financial flexibility, enable easy access to funding sources or achieve borrowing cost targets.
	Interest rate	Risk associated with adverse fluctuations in interest rates that affect financial expense or the fair value measurement of sensitive financial assets and liabilities.
	Commodity	Risk associated with adverse trends in commodity markets, price volatility or lack of demand for commodities and natural resources.
	Currency	Risk associated with adverse changes in exchange rates affecting costs and revenue denominated in foreign currencies, the fair value measurement of sensitive financial assets and liabilities and the consolidation of subsidiaries with different currencies of account.
	Credit and counterparty	Risk associated with non-compliance with contractual payment and delivery obligations, deterioration of credit worthiness, significant exposures to a single counterparty or counterparties operating in the same sector or geographical area.
	Liquidity	Potential impact associated with the inability to promptly meet short-term financial commitments except on unfavorable financial terms or the inability to liquidate assets on the financial markets in the presence of restrictions on the divestment of assets.
Operational	Asset protection	Risk associated with ineffective safeguards for the Group's physical assets (theft, embezzlement, mismanagement) and financial assets (insurance, legal safeguards).
	Business interruption	Risk associated with the partial or total interruption of operations resulting from technical failures, malfunctions, human errors, sabotage, unavailability of raw materials or adverse weather events.
	Customer needs and satisfaction	Risk associated with the failure to fully satisfy customer expectations and needs in terms of quality, accessibility, sustainability and innovation.
	Environment	Risk of significant impacts on the quality of the environment and on the ecosystems involved following a violation of environmental regulations.
	Health and safety	Risk of potential impacts on the health and safety of employees and other parties following a violation of health and safety regulations.
	Intellectual property	Risk associated with the infringement or fraudulent use of the Group's intellectual property rights.
	People and organization	Risk of impacts on organizational arrangements or internal staff skills associated with ineffective recruitment, training and incentive processes.
	Process efficiency	Risk associated with inadequate management and monitoring of processes and operational activities.
	Procurement, logistics and supply chain	Risk of potential effects associated with inadequate procurement or contract management activities.
	Service quality management	Risk associated with the inability of third-party suppliers of internal services to meet the agreed service standards.

Category	Risk	Definition
Compliance	Accounting compliance	Risk of potential impacts associated with violation of international and national accounting laws and regulations as a result of the incorrect application and/or interpretation of the international accounting standards adopted by the Group.
	Antitrust and consumer rights compliance	Risk associated with the violation of antitrust laws and regulations concerning consumer rights.
	Corruption	Risk of adverse impacts associated with willful misconduct or corruption by persons within or outside the Group in order to obtain an unfair or illegal advantage.
	Personal data protection	Risk associated with the violation of applicable data protection and privacy legislation.
	External disclosure	Risk associated with the dissemination of reports, accounting documents, communications or other notices containing incorrect, inaccurate or incomplete information.
	Compliance with financial regulations	Risk associated with the violation of international or national financial laws and regulations.
	Compliance with tax regulations	Risk associated with the violation of international or national tax laws and regulations.
	Compliance with other laws and regulations	Risk associated with non-compliance with other international, national or local laws and regulations not previously described (e.g., those governing electricity markets, distribution, generation, tenders, authorizations, stock exchanges and golden powers, etc.).

Internal control and risk management system

To effectively manage these risks, Enel has adopted an internal control and risk management system (the ICRMS), which is periodically updated. It strengthens the Group's awareness of its risk profile, identifying any opportunities it may offer.

This system is the set of rules, procedures, and organizational structures developed to identify, measure, monitor and manage the main risks to which the Group is exposed. The internal control and risk management system makes it possible to comprehensively define – for each risk and with an integrated approach – the risk strategy, appropriate management and control arrangements, the development and updating of metrics, risk measurement models and risk limits.

With regard to the COVID-19 pandemic, the actions taken in recent years by the Group to increase its resilience to such a development can leverage our sound financial position, geographical diversification and integrated business model to mitigate and address unforeseen events and their potential effects with mitigation actions and contingency plans.

Strategic risks

This section provides disclosure on the following strategic risks:

- Legislative and regulatory developments
- Macroeconomic and geopolitical trends
- Risks and strategic opportunities associated with climate change
- Competitive environment

Legislative and regulatory developments

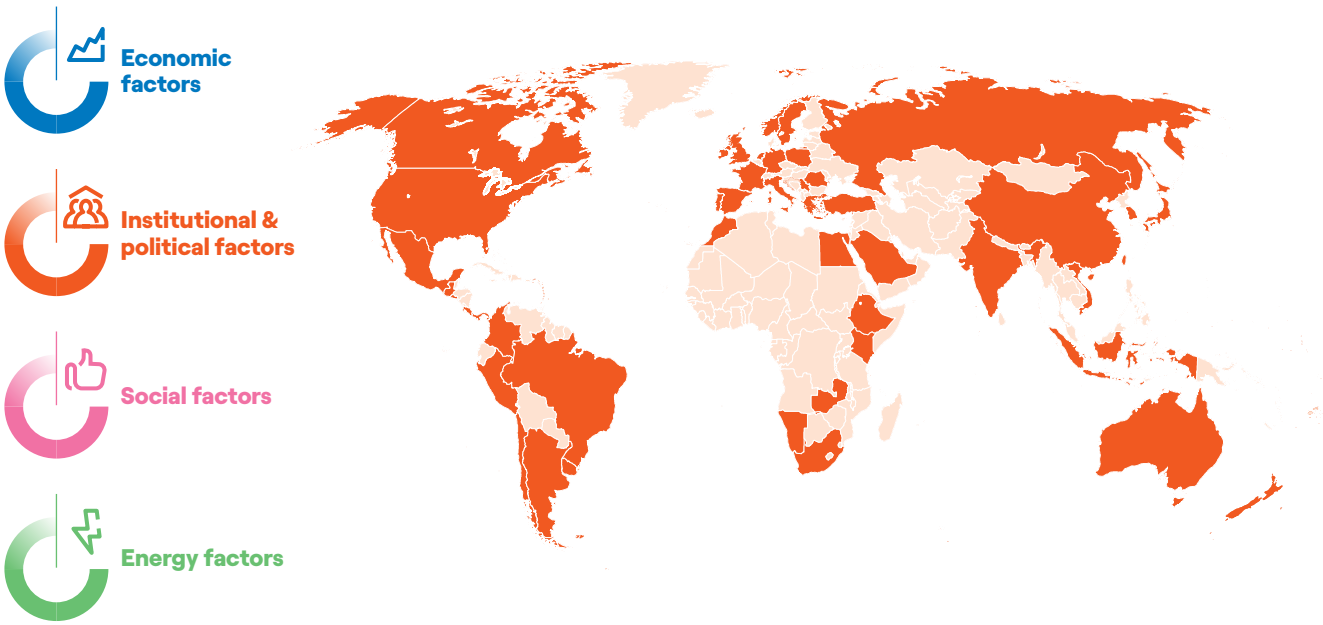
The Group operates in regulated markets and changes in the operating rules of the various systems, as well as the prescriptions and obligations characterizing them, impact the operations and performance of the Parent.
Accordingly, Enel closely monitors legislative and regulatory developments, such as:

- periodic revisions of regulation in the distribution segment;
- the liberalization of electricity markets, with special attention being paid to the acceleration provided for in Italy and expected developments in South America;
- developments in capacity payment mechanisms in the generation segment.

In order to manage the risks associated with these developments, Enel has intensified its relationships with local governance and regulatory bodies, adopting a transparent, collaborative and proactive approach in addressing and eliminating sources of instability in the legislative and regulatory framework.

Macroeconomic and geopolitical trends

The considerable internationalization of the Group – which has a presence in many regions, including South America, North America, Africa and Russia – requires Enel to consider country risk, i.e., the risks of a macroeconomic, financial, institutional, social or climatic nature and those specifically associated with the energy sector whose occurrence could have a significant adverse impact on both revenue flows and the value of corporate assets. Enel has adopted a quantitative Open Country Risk assessment model capable of specifically monitoring the riskiness of the countries in which it operates.



Open Country Risk is a quantitative model that extends the more conventional definition of country risk used in the existing literature by providing a more complete analysis of the risks involved, incorporating economic, financial, political, climate and energy factors.

The Open Country Risk model seeks to go beyond the more conventional definition of country risk, which focuses on the ability of a government to repay the debt it has issued, to offer a broader view of the risk factors that can impact a country. The model is divided into four risk components: economic; institutional and political; social; and energy factors.

More specifically, the Open Country Risk model has the ambition to measure the economic resilience of individual countries, defined as the balance of their position with respect to the rest of the world, the effectiveness of internal policies, the vulnerabilities of their banking and corporate system that might portend systemic crises and their attractiveness in terms of economic growth, and finally a quantification of extreme climate events as a cause of stress at the environmental and economic level (economic factors). This is accompanied by an assessment of the robustness of the country's institutions and the political context (institutional and political factors), an in-depth analysis of social phenomena, measuring the level of well-being, inclusion and social progress (social factors), and the effectiveness of the energy system and its positioning within the energy-transition process, as these are all essential factors for evaluating the sustainability of investments in the medium to long term (energy factors).

Specifically, the introduction of extreme climate events within the Open Country Risk model makes it possible to develop a uniform assessment on the evolution of certain climate hazards at the country level on a global scale. More information on climate scenarios and the framework used within the Open Country Risk model is discussed in the section "Risks and strategic opportunities associated with climate change".

Finally, with regard to the analysis of the energy-transition process, the Open Country Risk model also includes risk and opportunity analyses designed for forecasting purposes, quantifying the actions and the paths taken by the individual countries. For example, the model incorporates various factors reflecting the weight of renewable sources in energy generation, the electrification process and the environmental sustainability of the national energy system, which together are crucial characteristics for evaluating the country's potential growth and attractiveness in the medium to long term.

In order to mitigate this risk, the model supports the capital allocation and investment evaluation processes. To further support the investment evaluation process, Enel has adopted a methodology called "Total Societal Impact" that, adopting an integrated approach based on advanced economic models, clearly and robustly expresses the direct, indirect and induced impacts of investment initiatives at the national, regional or local levels. By quantifying standard international metrics, Total Societal Impact covers a wide range of economic, social and environmental indicators that play a strategic role in correctly assessing the social and environmental contribution of Enel's projects. In fact, considering some of the indicators that can be analyzed, such as the contribution to GDP, the increase in income of the weakest social groups, the calculation of carbon dioxide emissions avoided and the recovery of end-of-life materials from a circular economy perspective, it is clearly now essential to have a broad overview of the situation in order to evaluate a specific project in a given country with a view to creating shared value for all.

The year 2021 was the second year in a row in which the world had to face the COVID-19 health crisis. However, the economies of many mature and developing countries experienced a significant recovery last year after the sharp decline in 2020, with estimated global GDP growth of around 5.8% year-on-year in 2021. This progress was mainly achieved thanks to high vaccination rates (although there remain considerable disparities in vaccination coverage between high and low-income countries) and to the expansionary fiscal and monetary policies adopted by governments and central banks.

Recent data show that the growth outlook for 2022 is less optimistic, with the pace of expansion set to slow compared with the previous year, with global annual GDP growth projected to be around 4%. This would be attributable to possible factors such as a resurgence of COVID-19 cases triggered by the spread of new variants around the world, continuing inflationary pressures with rising food and energy prices, which could cause inflation expectations to de-anchor from the targets pursued by central banks, and new supply interruptions.

Finally, a range of economic and socio-political risk factors needs to be carefully monitored in Latin America as well. For example, a worsening of the pandemic caused by the spread of new variants could place a greater strain on healthcare systems in the countries of the area. Central banks in the area have been among the most reactive in raising interest rates in response to high levels of inflation, and could also continue to adopt such restrictive strategies in 2022, representing a downside risk to the economic recovery. Finally, other risks are connected with the high levels of public debt accumulated by governments in these two years of the pandemic, and with political uncertainty associated with elections in Brazil and Colombia or the potentially overly radical political agenda that might be pursued by the new President of Chile, Gabriel Boric.

Risks and strategic opportunities associated with climate change

The identification and management of risks connected with climate change and actions to seize opportunities

Climate change and the energy transition will impact Group activities in a variety of ways.
In order to identify the main types of risk and opportunity and their impact on the business associated with them in a structured manner consistent with the Task Force on Climate-Related Financial Disclosures (TCFD), we have adopted a framework that explicitly represents the main relationships between scenario variables and types of risk and opportunity, specifying the strategic and operational approaches to managing them, comprising mitigation and adaptation measures.
There are two main macro-categories of risks/opportunities: those connected with developments in physical variables and those linked to the evolution of the transition scenarios. The framework described has been created with a view to ensuring overall consistency, making it possible to analyze and evaluate the impact of physical and transition phenomena within solid alternative scenarios, constructed using a quantitative and modeling approach combined with ongoing dialogue with both internal stakeholders and external authorities.
Physical risks are divided in turn between acute (i.e., extreme events) and chronic, with the former linked to extremely intense meteorological conditions and the latter to more gradual but structural changes in climate conditions. Extreme events expose the Group to the risk of prolonged unavailability of assets and infrastructure, the cost of restoring service, customer disruptions and so on. Chronic changes in climate conditions expose the Group to other risks or opportunities: for example, structural changes in temperature could cause changes in electricity demand and have an impact on output, while alterations in rainfall or wind conditions could impact the Group's business by increasing or decreasing potential electricity generation.

The energy transition towards a more sustainable model characterized by a gradual reduction of CO_2 emissions has risks and opportunities connected both with changes in the regulatory and legal context and trends in technology development and competition, electrification and the consequent market developments.

Consistent with the climate and transition scenarios used by Enel to determine risks and opportunities, the main transition-related phenomena are beginning to emerge in relation to customer behavior, industrial strategies being adopted in all economic sectors and regulatory policies. By 2030, the transition trends will become visible in response to the evolution of the context: the Enel Group has decided to guide and facilitate the transition, preparing to seize all the opportunities that may arise. As discussed previously, our strategic choices, which are already strongly oriented towards the energy transition, with more than 90% of investments directed at improving a number of the Sustainable Development Goals, enable us to incorporate risk mitigation and opportunity maximization "by design", adopting a positioning that takes account of the medium- and long-term phenomena we have identified. The strategic choices are accompanied by the operating best practices adopted by the Group.

Framework of main risks and opportunities

Scenario phenomena	Time horizon	Risk & opportunity category	Description	Impact	Management approach
Acute physical	Starting with short term (1-3 years)	Extreme events	**Risk:** especially extreme weather/climate events.	Extreme events can damage assets and interrupt operations.	The Group adopts best practices to manage the restoration of service as quickly as possible. We also work to implement investments in resilience (e.g., the Italian case). With regard to risk assessment in insurance, the Group has a loss prevention program for property risk that also assesses the main exposures to natural events, supported by preventive maintenance activities and internal risk management policies. Looking forward, the assessments will also include the potential impacts of long-term trends in the most significant climate variables.
Chronic physical	Starting with long term (2030-2050)	Market	**Risk/opportunity:** increase or decrease in electricity demand; increase or decrease in output.	Electricity demand is also affected by temperature, whose fluctuation can impact our business. Renewables generation can also be impacted by structural changes in resource availability.	The Group's geographical and technological diversification means that the impact of changes (positive and negative) in a single variable is mitigated at the global level. In order to ensure that operations always take account of weather and climate phenomena, the Group adopts a range of practices such as, for example, weather forecasting, real-time monitoring of plants and long-term climate scenarios to identify any chronic changes in renewable source availability.
Transition	Starting with short term (1-3 years)	Policy & Regulation	**Risk/opportunity:** policies on CO_2 prices and emissions, energy transition incentives, greater scope for investment in renewables and resilience.	Policies concerning the energy transition and resilience can impact the volume of and returns on investments.	The Group is minimizing its exposure to risks through the progressive decarbonization of its generation fleet. The Group's strategic actions, which are focused on investment in renewables, grids and customers, enable us to mitigate potential threats and exploit the opportunities connected with the energy transition. The Group is also actively contributing to the formation of public policies through its advocacy efforts. These activities are conducted within platforms for dialogue with stakeholders called "Energy Transition Roadmaps" that explore national decarbonization scenarios in the various countries in which Enel operates in environmental, economic and social terms.
Transition	Starting with medium term (2025-2029)	Market	**Risk/opportunity**: changes in the prices of commodities and energy, evolution of energy mix, changes in retail consumption, changes in competitive environment.	Considering two alternative transition scenarios, the Group assesses the impact of rising trends in the proportion of renewable sources in the energy mix and the electrification of final energy consumption.	The Group is maximizing opportunities by adopting a strategy founded on the energy transition, the electrification of energy consumption and rapid growth in renewables output.
Transition	Starting with medium term (2025-2029)	Product & Services	**Opportunity**: increase in margins and greater scope for investment as a consequence of the transition in terms of greater penetration of electrical transport and new technologies for the electrification and energy efficiency of final consumption.	Considering two alternative transition scenarios, the Group assesses the impact of different trends in the electrification of energy consumption.	The Group is maximizing opportunities thanks to its strong positioning in new businesses and "beyond commodity" services.
	Starting with medium term (2025-2029)	Technology		With the current trend in the penetration of electrification efficiency technologies, the Group considers two alternative transition scenarios to assess opportunities to scale up current businesses.	The Group is maximizing opportunities thanks to its strong positioning in global networks.

The framework illustrated above also highlights the relationships that link the physical and transition scenarios with the potential impact on the Group's business.
These effects can be assessed from the perspective of three time horizons: the short term (1-3 years), in which sensitivity analyses based on the Strategic Plan presented to investors in 2021 can be performed; the medium term (until 2029), in which it is possible to assess the effects of the energy transition; and the long term (2030-2050), in which chronic structural changes in the climate should begin to emerge.
In order to facilitate the correct identification and management of the risks and opportunities associated with climate change, a Group policy was published in 2021 that describes the common guidelines for assessing these risks and opportunities. The "Climate change risks and opportunities" policy defines a shared approach for integrating issues relating to climate change and the energy transition into the Group's processes and activities, thus informing industrial and strategic choices to improve business resilience and long-term sustainable value creation, in line with the adaptation and mitigation strategy. The main steps considered in the policy are described below.

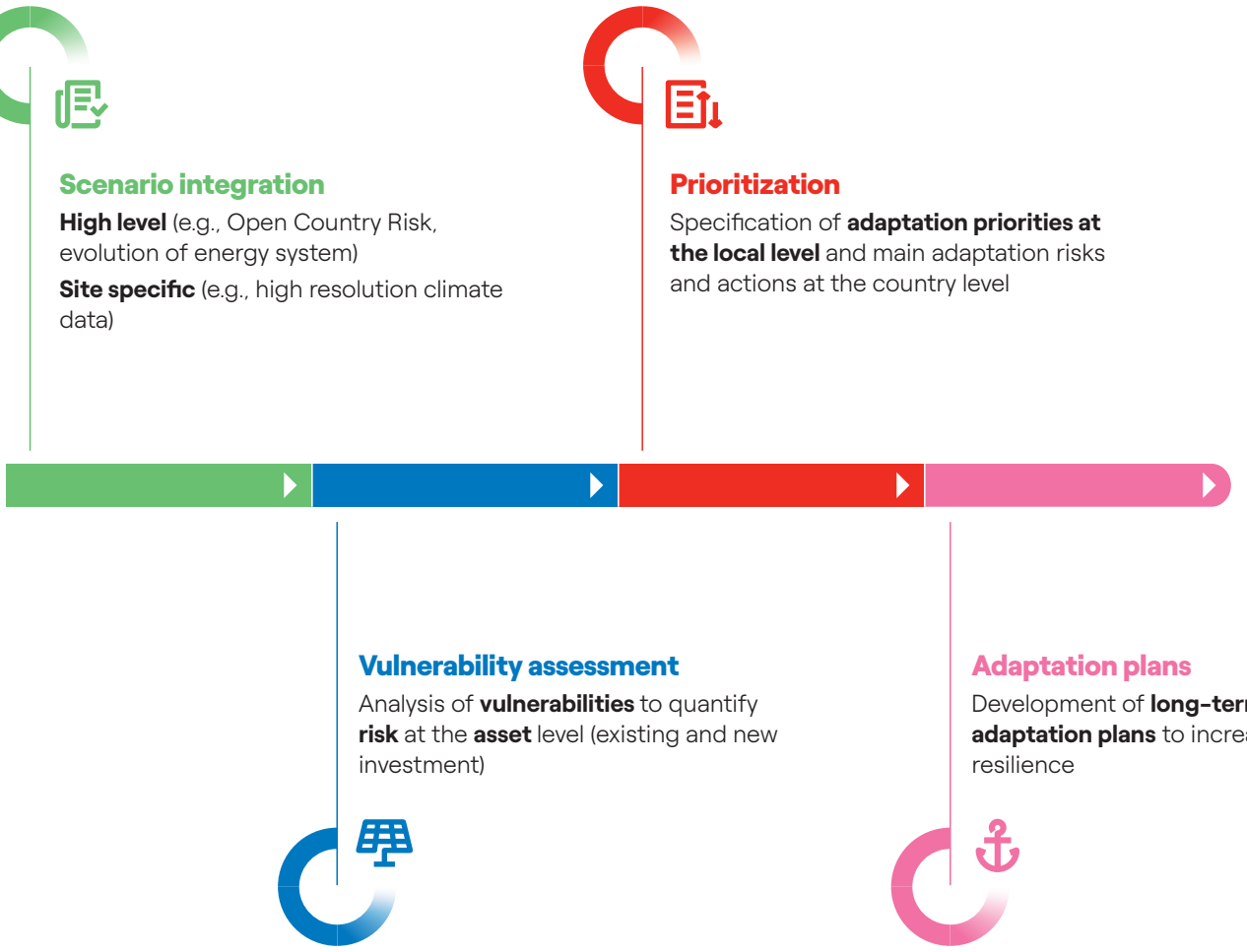
- Prioritization of phenomena and scenario analysis. These activities include the identification of physical and transition phenomena relevant to the Group and the consequent preparation of the scenarios to be considered, which are developed through the analysis and processing of data from internal and external sources. For the phenomena so identified, functions can be developed to connect the scenarios (for example, data on changes in renewable sources) to the operation of the business (for example, changes in expected potential output).
- Evaluation of impacts. This includes all the analyses and activities needed to quantify the effects at an operational, economic and financial level, consistent with the processes in which they are integrated (for example, design of new buildings, evaluation of operational performance, etc.).
- Operational and strategic actions. The information obtained from the previous activities is integrated into processes, informing the decisions of the Group and the business activities. Some examples of activities and processes that benefit from this are capital allocation, such as in the evaluation of investments in existing assets or new projects, the development of resilience plans, risk management and financing activities, engineering and business development.

The main sources of risk and opportunity identified, the best practices for the operational management of weather and climate phenomena, and the qualitative and quantitative impact assessments performed to date are discussed below. The above activities are performed on the foundation of an ongoing effort during the year to analyze, assess and manage the information produced. As declared by the TCFD, the process of disclosing information on the risks and opportunities connected with climate change will be gradual and incremental from year to year.

Enel's resilience to the energy transition and climate change

The impacts of climate change, technological evolution, the evolution of policies and changes in macroeconomic fundamentals make it ever more important to develop resilient business strategies, i.e., strategies capable of withstanding external shocks, and therefore of absorbing the causes of potential crises and thriving even when external conditions change, whether slowly or rapidly. Jointly considering the factors associated with energy-transition scenarios and the various climate change scenarios is therefore a prerequisite for long-term planning.
The set of transition and climatic scenarios plays a role in guiding strategic and industrial decisions, taking account, for example, of the future effects of temperature on electricity demand, the investments necessary to support the process of ever greater electrification and decarbonization, the evolution of the market environment and of consumer habits. Given that Enel's Strategic Plan concentrates more than 94% of investment on combatting climate change through the progressive expansion of generation from renewable sources and the development of infrastructure and services to guide energy systems and customers towards progressive electrification, while at the same time significant reducing the use of fossil fuels, the Group's investments and activities delineate, by design, a long-term growth path that is in line with an energy transition consistent with the Paris Agreement.

The application of long-term climate scenarios enables the construction of adaptation plans for the Group's asset and business portfolio. Climate scenarios are developed starting with the identification of the most relevant physical phenomena for each business (such as heat waves, extreme rainfall, fire risk, etc.), to produce analyses that provide both high-level indicators (such as comparable country risk indices) and high-resolution data, which make it possible to study physical hazards at the single-site level. The approach applies to both the existing portfolio and new investments. Asset vulnerability assessment makes it possible to identify priority actions to increase resilience.



Chronic and acute physical phenomena: repercussions on our business, risks and opportunities

Taking the scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) as our reference point, developments in the following physical variables and the associated operational and industrial impacts connected with potential risks and opportunities are assessed.

Chronic physical changes creating risks and opportunities

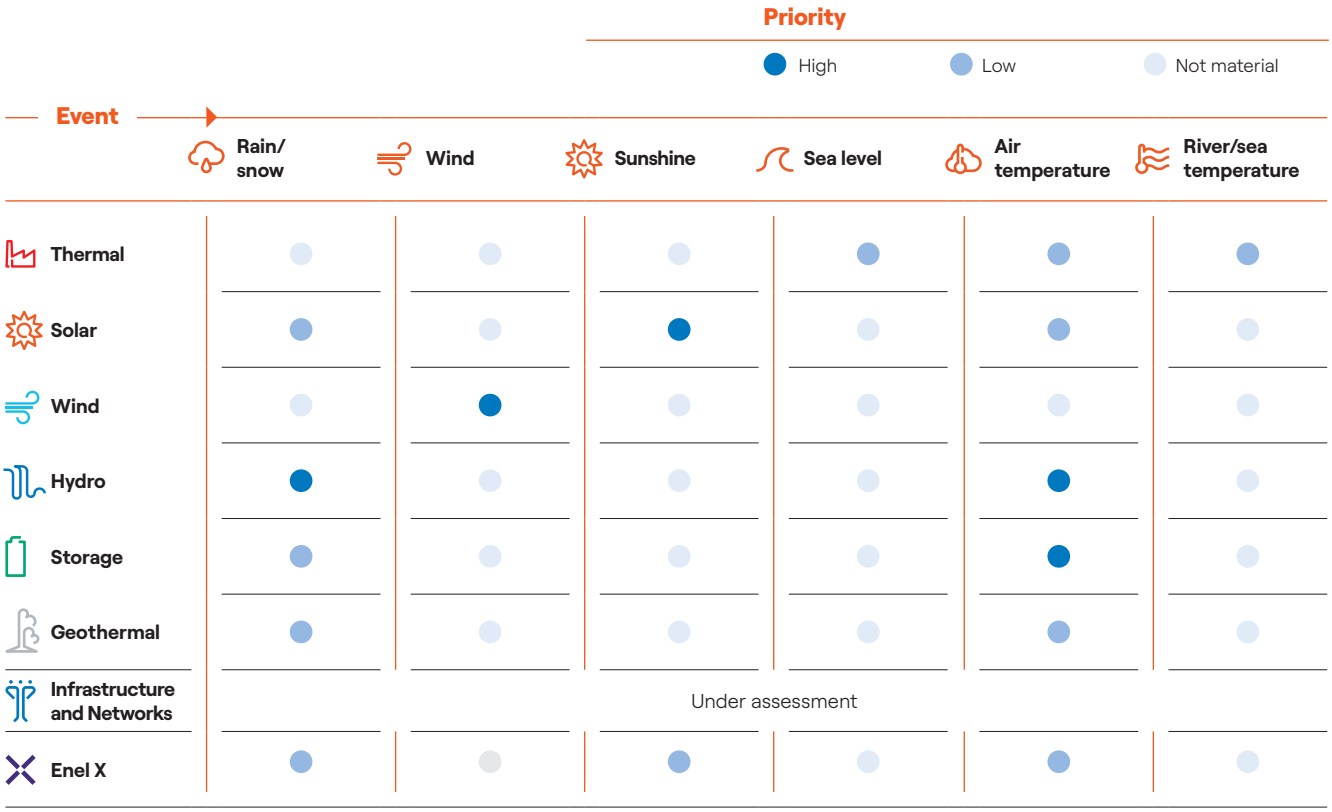
The climate scenarios developed with the International Centre for Theoretical Physics (ICTP) in Trieste do not provide definitive indications of structural changes before 2030, but changes could begin to emerge between 2030 and 2050.
The main impacts of chronic physical changes would be reflected in the following variables:

Variables impacted by chronic physical changes

- Electricity demand: variation in the average temperature level with a potential increase or reduction in electricity demand.
- Thermal generation: variation in the level and average temperatures of the oceans and rivers, with effects on thermal generation.
- Hydroelectric generation: variation in the average level of rainfall and snowfall and temperatures with a potential increase or reduction in hydro generation.
- Solar generation: variation in the average level of solar radiation, temperature and rainfall with a potential increase or reduction in solar generation.
- Wind generation: variation in the average wind level with a potential increase or reduction in wind generation.

The Group will work to estimate the relationships between changes in physical variables and the change in the potential output of individual plants in the different categories of generation technology.

As part of the assessment of the effects of long-term climate change, we have identified chronic events relevant to each technology and began the analysis of the related impacts on potential output.



Scenario analysis has shown that chronic structural changes in the recent trends of physical variables will become significant beginning in 2030. However, in order to obtain an indicative estimate of the potential impacts, and include the possible early emergence of chronic effects, it is possible to test sensitivity of the Business Plan to the factors potentially influenced by the physical scenario, regardless of any direct relationship with climate variables. Of course, such stress testing has an extremely low probability of occurrence based on historical events and geographical diversification. The variables examined are electricity demand (+/-1% per year), whose variations can potentially impact the generation and retail businesses. It was stress tested for all countries in which the Group operates. The output potential of renewable plants was also stressed (+/-10% over a single year). Variations in this variable can potentially impact the generation business. It was stressed separately at the individual technology level around the globe. The data reported show the effect on a single year for a single generation technology and include both the volume and price effects.

Time horizon
Short (within 3 years)
Medium (until 2030)
Long (2030-2050)

Downside scenario current policies ▼ ● Upside scenario current policies ▲ ●

Scenario phenomena	Risk & opportunity category	Description	Time horizon	Impact	GBL affected	Scope	Quantification – Type of impact	Upside/ Downside	Quantification – range <€100 mn	€100–300 mn	>€300 mn
Chronic physical	Market	**Risk/ opportunity:** increased or decreased power demand.	Short	Electricity demand is also influenced by temperature, the fluctuations of which can have an impact on the business. Although structural changes should not occur in the short-medium term, to assess the sensitivity of the Group's performance to potential temperature changes, sensitivity analyses are conducted with respect to changes in electricity demand of +/- 1% of the Group total.	Enel Green Power and Thermal Generation and Infrastructure and Networks	Group	EBITDA/year	+1% ▲	●		
								-1% ▼	●		
Chronic physical	Market	**Risk/ opportunity:** increased or decreased renewables output	Short	Renewables output is also influenced by the availability of resources whose fluctuations can have an impact on the business. Although structural changes should not occur in the short-medium term, to assess the sensitivity of the Group's performance to potential temperature changes, sensitivity analyses are conducted with respect to changes in potential output of +/- 10% per year by individual technology.	Enel Green Power and Thermal Generation	Group Potential Hydro Output	EBITDA/year	+10% ▲		●	
								-10% ▼		●	
						Group Potential Wind Output	EBITDA/year	+10% ▲	●		
								-10% ▼	●		
						Group Potential Solar Output	EBITDA/year	+10% ▲	●		
								-10% ▼	●		

Preliminary analysis of the impact of chronic climate changes on renewable generation

Preliminary analyses were conducted to translate chronic climate changes into impacts on potential output for the main RES technologies operated by the Group: wind, solar and hydroelectric.
For each technology, two pilot sites were selected, based on the geographical position and the availability of historical data on the site, for which a link function was calculated, starting from the observed data, which makes it possible to translate trends in climatic variables into production information. This function was then applied to the data for climate projections to estimate the difference in output expected in 2030-2050 compared with historical figures.

The results of these initial analyses at the pilot sites are reported below.

	Pilot sites	Input parameters	Results
		**Climate variables used to calculate link function:** wind speed, air density **Time step:** monthly **Time horizon:** 2030-2050 vs. historical	**Site 1:** output in line with historical trend in RCP 2.6 scenario and down slightly in RCP 4.5 and RCP 8.5 scenarios **Site 2:** output stable in RCP 2.6 and RCP 4.5 scenarios and up slightly in RCP 8.5 scenario
		**Climate variables used to calculate link function:** global horizontal irradiance (GHI), temperature **Time step:** daily **Time horizon:** 2030-2050 vs. historical	No material changes for the business at either of the plants examined
		**Climate variables used to calculate link function:** precipitation, temperature **Time step:** monthly **Time horizon:** 2030-2050 vs. historical	For both areas, average output is unchanged in RCP 2.6 scenario but declines slightly in RCP 8.5 scenario

Slight increase or slight decrease means a change that does not exceed +/- 5%.

Acute physical changes creating risks and opportunities

With regard to acute physical phenomena (extreme events), the intensity and frequency of extreme physical phenomena can cause significant and unexpected physical damage to assets and generate negative externalities associated with the interruption of service.
Within climate change scenarios, the acute physical component plays a leading role in defining the risks to which the Group is exposed, due both to the broad geographical diversification of its asset portfolio and the primary importance of renewable resources in electricity generation.
Acute physical phenomena, in different cases such as wind storms, floods, heat waves, cold snaps, etc., are characterized by considerable intensity and a frequency of occurrence that, while not high in the short term, is clearly trending upwards in medium- and long-term climate scenarios. Therefore, the Group, for the reasons described above, is already managing the risk associated with extreme events in the short term. At the same time, the methodology is also being extended to longer time horizons (up to 2050) in accordance with the climate change scenarios that have been developed (RCP 8.5, 4.5 and 2.6).

Acute event risk assessment methodology

In order to quantify the risk deriving from extreme events, the Group uses a consolidated catastrophic risk analysis

approach, which is adopted in the insurance sector and in the IPCC reports.(16) Through its insurance business units and the captive insurance company Enel Insurance NV, the Group manages the various phases of assessing the risks connected with natural disasters: from assessment and quantification to the corresponding insurance coverage to minimize impacts.

The methodology is applicable to all extreme events that can be analyzed, such as wind storms, heat waves, tropical cyclones, flooding, etc. In all of these types of natural disaster, three independent factors can be identified, as briefly described below.

- The event probability (hazard), i.e., the theoretical frequency of the event over a specific time frame: the recurrence interval. In other words, a catastrophic event that has, for example, a recurrence interval of 250 years has a probability of occurrence in any given year of 0.4%. This information, which is necessary for assessing the level of frequency of the event, is then associated with the geographical distribution of Group assets.

  For this purpose, the Group adopts the hazard map tool, which associates the estimated frequency associated with an extreme event, for the different types of natural disasters, with each geographical point of the global map. This information, organized in geo-referenced databases, can be obtained from global reinsurance companies, weather consulting firms or academic institutions.

- Vulnerability, which indicates in percentage terms how much value would be lost upon the occurrence of a given catastrophic event. In more specific terms, reference can be made to the damage to material assets, the impact on the continuity of electricity generation and/or distribution or the provision of electrical services to end users.

  The Group, especially in the case of damage to its assets, conducts and promotes specific vulnerability analyses for each technology in its portfolio: solar, wind and hydroelectric generation plants, transmission and distribution grids, primary and secondary substations, etc. These analyses are naturally focused on the extreme events that most impact the different types of technologies. This produces a sort of matrix that associates the significantly impacted type of asset with the individual natural catastrophic events.

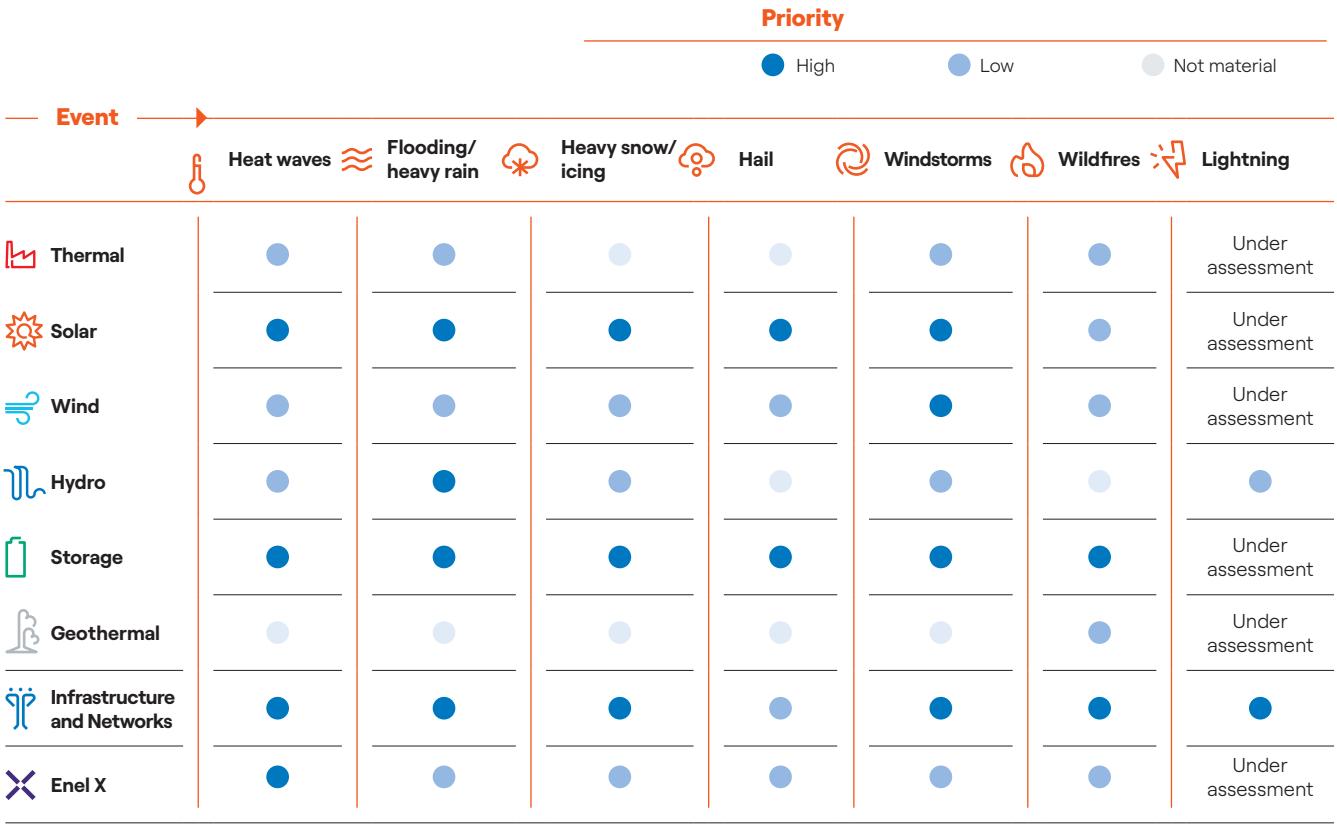
- Exposure is the set of economic values present in the Group's portfolio that could be materially impacted in the presence of catastrophic natural events. Again, the dimensions of the analyses are specific for the different production technologies, distribution assets and services to end users.

The three factors described above (hazard, vulnerability and exposure) constitute the fundamental elements of any assessment of the risk associated with extreme events. In this sense, the Group, with respect to climate change scenarios, differentiates its risk analyses in accordance with the specificities of the various associated time horizons. The following table summarizes the scheme adopted for the assessment of the impacts deriving from acute physical phenomena.

Time horizon	Hazard	Vulnerability	Exposure
Short term (1-3 years)	Hazard maps based on historical data and meteorological models	Vulnerability, being linked to the type of extreme event, to the specifics of the type of damage and to the technical requirements of the technology in question, is essentially independent of time horizons	Group values in the short term
Long term (to 2050 and/or 2100)	Hazard maps and specific studies for the different RCP climate scenarios of the IPCC		Group values in the long term

(16) L. Wilson, "Industrial Safety and Risk Management", University of Alberta Press, Alberta 2003.
T. Bernold, "Industrial Risk Management", Elsevier Science Ltd, Amsterdam, 1990.
H. Kumamoto and E.J. Henley, "Probabilistic Risk Assessment and Management for Engineers and Scientists", IEEE Press, 1996.
Nasim Uddin, Alfredo H.S. Ang (eds.), "Quantitative risk assessment (QRA) for natural hazards", ASCE, Germany, 2012.
UNISDR, "Global Assessment Report on Disaster Risk Reduction: Revealing Risk, Redefining Development", UNISDR, Geneva, 2011.
IPCC, "Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation - A Special Report of Working Groups I-II of the Intergover nmental Panel on Climate Change (IPCC)", Cambridge University Press, Cambridge, 2012.

In the case of the vulnerability of assets within the portfolio, therefore, a priority table of the impacts of the main extreme events on the various technologies was defined in collaboration with the relevant Global Business Lines of the Group:



"Heavy/wet snow" includes icing, which is relevant for Infrastructure and Networks.

Managing the risk of extreme events in the short term

Over the short term (1-3 years) the Group, in addition to risk assessment and quantification, takes actions to reduce the impacts that the business may suffer following catastrophic extreme events. Two main types of action can be distinguished: obtaining effective insurance coverage and climate adaptation activities, preventing losses that could be caused by extreme events.

The general characteristics of these actions are illustrated below and, naturally, in the case of adaptation activities for damage prevention and mitigation, specific reference will be made to the Group's Generation and Infrastructure and Networks Global Business Lines.

Impact of acute physical events on the Group

The Enel Group has a well-diversified portfolio in terms of its generation technologies, geographical distribution and asset scale and, consequently, the portfolio's exposure to natural risks is also diversified. The Group implements various risk mitigation measures, which, as described below, include both insurance coverage and other management and operational arrangements to further lower the Company's risk profile.

The empirical evidence indicates negligible repercussions from these risks, as shown by the data for the last five years. Considering the most significant events, defined as events with a gross impact of more than €10 million, the cumulative gross impact amounts to about €270 million, which represents less than 0.14% of the value of the Group's insured assets as at 2022 (about €202 billion), most of which was recovered through insurance reimbursements.

Insurance in the Enel Group

Each year, the Group develops global insurance programs for its businesses in the various countries in which it operates. The two main programs, in terms of coverage and volumes, are the following:

- the Property Program for material damage to assets and the resulting business interruption. Accordingly, in addition to the costs of rebuilding assets (or parts thereof), the financial losses due to the stoppage of electricity generation and/or distribution are also covered, within the limits and conditions defined in the policies;
- the Liability Program, which insures against losses caused to third parties, including the impact that extreme events may have on the Group's assets and business.

Based on effective risk assessment, it is possible to specify appropriate limits and insurance conditions within the policies, and this also applies in the case of extreme natural events linked to climate change. In fact, in the latter case, the impacts on the business can be significant but, as has happened in the past in various locations around the world, the Group has demonstrated a high degree of resilience, thanks to the ample insurance coverage limits, thanks in part to the Group's solid reinsurance capabilities through the captive company Enel Insurance NV.

The presence of this effective insurance coverage does not make the actions that the Group takes in the preventive maintenance of its generation and distribution assets any less important. In fact, while on the one hand the effects of these activities are immediately reflected in the mitigation of the impacts of extreme events, on the other hand they are a necessary prerequisite for optimizing risk financing and minimizing the cost of the Group's global insurance coverage programs, including the risk associated with catastrophic natural events. This adaptive strategy takes the form of management strategies and actions that go beyond insurance alone and change with the surrounding conditions. For example, the Group has managed to sterilize much of the strong upward trend in premiums on the insurance markets through changes to its risk retention policies for assets, as well as through internal risk transfer policies that reward the Business Lines that are most virtuous in terms of risk mitigation. From this perspective, the method and the information extracted from the ex-post analysis of events play a crucial role in determining the processes and practices to be deployed in mitigating such events in the future.

Climate change adaptation in the Enel Group

The Group implements adaptation solutions for weather and climate events in order to effectively manage the chronic and acute phenomena affecting each activity and Business Line.

The adaptation solutions can involve both short-term and long-term actions, such as planning investments in response to climate phenomena. Adaptation activities also include the implementation of procedures, policies and best practices.

For new investments, it is also possible to take advance action in the design and construction phase to reduce the impact of climate risks by design (for example, through risk and vulnerability assessment in the design phase) and to take account of any chronic effects (e.g., the inclusion of climate scenarios in long-term renewable resource estimates).

Once the relevant weather and climate phenomena have been identified, the activities implemented to maximize adaptability can be classified as follows:

- adverse event prevention and management: procedures for advanced preparation for extreme events (for example, acquiring short-term forecast weather data and training) and procedures for restoring normal operations as quickly as possible (for example, the definition of operational and organizational procedures to be activated in response to critical events);
- enhancing asset resilience: measures to increase the resilience of assets, such as the quantitative assessment of potential acute and chronic risks to better define requirements in the design phase and actions to be implemented for existing assets.

The following table provides a high-level summary of the type of actions that Enel implements to effectively manage adverse events and to increase resilience to weather phenomena and their evolution due to climate change. In the following sections, certain activities are described in greater detail.

Business Line	A. Adverse event prevention and management	B. Enhancing asset resilience
Enel Green Power and Thermal Generation	**Existing assets** 1. Critical incident and event management 2. Site-specific emergency management plans and procedures 3. Specific tools for forecasting imminent extreme events	**Existing assets** 1. Guidelines for hydraulic risk assessment and design 2. Lessons-learned feedback from O&M to E&C and BD **New construction** In addition to actions for existing assets: 1. Climate change risk assessments (CCRA) included in environmental impact documentation (pilot)
Global Infrastructure and Networks	**Existing assets** 1. Strategies and guidelines for risk prevention, readiness, response and recovery actions for the distribution grid 2. Global Infrastructure and Networks guidelines for emergency and critical event management 3. Risk prevention and preparation measures for fires involving electrical installations (lines, transformers, etc.)	**Existing assets and new construction** 1. Guidelines for developing grid resilience enhancement plans (e.g., the "Network Resilience Enhancement Plan" of e-distribuzione)
Enel X	**Existing assets** 1. Enel X critical event management 2. e-Mobility: guidelines for asset maintenance and monitoring (repair or replacement of charging infrastructure)	**Existing assets** 1. e-Mobility: the continuous improvement program

Adaptation measures – Generation

With regard to generation, over time the Group has implemented targeted measures at specific sites and established ad hoc management activities and processes.

Measures implemented for specific sites in recent years include:

- improving cooling water management systems for certain plants in order to counter the problems caused by the decline in water levels on rivers, such as the Po in Italy;
- installing fogging systems to improve the flow of inlet air and offset the reduction in power output caused by the increase in ambient temperature in CCGTs;
- installing drainage pumps, raising embankments, periodic cleaning of canals and interventions to consolidate land adjacent to plants to prevent landslides in order to mitigate flood risks;
- periodic site-specific reassessments for hydro plants of flood scenarios using numerical simulations. The scenarios developed are managed with mitigation actions and interventions for civil works, dams and water inlets.

The Group adopts a series of best practices to manage the impact of weather events on power generation, such as:

Group practices for managing weather events in generation operations

Main areas:

Maintenance

O&M Operation

- weather forecasting both to monitor renewable resource availability and detect extreme events, with warning systems to ensure the protection of people and assets;
- hydrological simulations, land surveys (including with the use of drones), monitoring any vulnerabilities through digital GISs (Geographic Information Systems) and satellite measurements;
- advanced monitoring of over 100,000 parameters (with over 160 million historical measurements) for dams and hydroelectric works;
- real-time remote monitoring of generation plants;
- safe rooms in plants in areas exposed to tornadoes and hurricanes, such as the wind farms in Oklahoma in the United States;
- adoption of specific guidelines for performing hydrological and hydraulic studies from the earliest development stages, aimed at assessing the risks inside plants and in the areas outside plants, with application in the design phase of drainage and mitigation systems in compliance with the principle of hydraulic invariance;
- verification of potential climate trends for the main project parameters in order to take them into account in the sizing of systems for relevant projects (for example, assessments of the temperature of the coolant source in order to ensure greater flexibility in cooling in new CCGTs)

Dams and Hydraulic Infrastructure Safety

Critical Event Management

and civil engineering works (for example, rainfall assessments for designs of drainage systems at solar plants);
- estimation of extreme wind speeds using updated databases containing the logs and historical trajectories of hurricanes and tropical storms, enabling the selection of the wind turbine technology best suited to the emerging conditions.

In addition, in order to ensure rapid response to adverse events, the Group has adopted specific emergency management procedures with protocols for real-time communication and management of all activities to restore operations rapidly and standard checklists for damage assessment and the safe return to service for all plants as rapidly as possible. One solution to minimize the impacts of climate phenomena is represented by the lessons-learned feedback process, which is implemented by the technical functions. It is governed by the existing operating model and influences future projects.

Adaptation measures – Infrastructure and Networks

In the Infrastructure and Networks Business Line, the Enel Group has adopted an approach in recent years called "4R" to cope with extreme climate events. A specific policy (which seeks to implement an innovative strategy to ensure the resilience of the distribution grid) has been developed to define the measures to be taken both in preparation for an emergency within the network and for the prompt restoration of service once climate events have caused damage to assets and/or outages. The 4R strategy is divided into four phases.

- Risk prevention: this includes actions that make it possible to reduce the probability of losing network components because of an event and/or to minimize its effects, i.e., interventions aimed both at increasing the robustness of the infrastructure and maintenance interventions.
- Readiness: this includes all measures aimed at increasing the speed with which a potentially critical event can be identified, ensuring coordination with Civil Protection authorities and local institutions and preparing the necessary resources once a grid disruption has occurred.
- Response: this represents the phase in which the operational capacity to cope with an emergency upon the occurrence of an extreme event is assessed. It is directly related to the ability to mobilize operational resources in the field and the capacity to remotely restore power supply through resilient backup systems.
- Recovery: this is the last phase, in which the goal is to return the network to ordinary operating conditions as soon as possible in cases where an extreme weather event has caused service interruptions despite the increased resilience measures taken previously.

Following this approach, the Business Line has prepared various policies for specific actions to address the various aspects and risks associated with climate change. In particular:

Guidelines for Readiness Response and Recovery actions during emergencies

This policy covers the last three phases of the 4R approach, indicating guidelines and measures to improve preparation strategies, mitigate the impact of total blackouts and, finally, restore service to as many customers as possible in the shortest time possible.

Guideline for Network Resilience Enhancement Plan

This policy seeks to identify the most impactful extraordinary climate events on the network, to evaluate the specific KPIs of the network and to improve them based on proposed interventions in order to be able to evaluate the order of priority. In this manner, actions are selected that, when implemented, will minimize the impact on the network of particularly critical extreme events in a given area/region. The policy therefore covers the first two phases of the 4R approach, suggesting measures regarding risk prevention and readiness.
In Italy, this policy has been translated into the Resilience Plan that e-distribuzione has prepared each year since 2017, which represents an addendum to the Development Plan for investments over a 3-year time horizon to reduce the impact of extreme events in certain critical areas, namely heat waves, icing and windstorms (with the associated risk of falling trees). In 2017-2020, some €520 million were invested and about €345 million will be invested in the following three-year period, as specified in the addendum to the 2021-2023 Plan. To address these risks, investments

include the targeted replacement of uninsulated lines with insulated conductors, the undergrounding of cables in some cases or solutions involving routes to restore power that are not vulnerable to the above phenomena.
As in Italy, similar issues are being explored in other countries, both in Europe and South America, in order to prepare an *ad hoc* investment planning process to enhance the resilience of networks to extreme events, taking due account of the distinctive characteristics of each territory.

Measures for Risk Prevention and Preparation in case of wildfires affecting the electrical installations

This policy is dedicated to addressing the risk of wildfires, outlining an integrated approach to emergency management measures applied in the case of forest fires, whether they are of external origin or, in a small minority of cases, are caused by the grid itself and could potentially threaten Enel plant. The document provides guidelines to be implemented in the various territories involved to identify areas/plant at risk, define specific prevention measures (e.g., evaluation of specific maintenance plans and any upgrades) and, in the event of a fire, manage the emergency optimally in order to limit its impact and restore service as soon as possible.

Support actions

These include the implementation of systems for weather forecasting, monitoring the status of the network and evaluating the impact of critical climate phenomena on the network, the preparation of operational plans and the organization of specific exercises. Particularly important in this regard are advance agreements for the mobilization of extraordinary resources to respond to emergencies, comprising both internal personnel and contractors. For example, in Italy a trial has begun of sensors on above-ground lines in areas that are highly exposed to snow and wind (Project Newman).

Moreover, with a view not only to assessing weather emergencies in the short/medium term, but also in consideration of the climate change we are witnessing, Infrastructure and Networks is mapping key phenomena at the global level as part of an analysis of the specific climate risks in countries in which it operates, seeking to associate a risk level with each phenomenon and prioritize the most exposed areas.
Infrastructure and Networks is collaborating with leading research institutes to analyze trends in the most critical threats in the various countries in which the Group operates, and to estimate their future impact on the network in the medium and long term.
The following are some examples.

Heavy rainfall/wind storms

- In 2021, the selection of external partners was initiated for an investigation of scenarios concerning the evolution of intense rainfall events in various countries. For example, with regard to explosive cyclogenesis in Spain, a preliminary survey of the events with the greatest impact on the grid was conducted, following the policy concerning the enhancement of grid resilience, which will form the basis for subsequent detailed analyses starting from 2022.

Heat waves

- In 2021, heat waves in the other countries in which Infrastructure and Networks operates were investigated further after having produced initial results for Italy in 2020. This critical event is characterized by the persistence of high temperatures over a period of several days in correspondence with the absence of precipitation which, by hindering the dissipation of heat from underground cables, causes an anomalous increase in the risk of multiple failures on grids, especially in urban areas and in summer tourist locales.
- In Spain, despite the increase in the frequency and intensity of heat waves, especially where the presence of underground cables is relatively low, no significant historical correlation between heat waves and failures has been found in the analyses conducted to date.
- Finally, starting from 2022, similar analytical work will be performed in other geographical areas.

Wildfires

- With regard to fire risk, despite the insignificance of events recorded to date, the Business Line, consistent with the policy noted above, is preparing an in-depth analysis of the scenarios through 2050 concerning the evolution of the phenomenon, with a view to possible improvements in the policy itself. So far, each country has conducted a study to identify the areas at greatest risk of forest fires. Today, this study also makes use of GIS (Geographic Information System) mapping for more precise

identification of grids in different environments (protected natural areas, forests, habitats). This makes it possible to adopt even more effective construction or maintenance design measures with a view to preventing fire risk.

Inclusion of climate change effects in the assessment of new projects

Many activities connected with the evaluation and implementation of new projects can benefit from general and site-specific climate analyses, which the Group is beginning to integrate with those already considered in the evaluation of new projects. For example:

- preliminary studies: in this phase, climate data can serve as a preliminary screening tool, with the analysis of specific climate phenomena, such as those discussed previously in the analysis of physical scenarios, and synthetic indicators such as the Climate Risk Index, integrated into the Open Country Risk model. These data provide a preliminary measure of the most relevant phenomena in an area among those identified as being relevant for each technology;
- estimation of expected output: the climate scenarios will be progressively integrated to enable the evaluation of how climate change will modify the availability of renewable sources at the specific site. In the in-depth development of the preliminary analyses on potential output, the approach applied for now to selected pilot sites is described and then scaled up over the entire generation portfolio;
- environmental impact analysis: the Group has begun to integrate a Climate Change Risk Assessment into project documentation. This contains a representation of the main physical phenomena and their expected change in the area;
- resilient design: as noted, the development of resilient assets by design is a key climate change adaptation activity. The Group is working to progressively consider analyses based on climate data, such as the increase in the frequency and intensity of acute events. The latter will integrate existing analyses based on historical data already in use, in order to increase the resilience of future assets, including all necessary adaptation actions over the useful life of a project.

Transition phenomena: repercussions on our business, risks and opportunities

With regard to the risks and opportunities associated with transition variables, we use the different reference scenarios in combination with the elements that make up the risk identification process (e.g., competitive context, long-term vision of the industry, materiality analysis, technological evolution, etc.) to identify the drivers of potential risks and opportunities. Priority is given to the most material phenomena. The main risks and opportunities identified within this framework are described below.

Policy & Regulation

Limits on emissions and carbon pricing

The enactment of laws and regulations that introduce more stringent emission limits by government action (non-market driven) and market-based mechanisms.

- Opportunities: command & control regulations and market-based mechanisms strengthening CO_2 price signals to foster investment in carbon-free technologies.
- Risks: lack of a coordinated approach among the various actors and policy-makers involved and limited effectiveness of the policy instruments deployed, with an impact on the speed of the trend towards electrification and decarbonization in the various sectors, compared with a decisive Group strategy focused on the energy transition.

Incentives for the energy transition

Development incentives and opportunities with a view to the energy transition, consequently guiding the energy system towards the use of low-emission energy resources as the mainstream approach in the energy mixes of countries, greater electrification of energy consumption, energy efficiency, flexibility of the electrical system and upgrading of infrastructure, with a positive impact on the return on investment and new business opportunities.

- Opportunities: additional volumes and greater margins due to additional investment in the electricity industry, in line with the electrification strategy, decarbonization and the upgrading/digitalization of enabling infrastructure.
- Risks: obstacles to achieving energy-transition targets due to regulatory systems that do no effectively support the energy transition (delays in permitting processes, no upgrading of the electricity grid, etc.).

Resilience regulation

To improve standards or introduce ad hoc mechanisms to incentivize investments in resilience in the context of the evolution of climate change.

- Opportunities: benefits from investments that reduce service quality and continuity risks for the community.
- Risks: in the case of especially severe extreme events with a greater-than-expected impact, there is a risk that recovery could be slower than planned, with an associated reputational risk.

Financial measures for the energy transition

Incentives for the energy transition through appropriate policy measures and financial instruments, which should be capable of supporting an investment framework and a long-term, credible and stable positioning of policy-makers. Introduction of rules and/or public and private financial instruments (e.g., funds, mechanisms, taxonomies, benchmarks) aimed at integrating sustainability into financial markets and public finance instruments.

- Opportunities: the creation of new markets and sustainable finance products consistent with the investment framework, activating greater public resources for decarbonization and access to financial resources in line with energy-transition objectives and the related impact on costs and on finance charges; introduction of subsidized support tools (funds and calls) for the transition.
- Risks: actions and instruments are not sufficient to provide incentives consistent with an overall positioning tailored to the energy transition, uncertainty or slowdown in the introduction of new instruments and rules due to the deterioration in the public finances or differences in application in the geographical areas in which the Group operates.

Market

Market dynamics

Market dynamics, such as those connected with the variability of commodity prices, the increase in electricity consumption due to the energy transition and the penetration of renewables and distributed generation, have an impact on business drivers, with effects on margins and on production and sales volumes.

- Opportunities: positive effects associated with the growth in electricity demand and the greater room for renewables and all sources of flexibility.
- Risks: exposure of merchant technologies to market price volatility.

Technology

Penetration of new technologies supporting the transition

Gradual penetration of new technologies such as electric vehicles, storage, demand response and green hydrogen; digital lever to transform operating models and "platform" business models.

- Opportunities: investments in developing technology solutions, as well as the positive effects of the increase in electricity demand and the greater space for renewables deriving from the production of green hydrogen.
- Risks: slowdowns and interruptions in the supply chain for raw materials, including metals for batteries (such as lithium, nickel and cobalt) and semiconductors, could lead to delays in procurement and/or increase costs, potentially slowing the penetration of renewables, storage and electric vehicles.

Products & Services

Electrification of residential energy consumption and industrial processes

With the gradual electrification of end uses, the penetration of products with lower costs and a smaller impact in terms of local residential and industrial emissions will expand (for example, the use of heat pumps).

- Opportunities: increase in electricity consumption against a background of declining energy consumption thanks to the greater efficiency of electricity.
- Risks: additional competition in this market segment.

Electric mobility

Use of more efficient and effective modes of transportation from the point of view of climate change, with a special focus on the development of electric mobility and charging infrastructure; electrification of industrial energy users.

- Opportunities: positive effects of the increase in electricity demand and greater margins connected with the penetration of electric transportation and associated beyond-commodity services.
- Risks: additional competition in this market segment.

The Group has already taken strategic actions to mitigate potential risks and exploit the opportunities offered by the energy transition. Thanks to our industrial and financial strategy incorporating ESG factors, an integrated approach shaped by sustainability and innovation makes it possible to create long-term shared value.
A strategy focused on complete decarbonization and the energy transition makes the Group resilient to the risks associated with the introduction of more ambitious policies for emissions reductions and maximizes opportunities for the development of renewable generation, infrastructure and enabling technologies.

Unlike chronic climate impacts, developments in the transition scenario could have impacts in the short and medium/long term (by 2030) as well.

As with climate variables, we can test the current Business Plan (2022-2024) for its sensitivity to the factors potentially influenced by the transition scenario, with particular regard to the price of CO_2 (ETS). Examining the main transition variables, the price of CO_2 appears to be a reliable driver of regulatory measures that could accelerate the transition process. To assess the impact of possible changes in this driver, the effects of a potential change of +/-10% in the CO_2 price for Italy and Spain are determined. This price change would modify the equilibrium price of both wholesale markets, with repercussions on the margins of Global Power Generation for both conventional and renewables plants.

To quantify the risks and opportunities engendered by the energy transition in the long term, the transition scenarios described in the section "Enel's energy-transition scenarios" have been considered. The effects of the *Slow Transition* and *Best Place* scenarios on the variables that can most impact the business were then identified, in particular electricity demand influenced by developments in the electrification of consumption – and hence the penetration of electrical technologies – and the power generation mix. These considerations offer ideas for determining what the Group's strategic positioning for resource allocation could be.

Enel's benchmark scenario – the *Paris* scenario – envisages a greater ambition for decarbonization and energy efficiency, supported by increasing the electrification of final energy consumption and the development of renewables capacity. The dynamics of the energy transition could bring greater opportunities for the Group. In particular, on the retail electricity market, the progressive electrification of final consumption – in particular in transportation and the residential segment – will lead to a significant increase in electricity consumption to the detriment of other more polluting forms of energy. Likewise, the gradual increase in renewables share of the energy mix should lead to a reduction in the wholesale price of electricity in the medium to long term. This impact is limited, however, considering an unchanged market design based on system marginal prices in the medium term. Any alternative market structures could induce different effects.

With regard to the financial impact of changes in transition scenarios, the Group analyzed the impact of the *Slow Transition* and *Best Place* scenarios on 2030 results in terms of EBITDA compared with the benchmark *Paris* scenario.

With regard to the electrification of consumption, however, the *Slow Transition* scenario envisages lower penetration rates for the most efficient electrical technologies, in particular electric vehicles and heat pumps, producing a decrease in electricity demand compared with the *Paris* scenario, which would have a limited impact on the commodity and beyond-commodity retail business. At the same time, the decline in electricity demand would leave less room for growth in renewables, with an impact on the generation business.
The *Best Place* scenario assumes a more rapid reduction in the costs of green hydrogen production technologies. This translates into greater penetration for this energy source, displacing blue and gray hydrogen, with a consequent additive effect on national electricity demand and the installation of renewables capacity compared with the *Paris* scenario.

All of the scenarios, but especially the *Paris* and *Best Place* scenarios, will entail a considerable increase in the complexities that will have to be managed by grids in the various geographical areas. In fact, we expect a significant increase in distributed generation and other resources, such as storage systems, the greater penetration of electric mobility with the related charging infrastructures, as well as the growing rate of electrification of consumption

and the appearance of new actors with new modes of consumption.
These developments will lead to the decentralization of power withdrawal/injection points, an increase in electricity demand and the average power required, and strong variability of energy flows, requiring dynamic and flexible management of the network. The Group, therefore, expects that in this scenario incremental investments will be needed to ensure connections and adequate levels of quality and resilience, encouraging the adoption of innovative operating models. These investments must be accompanied by consistent policy and regulatory scenarios to ensure adequate financial returns within the Infrastructure and Networks Business Line.

Time horizon
Short (within 3 years)
Medium (until 2030)
Long (2030-2050)

Upside ● Downside ●

Risk & opportunity category	Time horizon	Scope of analysis	GBL affected	Geographic scope	Description of impact	Quantification - Type of impact		Quantification - range <€100 mn	€100-300 mn	>€300 mn
Policy & Regulation	Short/ Medium	For any given *Paris* scenario, the Group has assessed the impact on performance of actions to modify the price of CO_2.	Enel Green Power and Thermal Generation	Italy and Iberia	Considering the potential impact of regulatory measures to incentivize energy transition, the Group assesses the exposure to changes of +/- 10% in the price of CO_2 using sensitivity analysis.	EBITDA/year	10% - Upside vs. *Paris*	●		
							-10% - Downside vs. *Paris*	●		
Market	Medium	Considering two alternative transition scenarios, the Group assessed the impact of an increase in the penetration of renewables on the benchmark power price and on additional capacity at 2030.	Enel Green Power and Thermal Generation	Global	Greater room for investment in new renewables capacity associated with a decrease in power prices due to increased penetration of renewables.	EDITDA 2030 *Best Place* vs. *Paris*				●
					Less room for investment in new renewables capacity associated with an increase in power prices due to decreased penetration of renewables.	EDITDA 2030 *Slow Transition* vs. *Paris*				●
Market/ Products & Services	Medium	Considering two alternative transition scenarios, the Group assessed the impact of trends in efficiency, the adoption of electric devices and the penetration of EVs to estimate the potential effect on commodity consumption, including the impact on gas customers due to the increase in electrification and on the demand for beyond-commodity services.	Customer	Global	Increase in margins due to impact of transition in terms of the electrification of energy consumption, mainly linked to forecast increases in green hydrogen.	EDITDA 2030 *Best Place* vs. *Paris*			●	
					Decrease in margins due to impact of transition in terms of slower electrification of energy consumption, mainly in residential and transport sectors, and reduced penetration of new technologies.	EDITDA 2030 *Slow Transition* vs. *Paris*				●

Note: the estimated transition impacts take account of current coverage levels.

Competitive environment

The markets and businesses in which the Group operates are exposed to steadily growing competition and evolution, from both a technological and regulatory point of view, with the timing of these developments varying from country to country.
As a result of these processes, Enel is exposed to growing competitive pressure and, as electricity is this century's energy vector, competition driven by contiguous sectors is also rising, although this offers utilities the opportunity to move into new businesses.
The differentiation on which the Group can count, both geographically and in the various sectors in which it operates, is an important mitigation factor, but in order to orient strategic development guidelines more effectively, the evolution of the competitive environment is constantly monitored, both inside and outside the world of utilities.

ICM

Financial risks

As part of its operations, Enel is exposed to a variety of financial risks that, if not appropriately mitigated, can directly impact our performance.

In line with the Group's risk catalog, these risks include the following:

- Interest rate
- Commodity
- Currency
- Credit and counterparty
- Liquidity

The internal control and risk management system (the ICRMS) provides for the specification of policies that establish the roles and responsibilities for risk management, monitoring and control processes, ensuring compliance with the principle of organizational separation of units responsible for operations and those in charge of monitoring and managing risk.
The financial risk governance system also defines a system of operating limits at the Group and individual region and country levels for each risk, which are monitored periodically by risk management units. For the Group, the system of limits constitutes a decision-making tool to achieve its objectives.
For further information on the management of financial risks, please see note 47 to the consolidated financial statements.

Interest rate

The Group is exposed to the risk that changes in the level of interest rates could produce unexpected changes in net financial expense or financial assets and liabilities measured at fair value.
The exposure to interest rate risk derives mainly from the variability of the terms of financing, in the case of new debt, and from the variability of the cash flows in respect of interest on floating-rate debt.
The interest rate risk management policy seeks to contain financial expense and its volatility by optimizing the Group's portfolio of financial liabilities and using OTC derivatives.
Risk control through specific processes, risk indicators and operating limits enables us to limit possible adverse financial impacts and, at the same time, to optimize the structure of debt with an adequate degree of flexibility. The volatility that characterized the financial markets from the outset of the pandemic has in many cases returned to pre-COVID 19 levels and was offset by risk mitigation actions using derivative financial instruments.

Commodity

Enel operates in energy markets and for this reason is exposed to the risk of incurring losses as a result of an increase in the volatility of the prices of energy commodities, such as power, gas and fuel, and other commodities, such as minerals and metals (price risk), or owing to a lack of demand or energy commodity shortages (volume risk).
If not managed effectively, these risks can have a significant impact on results. To mitigate this

exposure, the Group has developed a strategy of stabilizing margins by contracting for supplies of fuel and materials and the delivery of electricity to end users or wholesalers in advance.

Enel has also implemented a formal procedure that provides for the measurement of the residual commodity risk, the specification of a ceiling for maximum acceptable risk and the implementation of a hedging strategy using derivatives on regulated markets and over-the-counter (OTC) markets. The commodity risk control process limits the impact of unexpected changes in market prices on margins and, at the same time, ensures an adequate margin of flexibility that makes it possible to seize short-term opportunities.
Beginning in 2021, monitoring of the risk was extended to the main raw materials to which the Group is exposed.
In order to mitigate the risk of interruptions in the supply of fuel and raw materials, the Group has diversified fuel sources, using suppliers from different geographical areas.

In 2021, the spread of the COVID-19 pandemic triggered a complex global economic crisis, causing significant increases in the volatility of prices of energy commodities and other raw materials. Enel has contained the risk below the limits estimated in 2020 for 2021, thanks to careful and timely mitigation measures, the geographical diversification of our business, the growing impetus given to the energy transition through the decarbonization process and the use of renewable sources for power generation. Finally, the adoption of global and local strategies, such as flexibility in contractual clauses and proxy hedging techniques (in the event that hedging derivatives are not available on the market or are not sufficiently liquid), has made it possible to optimize results even in a highly dynamic market context.

Currency

In view of their geographical diversification, access to international markets for the issuance of debt instruments and transactions in commodities, Group companies are exposed to the risk that changes in exchange rates between the presentation currency and other currencies could generate unexpected changes in the performance and financial aggregates in their respective financial statements.
Given the current structure of Enel, the exposure to currency risk is mainly linked to the US dollar and is attributable to:

- cash flows in respect of the purchase or sale of fuel or electricity;
- cash flows in respect of investments, dividends from foreign subsidiaries or the purchase or sale of equity investments;
- cash flows connected with commercial relationships;
- financial assets and liabilities.

The possible impacts of currency risk are reflected in:

- costs and revenue denominated in foreign currencies with respect to the time at which pricing conditions were defined or the investment decision was made (economic risk);
- revaluations or adjustments to fair value of financial assets and liabilities sensitive to exchange rates (transaction risk);
- the consolidation of subsidiaries with different currencies of account (translation risk).

The currency risk management policy is based on systematically hedging the exposures of the Group companies, with the exception of translation risk.

Appropriate operational processes ensure the definition and implementation of appropriate hedging strategies, which typically employ financial derivatives obtained on OTC markets.
Risk control through specific processes and indicators enables us to limit possible adverse financial impacts and, at the same time, to optimize the management of cash flows on the managed portfolios.
During the year, currency risk was managed through compliance with the risk management policies, encountering no difficulties in accessing the derivatives market.
The volatility that characterized the financial markets during the initial phase of the pandemic

has in many cases returned to pre-COVID 19 levels and was offset by risk mitigation actions using derivative financial instruments.

Credit and counterparty

The Group's commercial, commodity and financial transactions expose it to credit risk, i.e., the possibility that a deterioration in the creditworthiness of counterparties or the failure to discharge contractual payment obligations could lead to the interruption of incoming cash flows and an increase in collection costs (settlement risk) as well as lower revenue flows due to the replacement of the original transactions with similar transactions negotiated on unfavorable market conditions (replacement risk). Other risks include the reputational and financial risks associated with significant exposures to a single counterparty or groups of related customers, or to counterparties operating in the same sector or in the same geographical area.

The exposure to credit risk is attributable to the following types of operations:

- the sale and distribution of electricity and gas in free and regulated markets and the supply of goods and services (trade receivables);
- trading activities that involve the physical exchange of assets or transactions in financial instruments (the commodity portfolio);
- trading in derivatives, bank deposits and, more generally, financial instruments (the financial portfolio).

The policy for managing credit risk associated with commercial activities and transactions in commodities provides for a preliminary assessment of the creditworthiness of counterparties and the adoption of mitigation instruments, such as obtaining guarantees.
The control process based on specific risk indicators and, where possible, limits ensures that the economic and financial impacts associated with a possible deterioration in credit standing are contained within sustainable levels. At the same time, this approach preserves the necessary flexibility to optimize portfolio management.
In addition, the Group undertakes transactions to factor receivables without recourse, which results in the complete derecognition of the corresponding assets involved in the factoring.
Finally, with regard to financial and commodity transactions, risk mitigation is pursued through the diversification of the portfolio (giving preference to counterparties with a high credit rating) and the adoption of specific standardized contractual frameworks that contain risk mitigation clauses (e.g. netting arrangements) and possibly the exchange of cash collateral.
Despite the deterioration in the collection status of certain customer segments, which was taken into consideration in determining impairment of trade receivables, the Group's portfolio has so far demonstrated resilience to the global pandemic. This reflects the expansion of digital collection channels and a solid diversification of commercial customers with a low exposure to the impact of COVID-19 (e.g., utilities and distribution companies).

Liquidity

Enel's liquidity risk management policy is designed to maintain sufficient liquidity to meet expected commitments over a given time horizon without resorting to additional sources of financing, also retaining a prudential liquidity reserve, sufficient to meet any unexpected commitments. Furthermore, in order to meet its medium- and long-term commitments, Enel pursues a borrowing strategy that provides for a diversified structure of funding sources, which it uses to meet its financial needs, and a balanced maturity profile.

Liquidity risk is the risk that the Group, while solvent, would not be able to discharge its obligations in a timely manner or would only be able to do so on unfavorable terms or in the presence of constraints on disinvestment from assets with consequent capital losses, owing to situations of tension or systemic crises (credit crunches, sovereign debt crises, etc.) or changes in the perception of Group riskiness by the market.

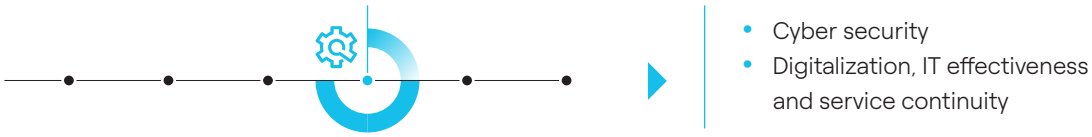
Among the factors that define the risk perceived by the market, the credit rating assigned to Enel by rating agencies plays a decisive role, since it influences its ability to access sources of financing and the related financial terms of that financing. A deterioration in the credit rating could therefore restrict access to the capital market and/or increase the cost of funding, with consequent negative effects on the financial position, financial performance and cash flows of the Group.
In 2021, Enel's risk profile only changed compared with 2020 for Moody's, whose rating went from "Baa2" with a positive outlook to "Baa1" with a stable outlook. Enel's rating remained "BBB+" with a stable outlook for Standard & Poor's and "A-" with a stable outlook for Fitch.

In order to manage liquidity efficiently, treasury activities have largely been centralized at the Parent level, meeting liquidity requirements primarily by drawing on the cash generated by ordinary operations and managing any cash surpluses appropriately.

As regards the impact of COVID-19, despite the effects of the pandemic the liquidity risk indices monitored for the Group remained within the limits established for 2021.

Digital Technology risks

The risks discussed in this section are as follows:



- Cyber security
- Digitalization, IT effectiveness and service continuity

Cyber security

The speed of technological developments that constantly generate new challenges, the ever-increasing frequency and intensity of cyber-attacks and the attraction of critical infrastructures and strategic industrial sectors as targets underscore the potential risk that, in extreme cases, the normal operations of companies could grind to a halt. Cyber-attacks have evolved dramatically in recent years: their number has grown exponentially, as has their complexity and impact (theft of company data on customers), making it increasingly difficult to promptly identify the source of threats. In the case of the Enel Group, this exposure reflects the many environments in which it operates (data, industry and people), a circumstance that accompanies the intrinsic complexity and interconnection of the resources that over the years have been increasingly integrated into the Group's daily operating processes.
The Group has adopted a holistic governance approach to cyber security that is applied to all the sectors of IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things). The framework is based on the commitment of top management, on global strategic management, on the involvement of all business areas as well as of the units involved in the design and implementation of our systems. It seeks to use cutting edge technologies, to design ad hoc business processes, to strengthen people's IT awareness and to implement regulatory requirements for IT security.
In addition, the Group has developed an IT risk management methodology founded on "risk-based" and "cyber security by design" approaches, thus integrating the analysis of business risks into all strategic decisions. Enel has also created its own Cyber Emergency Readiness Team (CERT) in order to proactively respond to any IT security incidents.
Finally, back in 2019, the Group also took out an insurance policy for cyber security risks in order to mitigate those risks with other tools in addition to technical countermeasures.

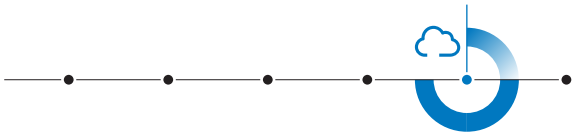
Digitalization, IT effectiveness and service continuity

The Group is carrying out a complete digital transformation of how it manages the entire energy value chain, developing new business models and digitizing its business processes, integrating systems and adopting new technologies. A consequence of this digital transformation is that the Group is increasingly exposed to risks related to the functioning of the IT systems, which are integrated across the Company with impacts on processes and operations, which could expose IT and OT systems to service interruptions or data losses.
These risks are managed using a series of internal measures developed by the Global Digital Solutions (GDS) unit, which is responsible for guiding the Group's digital transformation. It has set up an internal control system that introduces control points along the entire IT value chain, enabling us to prevent the emergence of risks engendered by such issues as the creation of services that do not meet business needs, the failure to adopt adequate security measures and service interruptions. The internal control system of the Global Digital Solutions unit oversees both the activities performed in-house and those outsourced to external associates and service providers. Furthermore, Enel is promoting the dissemination of a digital culture and digital skills within the Group in order to successfully guide the digital transformation and minimize the associated risks.

ICM

Operational risks

The risks discussed in this section are as follows:



- Health and safety
- Environment
- Procurement, logistics and supply chain
- People and organization

Health and safety

The main health and safety risks to which Enel personnel and contractors are exposed are associated with operations at the Group's sites and assets. The violation of the laws, regulations and procedures governing health and safety, work environments, management of corporate structures, assets and processes, which could have an adverse impact on the health of employees, workers or stakeholders, can give rise to the risk of incurring administrative or judicial penalties and related economic, financial and reputational impacts. These risks were identified through an analysis of the main events that have occurred in the last three years. In particular, in terms of probability of occurrence, mechanical incidents (falls, collisions, crushing and cuts) are the most common, while the most severe in terms of potential associated impact are electrical incidents (possibly fatal injuries).
In addition, in relation to the presence of the Group in different areas of the world, employees and contractors could be exposed to health risks connected with potential emerging infectious diseases of a pandemic and potentially pandemic nature, which could have an impact on their health and well-being.
Enel has adopted a Declaration of Commitment to Health and Safety, signed by the Group's top management.
In implementing the policy, each Group Business Line has its own Occupational Health and Safety Management System compliant with the international standard BS OHSAS 18001, which is based on the identification of hazards, the qualitative and quantitative assessment of risks, the planning and implementation of prevention and protection measures, the verification of the effectiveness of the prevention and protection measures and any corrective actions. This system also considers the rigor employed in the selection and management of contractors and suppliers and the promotion of their involvement in programs for continuous improvement of safety performance.
The Enel Group has defined a structured health management system, based on prevention and protection measures, which also plays a role in the development of a corporate culture aimed at promoting the psycho-physical

health and organizational well-being of workers, as well as helping to balance personal and professional life.
Furthermore, with regard to emergencies in relation to risks connected with the ongoing pandemic, a unit has been set up within the Personnel and Organization department of the Parent with liaisons in each Business Line and country in order to ensure the definition of the global strategy and policies for emergency management and their adoption in every Group organization. In particular, this organizational structure and the related management processes make it possible to direct, integrate and monitor, both at Group level and in the individual countries in which it operates, all the prevention, protection and intervention actions aimed at protecting the health of employees and contractors, also in relation to exogenous health risk factors that may not be strictly related to work activities.
Additional information on risk management is provided in the "Workplace health and safety" section.

Environment

Recent years have seen the continuation of the growth in the sensitivity of the entire community to risks connected with development models that impact the quality of the environment and ecosystems with the exploitation of scarce natural resources (including raw materials and water).
In some cases, the synergistic effects between these impacts, such as global warming and the increasing exploitation and degradation of water resources, have increased the risk of environmental emergencies in the most sensitive areas of the planet, with the risk of sparking competition among different uses of water resources such as industrial, agricultural and civil uses.
In response to these needs, authorities have imposed increasingly restrictive environmental regulations, placing ever more stringent constraints on the development of new industrial initiatives and, in the most impactful industries, incentivizing or requiring the elimination of technologies no longer considered sustainable.
Specifically, the European Commission has launched a work plan to define challenging targets for environmental recovery, both in terms of air quality and the recovery of rivers and contaminated land, and for the reduction of biodiversity loss.
In this context, companies in every sector, and above all industry leaders, are ever more aware that environmental risks are economic risks. As a result, they are called upon to increase their commitment and accountability for developing and adopting innovative and sustainable technical solutions and development models.
Enel has made the effective prevention and minimization of environmental impacts and risks a foundational element of each project across its entire life cycle.
The adoption of ISO 14001-certified environmental management systems across the entire Group ensures the implementation of structured policies and procedures to identify and manage the environmental risks and opportunities associated with all corporate activities. A structured control plan combined with improvement actions and objectives inspired by the best environmental practices, with requirements exceeding those for simple environmental regulatory compliance, mitigate the risk of impacts on the environment, reputational damage and litigation. Also contributing are the multitude of actions to achieve the challenging environmental improvement objectives set by Enel, such as those regarding atmospheric emissions, waste production and water consumption, especially in areas with high water stress.
The risk of water scarcity is directly mitigated by Enel's development strategy, which is based on the growth of generation from renewable sources that are essentially not dependent on the availability of water for their operation. Special attention is also devoted to assets in areas with a high level of water stress, in order to develop technological solutions to reduce consumption. Ongoing collaboration with local river basin management authorities enables us to adopt the most effective shared strategies for the sustainable management of hydroelectric generation assets.
Finally, with regard to protecting biodiversity, an analysis of the impacts/dependencies of the business on natural resources was conducted and priority areas for action were defined along the entire value chain. On the basis of this analysis, appropriate terrestrial, marine and river monitoring actions are being implemented in ecosystems to verify the effectiveness of the measures adopted to protect, restore and conserve biodiversity.

Procurement, logistics and supply chain

The purchasing processes of Global Procurement and the associated governance documents form a structured system of rules and control points that make it possible to combine the achievement of economic business objectives with full compliance with the fundamental principles set out in the Code of Ethics, the Enel Global Compliance Program, the Zero-Tolerance-of-Corruption Plan and the Human Rights Policy, without renouncing the promotion of initiatives for sustainable economic development.
These principles have been incorporated into the organizational processes and controls that Enel has voluntarily decided to adopt in order to establish relationships of trust with all its stakeholders, as well as define stable and constructive relationships that are not based exclusively on ensuring financial competitiveness but also take account of best practices in essential areas for the Group, such as the avoidance of child labor, occupational health and safety and environmental responsibility. Thanks to the greater interaction and integration with the outside world and with the different parts of the corporate organization, the procurement process has assumed an increasingly central role in the creation of value. Global Procurement contributes to a resilient and sustainable supply chain, thinking from a circular economy perspective and fostering innovation, sharing the Group's values and objectives with suppliers who thereby become enablers of the achievement of Enel's targets.
More specifically, bonus factors have been introduced in tenders in order to engender virtuous behavior on the part of our suppliers. For example, the environmental impact of any customer is strongly influenced by the impact of its upstream supply chain, and that is why Global Procurement pushes its suppliers to objectively measure their carbon footprint and improve their performance.

From the point of view of the procurement process, the various procurement units almost systematically adopt the tender mechanism, thus ensuring maximum competition and equal access opportunities for all operators who are in possession of the technical, economic/financial and environmental requirements, security, human, legal and ethical rights. Procurement with direct assignment and without a competitive procedure can only take place in exceptional cases, duly motivated, in compliance with current legislation on the matter.
Furthermore, the single global supplier qualification system for the entire Enel Group, even before the procurement process begins, verifies that potential suppliers who intend to participate in procurement procedures are aligned with the Company's strategic vision and expectations in all the areas and requirements cited earlier and that they have adopted the same values.

With regard to the risk governance system, Global Procurement is focused on the application of metrics that indicate the level of risk before and after the mitigation action, in order to implement precautionary measures to reduce uncertainty to a tolerable level or mitigate any impacts in all business, technological and geographical areas.
The effectiveness of supply chain risk management is monitored through specific indicators – including the probability of insolvency, the concentration of contracts with individual suppliers or industrial groups, the supplier's dependence on Enel, a performance indicator for the correctness of conduct during the tender, quality, punctuality and sustainability in the execution of the contract, country risk, etc. – for which thresholds have been specified to guide the definition of the procurement, negotiation and tender award strategy, enabling informed choices of risk and potential benefit (savings).

The actions taken to counter the impact of the COVID-19 emergency have focused in differentiating supply sources to avoid interruptions in the supply chain and the remote performance of activities that would ordinarily require physical interaction between Enel and the supplier (e.g., inspections at the company).

People and organization

Enel has set itself the goal of leading the transition to a more sustainable system, an essential step for the future of the planet, by accelerating the decarbonization of our energy mix through an expansion of renewables and the ever-increasing electrification of energy consumption.
Enel could be exposed to the risk of incurring judicial or administrative penalties, economic or financial losses and reputational harm following a partial or total interruption of commercial operations and the supply of the electricity services to customers as a result of technical failures, malfunctioning assets and plant, human error, sabotage, unavailability of raw materials or adverse weather events or infectious diseases of epidemic or pandemic potential that could limit the normal operation of the Group's activities or its supply chain.

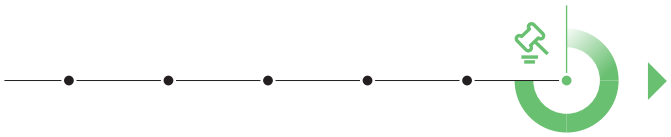
The profound transformations of the energy sector have increased the importance of recruiting people with new experience and professional skills, as well as imposing the need for major cultural and organizational changes in order to achieve Group objectives. Organizations must move to adopt new, agile and flexible business models. Policies to

enhance diversity and to manage and promote talent have become key factors for companies that are managing the transition and have a widespread geographical presence.

Enel places the people who work for it at the center of its business model. The management of human capital is a priority for which specific objectives have been established. These include: the development of the digital capabilities and skills, as well as the promotion of reskilling and upskilling programs for employees in order to support the energy transition and external skilling to foster the development of a reference ecosystem; the effective engagement of employees in the pursuit of the corporate purpose, which ensures the achievement of better results while offering greater satisfaction to our people; the development of systems for evaluating the working environment and performance; the dissemination of diversity and inclusion policies to all countries in which the Group operates, as well as instilling an inclusive organizational culture based on the principles of non-discrimination and equal opportunity, key drivers for attracting and retaining talent.
The Group is involved in enhancing the resilience and flexibility of organizational models through the simplification and digitalization of processes in order to enable the effectiveness and autonomy of our people within new flexible working schemes, which have already been effectively tested in the response to the COVID-19 pandemic emergency, which will be a key element of future approaches to work.

Compliance risks

The risks discussed in this section are as follows.



- Personal data protection

Risks connected with the protection of personal data

In the era of the digitalization and globalization of markets, Enel's business strategy has focused on accelerating the transformation towards a business model based on a digital platform, using a data-driven and customer-centric approach along the entire value chain.
The Group, which is present in more than 40 countries, has the largest customer base in the public services sector (more than 69 million customers), and currently employs more than 66,000 people. Consequently, the Group's new business model requires the management of an increasingly large and growing volume of personal data in order to achieve the financial and business results envisaged in the 2021-2023 Strategic Plan.
This exposes Enel to the risks connected with the protection of personal data (an issue that must also take account of the substantial growth in privacy legislation in most of the countries in which Enel operates). These risks may result in the loss of confidentiality, integrity or availability of the personal information of our customers, employees and others (e.g., suppliers), with the risk of incurring fines determined on the basis of global turnover, the prohibition of the use of certain processes and consequent financial losses and reputational harm.

In order to manage and mitigate this risk, Enel has adopted a model for the global governance of personal data, with the appointment of personnel responsible for privacy issues at all levels (including the appointment of Data Protection Officers at the global and country levels) and the adoption of digital compliance tools to map applications and processes and manage risks with an impact on protecting personal data, in compliance with specific local regulations in this field.

4. Group Performance

WEF

Integrated disclosure

Financial and non-financial results are reported in integrated form to give an overall view of the Group's performance.

Group ordinary profit in 2021 up 7.6% on 2020

An improvement in ordinary operating performance and a decrease in non-controlling interests following Group reorganization in Latin America.

Capital expenditure reaches €13 billion to accelerate the energy transition

43.6% in Enel Green Power and 40.7% in Infrastructure and Networks. 84.6% of total capital expenditure in businesses aligned with the European taxonomy

55% of debt consists of sustainable financing

Consistent with its Sustainability-Linked Financing Framework, the Group is increasingly active in the development of sustainable finance tools with KPIs linked to the achievement of the Sustainable Development Goals (SDGs).

Definition of performance indicators

In order to present the results of the Group and the Parent and analyze their financial structure, Enel has prepared separate reclassified schedules that differ from the schedules envisaged under the IFRS-EU adopted by the Group and by Enel SpA and contained in the consolidated financial statements and separate financial statements, respectively. These reclassified schedules contain different performance indicators from those obtained directly from the consolidated financial statements and separate financial statements, which management believes are useful in monitoring the performance of the Group and the Parent and representative of the financial performance and position of our business.

With regard to those indicators, on April 29, 2021, CONSOB issued warning notice no. 5/21, which gives force to the Guidelines issued on March 4, 2021 by the European Securities and Markets Authority (ESMA) on disclosure requirements under Regulation (EU) 2017/1129 (the Prospectus Regulation), which took effect on May 5, 2021.

The Guidelines update the previous CESR Recommendations (ESMA/2013/319, in the revised version of March 20, 2013) with the exception of those concerning the special issuers referred to in Annex no. 29 of Delegated Regulation (EU) 2019/980, which were not converted into Guidelines and remain applicable.

Accordingly, as from May 5, 2021, the references to the above CESR Recommendations contained in previous CONSOB communications shall be considered to have been replaced by references to the ESMA Guidelines cited above, including the references in Communication no. DEM/6064293 of July 28, 2006 regarding the net financial position.

The Guidelines are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

In line with the regulations cited above, the criteria used to construct these indicators are the following.

Gross operating profit: an operating performance indicator, calculated as "Operating profit" plus "Depreciation, amortization and impairment losses".

Ordinary gross operating profit: defined as "Gross operating profit" from core businesses connected with the Ownership and Stewardship business models. It does not include costs connected with corporate restructurings and costs directly attributable to the COVID-19 pandemic.

Ordinary operating profit: defined as "Operating profit" from core businesses connected with the Ownership and Stewardship business models.

It is calculated by adjusting "Operating profit" for the effects of transactions not connected with core operations referred to with regard to gross operating profit and excluding significant impairment losses on assets and/or groups of assets following impairment testing (including reversals of impairment losses) or classification under "Assets held for sale".

Group ordinary profit: it is defined as "Group profit" generated by Enel's core business connected with the Ownership and Stewardship business models.

It is equal to "Group profit" adjusted primarily for the items discussed under "Ordinary operating profit", net of any tax effects and non-controlling interests.

Low carbon ordinary EBITDA: it is the ordinary gross operating profit of the set of products, services and technologies included in the following Business Lines: Enel Green Power, Infrastructure and Networks, Enel X and End-user Markets (excluding gas).

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:

- "Deferred tax assets";
- "Securities" and "Other financial assets" included in "Other non-current financial assets";
- "Long-term borrowings";
- "Employee benefits";
- "Provisions for risks and charges (non-current portion)";
- "Deferred tax liabilities".

Net working capital: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:

- "Current portion of long-term loan assets", "Factoring receivables", "Securities", "Cash collateral" and "Other financial assets" included in "Other current financial assets";

- "Cash and cash equivalents";
- "Short-term borrowings" and the "Current portion of long-term borrowings";
- "Provisions for risks and charges (current portion)";
- "Other financial liabilities" included in debt.

Net assets held for sale: calculated as the algebraic sum of "Assets held for sale" and "Liabilities included in disposal groups held for sale".

Net capital employed: calculated as the sum of "Net non-current assets" and "Net current assets", "Provisions for risks and charges", "Deferred tax liabilities" and "Deferred tax assets", as well as "Net assets held for sale".

Net financial debt: a financial structure indicator, determined by:

- "Long-term borrowings", "Short-term borrowings" and "Current portion of long-term borrowings", taking account of "Long- and short-term financial borrowings" included respectively in "Other non-current financial liabilities" and "Other current financial liabilities";
- net of "Cash and cash equivalents";
- net of the "Current portion of long-term loan assets", "Current securities" and "Other financial assets" included in "Other current financial assets";
- net of "Non-current securities" and "Non-current financial assets" included in "Other non-current financial assets".

Main changes in the consolidation scope

In the two periods under review, the consolidation scope changed as a result of a number of transactions. For more information, please see note 8 to the consolidated financial statements.

Performance of the Group

Performance of the Group

222.6 TWh
NET ELECTRICITY GENERATION
of which 108.8 TWh of renewable generation

57.5%
NET EFFICIENT INSTALLED RENEWABLES CAPACITY
for a total of 50.1 GW

2.2 million km
ELECTRICITY DISTRIBUTION AND TRANSMISSION GRID

45 million
END USERS WITH ACTIVE SMART METERS(1)
60% of end users are digitalized

69.3 million
RETAIL CUSTOMERS
of which 24.8 million on the free market

157,209 no.
CHARGING POINTS
+49.6% on 2020

(1) Of which 23.5 million second-generation smart meters in 2021 and 18.2 million in 2020.

The following presents the operating and financial performance of the Group.

HIG GBL

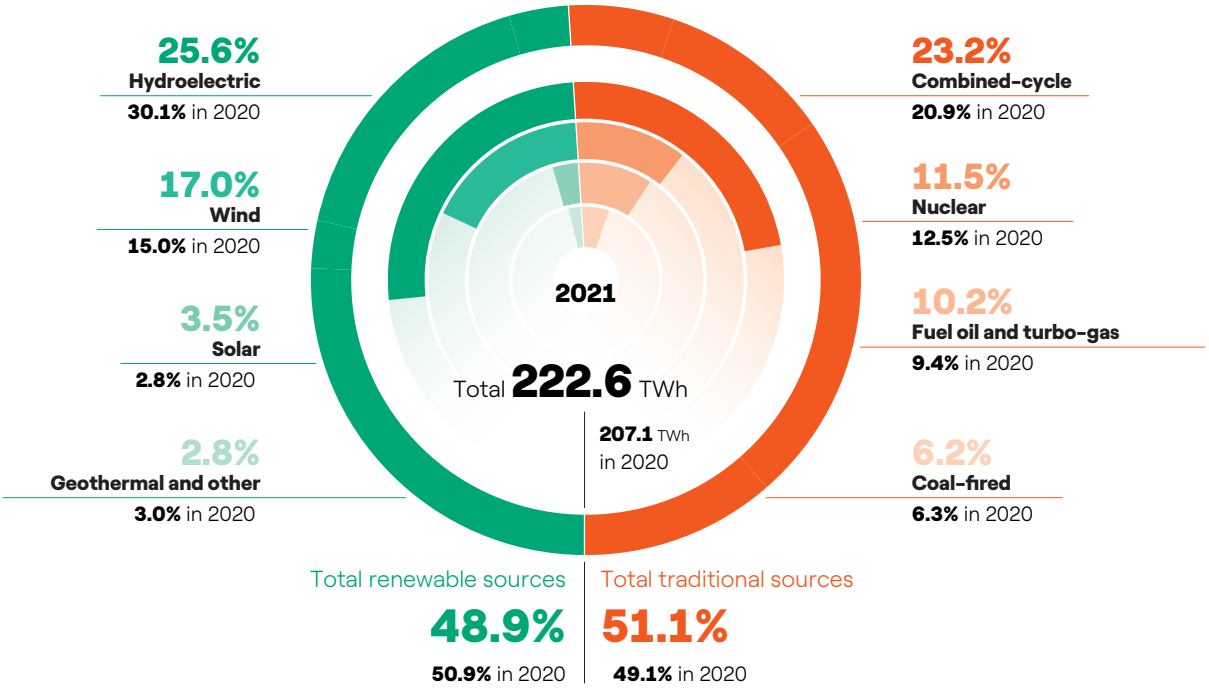
Operations

SDG		2021	2020	Change
	Net electricity generation (TWh)	222.6	207.1	15.5
	of which:			
7	*- renewable (TWh)*	*108.8*	*105.4*	*3.4*
	Total net efficient installed capacity (GW)	87.1	84.0	3.1
7	Net efficient installed renewables capacity (GW)	50.1	45.0	5.1
7	Net efficient installed renewables capacity (%)	57.5%	53.6%	3.9
7	Additional efficient installed renewables capacity (GW)	5.18	2.91	2.27
9	Electricity transported on Enel's distribution grid (TWh)(1)	510.3	485.2	25.1
9	End users with active smart meters (no.)(1) (2)	44,968,974	44,293,483	675,491
9	Electricity distribution and transmission grid (km)(1)	2,233,368	2,232,023	1,345
	End users (no.)	75,178,777	74,303,931	874,846
	Electricity sold by Enel (TWh)	309.4	298.2	11.2
	Gas sold to end users (billions of m^3)	9.9	9.7	0.2
	Retail customers (no.)	69,342,818	69,517,932	(175,114)
	- of which free market(1)	*24,839,600*	*22,931,809*	*1,907,791*
11	Demand response capacity (MW)	7,713	6,038	1,675
11	Charging points (no.)(1)	157,209	105,079	52,130
11	Storage (MW)	375	123	252

(1) The figures for 2020 reflect a more accurate calculation of the numbers.
(2) Of which 23.5 million second generation smart meters in 2021 and 18.2 million in 2020.

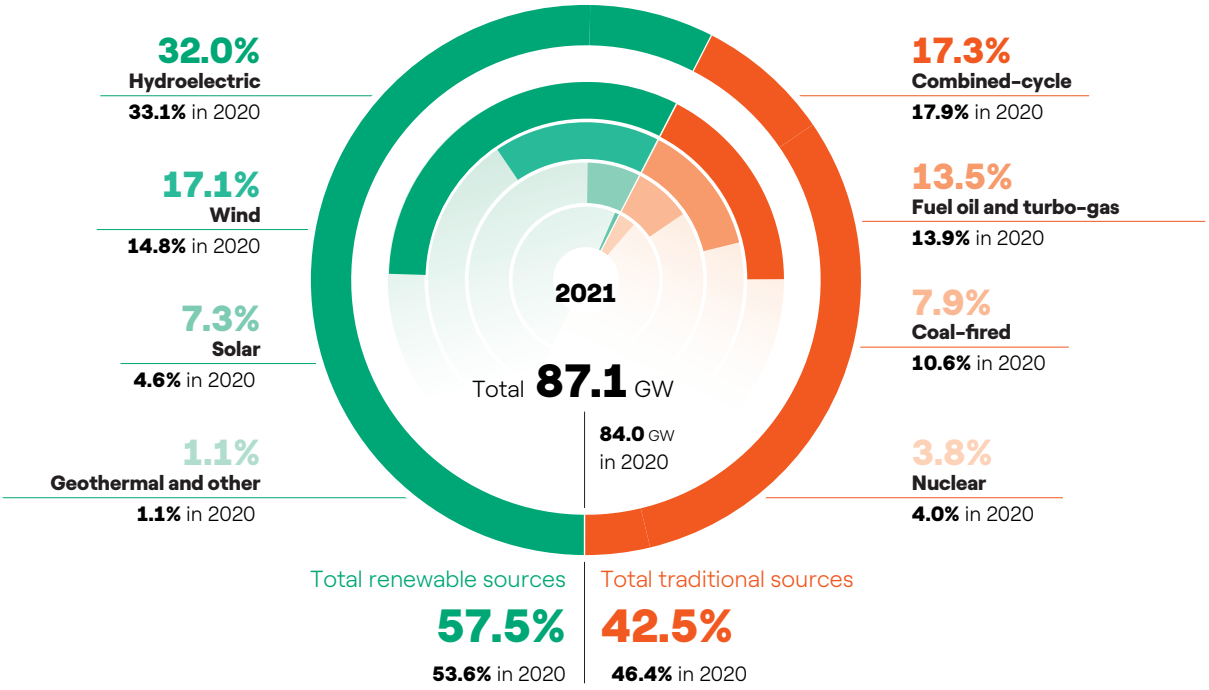
Net electricity generated by Enel in 2021 increased by 15.5 TWh (7.5%) from 2020. This rise mainly reflects an increase in wind generation (+6.8 TWh), mainly in Brazil and North America, and a larger contribution from combined-cycle plants (+8.4 TWh), above all in Italy, Spain and Chile.

Net electricity generation by source (2021)



At the end of December 2021, the Group's **net efficient installed capacity** totaled 87.1 GW, an increase of 3.1 GW on 2020. During 2021, 2.6 GW of new wind capacity and 2.2 GW of new solar capacity were installed, while a number of companies in Australia were fully consolidated (0.3 GW of solar capacity) after having been equity accounted until December 31, 2020. At the same time, a number of coal-fired plants in Italy and Spain were decommissioned (2.0 GW).

Net efficient installed capacity by source (2021)



At the end of December 2021, the Group's **net efficient installed renewables capacity** reached 50.1 GW, an increase of 5.1 GW compared with 2020, and represents 57.5% of total net efficient installed capacity.

Fighting climate change and ensuring environmental sustainability

227 gCO_{2eq}/kWh
DIRECT GREENHOUSE GAS EMISSIONS - SCOPE 1 - SPECIFIC
+5.1% on 2020

26.3 million m^3
TOTAL WATER CONSUMPTION
+28.9% on 2020

60.3%
ZERO-EMISSIONS GENERATION
(% of total)

€17,335 million
ORDINARY EBITDA FROM LOW-CARBON PRODUCTS, SERVICES AND TECHNOLOGIES

€12,302 million
CAPEX ON LOW-CARBON PRODUCTS, SERVICES AND TECHNOLOGIES

Main climate change indicators

		2021	2020	Change	
Direct greenhouse gas emissions - Scope 1[1]	(million/t_{eq})	51.6	45.7	5.9	12.9%
Indirect greenhouse gas emissions - Scope 2 - location based[1]	(million/t_{eq})	4.3	4.1	0.2	4.9%
Indirect greenhouse gas emissions - Scope 2 - market based[1]	(million/t_{eq})	7.1	6.9	0.2	2.9%
Indirect greenhouse gas emissions - Scope 3[1]	(million/t_{eq})	69.1	64.9	4.2	6.5%
- of which emissions connected with gas sales[1]	(million/t_{eq})	*22.3*	*21.9*	*0.4*	*1.8%*
Specific direct greenhouse gas emissions - Scope 1[1] [2]	(gCO_{2eq}/kWh)	227	216	11	5.1%
Specific emissions of SO_2	(g/kWh)	0.07	0.10	(0.03)	-30.0%
Specific emissions of NO_x	(g/kWh)	0.35	0.36	(0.01)	-2.8%
Specific emissions of particulates	(g/kWh)	0.005	0.01	(0.005)	-50.0%
Zero-emission generation	(% of total)	60.3	63.4	(3.1)	-4.9%
Total direct fuel consumption	(Mtoe)	26.3	23.9	2.4	10.0%
Average efficiency of thermal plants[3]	(%)	44.4	44.2	0.2	0.5%
Water withdrawals in water-stressed areas[4]	(%)	27.4	23.3	4.1	17.6%
Specific water requirement for total generation	(l/kWh)	0.2	0.2	-	-
Reference price of CO_2	(€)	53.24	24.72	28.52	-
Ordinary EBITDA for low-carbon products, services and technologies[5]	(millions of €)	17,335	15,703	1,632	10.4%
Capex for low-carbon products, services and technologies	(millions of €)	12,302	9,575	2,727	28.5%
Ratio of capex for low-carbon products, services and technologies to total	(%)	94.0	94.0	-	-

(1) The figures for 2020 have been modified following the introduction of a new calculation method deriving from the implementation of the Net-Zero project.
(2) Specific emissions are calculated considering total direct emissions (Scope 1) as a ratio of total renewable, nuclear and thermal generation (including the contribution of heat).
(3) The calculation does not consider Italian O&G plants being decommissioned or of marginal impact. In addition, the figures do not take account of consumption and generation for cogeneration relating to Russian thermal generation plants. Average efficiency is calculated on the basis of the plant fleet and is weighted by generation.
(4) Value for 2020 recalculated following extension of the category of plants in water-stressed areas.
(5) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

The Group's ambition for leadership in the fight against climate change was further strengthened in 2021: the target of an 80% reduction by 2030 in Scope 1 emissions compared with 2017 was confirmed, in line with the scenario for containing temperature increases to 1.5 °C compared with pre-industrial levels, as certified by the Science Based Targets initiative (SBTi), and achieving the Net-Zero target by 2040.
The year 2021 closed with a 6% decrease in carbon intensity compared with the base year.

Direct emissions of CO_2 equivalent (Scope 1) amounted to 51.6 million metric tons, an increase of 12.9% compared with 2020. The increase was attributable to the growing demand for electricity compared with the previous year, with a rise in thermal generation, which offset the decline in hydroelectric generation for the year.

Electricity generated by Enel from zero-emission sources in 2021 amounted to 60.3% of total output, a slight decrease compared with 2020 as a result of the increase in fossil fuel generation, but still significantly higher than in 2019 (when it was equal to 54.9%) due to the increase in solar and wind generation.
Specific emissions of SO_2 and particulates declined compared with 2020 by 30% and over 50%, respectively. Specific NO_x emissions also recorded a slight decrease (-2.8% compared with 2020).

Responsible water resource management

		2021	2020	Change	
Total withdrawals	(millions of m^3)	55.6	51.5	4.1	8.0%
Water withdrawals in water-stressed areas[1]	(%)	27.4	23.3	4.1	17.6%
Specific water requirement for total generation	(l/kWh_{eq})	0.2	0.2	-	-
Total water consumption	(millions of m^3)	26.3	20.4	5.9	28.9%
Water consumption in water-stressed areas (%)[1]	(%)	33.8	31.6	2.2	7.0%

(1) Value for 2020 recalculated following extension of the category of plants in water-stressed areas.

Water is an essential part of electricity generation, although the gradual shift to renewables, notably solar and wind, is reducing the specific water requirement.
Enel constantly monitors all generation sites located in areas at risk of water scarcity (water-stressed areas) in order to ensure the most efficient management of the resource. Site monitoring is conducted through the following levels of analysis:

- mapping of generation sites in water-stressed areas identified on the basis of the (baseline) water stress conditions indicated by the World Resources Institute "Aqueduct Water Risk Atlas";
- identification of "critical" generation sites, i.e., those located in water-stressed areas that draw fresh water for operating needs;
- verification of the water management procedures adopted in these plants in order to minimize consumption and maximize withdrawals from lower quality or more abundant sources (waste, industrial or sea water).

About 14% of the Enel Group's total electricity output uses fresh water in water-stressed areas. In 2021 total water requirements[17] were 46.5 million cubic meters, an increase of 8% on 2020 owing to the rise in thermal generation. The specific water requirement for 2021 was 0.2 l/kWh_{eq}.

Preserving biodiversity

Preserving biodiversity is one of the strategic objectives of Enel's environmental policy. The Group promotes specific projects in the various areas in which it operates in order to help protect local species, their natural habitats, and the local ecosystems in general. These projects cover a vast range of areas, including: inventory and monitoring; programs to protect specific species at risk of extinction; methodological research and other studies; repopulation and reforestation; the construction of infrastructure supports to promote the presence and activities of various species (e.g., artificial nests along power distribution lines for birds or fish ladders at hydroelectric plants), and ecological restoration and reforestation programs.
In 2021, 183 projects were under way to safeguard spe-

(17) The water requirement consists of all water withdrawals from surface sources (including rainwater), underground sources, third-parties, the sea and wastewater sources (relating to supplies from third parties) used for process needs and closed-cycle cooling, except for the amount of sea water returned to the sea after desalination (brine). The latter item (brine), on the other hand, contributes to withdrawals.

cies and natural habitats, with a total total of 9,092 hectares involved in habitat recovery efforts. The area involved in restoration projects in 2021 increased compared with the previous year (4,356 hectares in 2020), reflecting both the start of new restoration projects and an increase in the areas involved in restoration as part of existing projects.

Electricity distribution and access, ecosystems and platforms

Electricity transported on Enel's distribution grid totaled 510.3 TWh in 2021, up 25.1 TWh (+5.2%) from 2020, attributable essentially to Italy (+12.3 TWh), Spain (+6.6 TWh) and Brazil (+2.5 TWh).
The number of Enel end users with active smart meters increased by 675,491 in 2021, mainly in Italy (+332,311) and Romania (+205,006).

Electricity sold by Enel in 2021 came to 309.4 TWh, increasing by 11.2 TWh (+3.8%) compared with the previous year. Quantities increased mainly in Italy (+2.6 TWh) and Latin America (+9.5 TWh) – mainly in Brazil (+4.1 TWh) and Chile (+3.7 TWh). In addition, **gas sold by Enel** in 2021 totaled 9.9 billion cubic meters, an increase of 0.2 billion cubic meters compared with the previous year.

Enel's leadership position has been gained thanks to the attention we place on the customer in providing quality services: aspects that concern more than just the provision of electricity and/or natural gas, extending, above all, to intangible aspects of our service that relate to the perception and satisfaction of our customers.
Through our products for both the residential and business markets, Enel provides dedicated offers with a lower environmental impact and a concentration on the most vulnerable segments of the population. In fact, all the countries in which the Group operates provide forms of support (often linked to government initiatives) which assist these segments of the population in paying their electricity and gas bills, so as to give everyone equal access to electricity.
Enel has also established numerous processes to ensure customers receive a high level of service. In Italy, the commercial quality of all our contact channels (customer service calls, Enel Points and stores, utility bills, app, e-mail, social media, account manager, fax) is ensured through systematic monitoring of the sales and management processes.
The goal is to ensure compliance with applicable laws and regulations and respect for the privacy, freedom and dignity of our customers.
In order to ensure the quality, accessibility and reliability of its service, Enel is committed to ensuring an efficient and digitalized electricity grid, which enables a more sustainable lifestyle through the use of electricity for all our customers. As a DSO (distribution system operator), Enel has embraced the challenges of the energy transition to develop the grid of the future: smart, modern and digital. To support this ambitious transformation, Grid Futurability® has been launched, a new long-term strategy to design the grid that Enel intends to create by 2030, both from an industrial point of view and in integration with stakeholders, with the aim of preparing it to support a decarbonized and electrified world.
The grid also represents a "mine of materials" that, when suitably regenerated, can be used as inputs in the production of new assets or new products in other production chains. Using an approach called "grid mining", the entire value chain of assets is being analyzed in order to recover valuable materials/devices from obsolete grid infrastructures, with the aim of minimizing the environmental impact and the consumption of resources by maximizing the positive social aspects, with a view to creating long-term value.

Enel is also continuing its efforts to expand digitalization, electronic invoicing and new services. With Enel X, we offer innovative solutions to residential customers (technological solutions for smart homes, home automation, solar and photovoltaic systems, boilers, maintenance services, lighting, etc.), government customers (public lighting, monitoring services for smart cities, security systems, etc.) and large customers (demand response services, consulting and energy efficiency solutions). We also promote electric mobility through the development of public and private charging infrastructures.
Enel **charging points** increased by 52,130 units in 2021 compared with 2020. Private charging points increased by 48,430, mainly in North America and Italy, while public charging points increased by 3,700, primarily in Italy and Spain.

Group performance

€17,567 million
GROSS OPERATING PROFIT
€16,903 million in 2020

€7,680 million
OPERATING PROFIT
-9.2% on 2020

€3,189 million
GROUP PROFIT
+22.2% on 2020

€19,210 million
ORDINARY GROSS OPERATING PROFIT
of which 68.7% eligible and aligned with European taxonomy

€12,235 million
ORDINARY OPERATING PROFIT
of which 28.4% from Enel Green Power

€5,593 million
GROUP ORDINARY PROFIT
+7.6% on 2020

Millions of euro	Ordinary income statement[1]				Income statement			
	2021	2020	Change		2021	2020	Change	
Revenue[2] [3]	88,006	66,004	22,002	33.3%	88,006	66,004	22,002	33.3%
Costs[2]	71,318	47,878	23,440	49.0%	72,961	49,002	23,959	48.9%
Net results from commodity contracts[2]	2,522	(99)	2,621	-	2,522	(99)	2,621	-
Gross operating profit/(loss)[3]	**19,210**	**18,027**	**1,183**	**6.6%**	**17,567**	**16,903**	**664**	**3.9%**
Depreciation, amortization and impairment losses	6,975	6,656	319	4.8%	9,887	8,448	1,439	17.0%
Operating profit/(loss)[3]	**12,235**	**11,371**	**864**	**7.6%**	**7,680**	**8,455**	**(775)**	**-9.2%**
Financial income[3]	5,420	4,520	900	19.9%	5,424	4,520	904	20.0%
Financial expense	8,247	6,804	1,443	21.2%	8,175	7,213	962	13.3%
Net financial expense[3]	**(2,827)**	**(2,284)**	**(543)**	**-23.8%**	**(2,751)**	**(2,693)**	**(58)**	**-2.2%**
Share of profit/(loss) of equity-accounted investments	**102**	**134**	**(32)**	**-23.9%**	**571**	**(299)**	**870**	**-**
Pre-tax profit/(loss)	**9,510**	**9,221**	**289**	**3.1%**	**5,500**	**5,463**	**37**	**0.7%**
Income taxes	2,831	2,541	290	11.4%	1,643	1,841	(198)	-10.8%
Profit/(Loss) from continuing operations	**6,679**	**6,680**	**(1)**	**-**	**3,857**	**3,622**	**235**	**6.5%**
Profit/(Loss) from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year (owners of the Parent and non-controlling interests)	**6,679**	**6,680**	**(1)**	**-**	**3,857**	**3,622**	**235**	**6.5%**
Attributable to owners of the Parent	5,593	5,197	396	7.6%	3,189	2,610	579	22.2%
Attributable to non-controlling interests	1,086	1,483	(397)	-26.8%	668	1,012	(344)	-34.0%

(1) The ordinary income statement does not include non-recurring items. The summary of results presents a reconciliation of reported figures with ordinary figures for the following aggregates: gross operating profit, operating profit, and profit for the year (attributable to owners of the Parent).
(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects of the different classification resulting from the fair value measurement of outstanding contracts at the end of the period for purchase and sale of commodities with physical settlement. This change in classification had no impact on operating profit. For more information, please see note 7 to the consolidated financial statements.
(3) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

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Revenue

Millions of euro				
	2021	2020	Change	
Sale of electricity	46,963	34,745	12,218	35.2%
Transport of electricity	10,732	10,710	22	0.2%
Fees from network operators	800	932	(132)	-14.2%
Transfers from institutional market operators	833	1,395	(562)	-40.3%
Sale of gas	4,823	2,718	2,105	77.4%
Transport of gas	599	611	(12)	-2.0%
Sale of fuels	1,791	602	1,189	-
Fees for connection to electricity and gas networks	787	759	28	3.7%
Revenue from construction contracts[(1)]	1,268	819	449	54.8%
Sale of commodities with physical settlement and fair value gain/(loss) on contracts settled in the period[(2)]	13,421	8,669	4,752	54.8%
Other income	5,989	4,044	1,945	48.1%
Total[(1) (2)]	**88,006**	**66,004**	**22,002**	**33.3%**

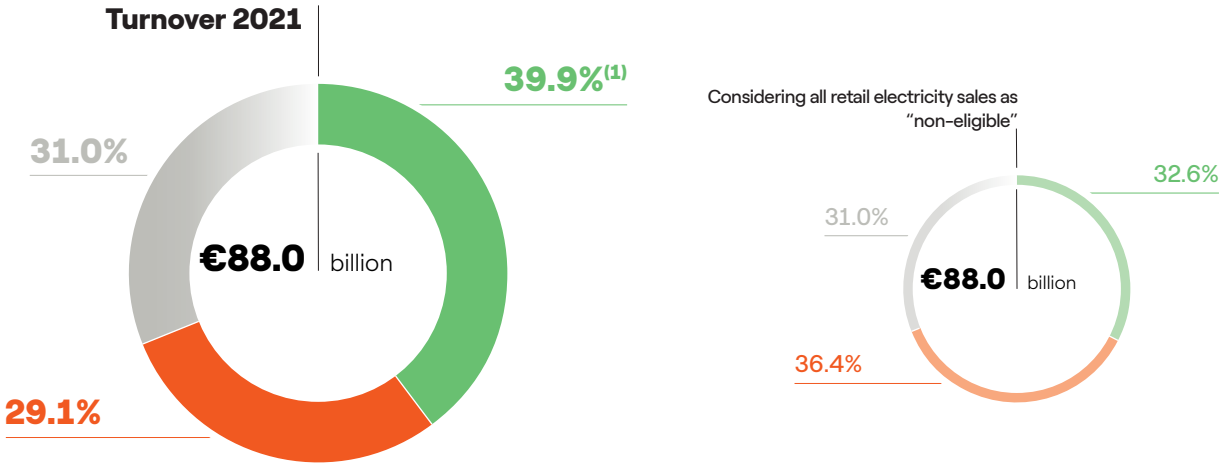
(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.

In 2021, **revenue** increased by €22,002 million due to an increase in the sale of electricity in an environment of rising average prices, particularly in End-user Markets and in renewables generation, particularly in Brazil and Italy. These effects were amplified by the increase in sales in 2021 attributable to commodity sales contracts with physical settlement, to thermal generation as a result of greater quantities generated at rising prices, particularly in Italy, Spain and Latin America, and to the increase in revenue recognized by the distribution companies in Brazil.

Also of note was the gain – recognized in "other income" – realized on the sale of Open Fiber for a total of €1,763 million. Finally, with regard to revenue, we report the results of the alignment of this indicator with the European taxonomy by reason of their substantial contribution to climate change mitigation, in compliance with the principle of not doing harm to other environmental objectives (DNSH) and the minimum social safeguards, as discussed in the sections "European Union taxonomy" and "Statement on the alignment of Enel's business with the European taxonomy".

Turnover (revenue) under the European taxonomy



(1) Excluding the capital gain on the sale of Open Fiber from turnover, eligible-aligned turnover is equal to 40.8% of total.

Eligible-aligned Eligible-not aligned Non-eligible

In 2021, 39.9% of turnover (revenue) was generated by business activities aligned with the EU taxonomy, compared with 46.2% in 2020.
Considering all retail electricity sales as "non-eligible", 32.6% of revenue was aligned.

Although revenue from taxonomy eligible-aligned activities increased in 2021 compared with 2020 (by €4,654 million), thanks in particular to greater energy generation from renewable sources and an increase in revenue from the transmission, distribution and sale of electricity with Certificates of Origin, the increase in revenue from not eligible activities, essentially due to greater trading activities, thermal generation and sales of gas in the retail market, caused the percentage weight of revenue from taxonomy eligible-aligned activities to decrease in 2021.

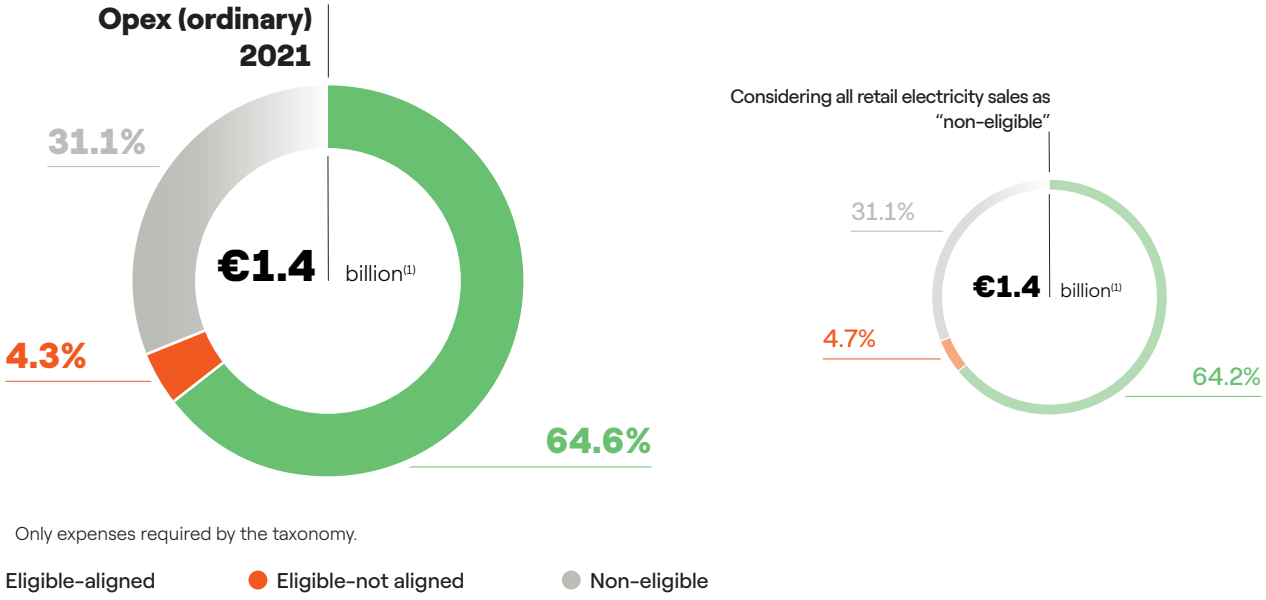
Costs

Millions of euro				
	2021	2020	Change	
Electricity purchases(1)	28,359	16,111	12,248	76.0%
Consumption of fuel for electricity generation	4,486	2,634	1,852	70.3%
Fuel for trading and gas for sale to end users(1)	16,414	7,506	8,908	-
Materials(1)	3,530	2,465	1,065	43.2%
Personnel expenses	5,281	4,793	488	10.2%
Services, leases and rentals	15,913	15,676	237	1.5%
Other operating expenses	2,095	2,202	(107)	-4.9%
Capitalized costs	(3,117)	(2,385)	(732)	-30.7%
Total(1)	**72,961**	**49,002**	**23,959**	**48.9%**

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.

Costs increased primarily as a result of increased provisioning of commodities, particularly in relation to an increase in the average price of fuels generally (and gas in particular) and of electricity.
For further details on operating costs, see the notes to the consolidated financial statements.
In addition, with regard to ordinary operating expenses, we report the results of the alignment of this indicator with the European taxonomy by reason of their substantial contribution to climate change mitigation, in compliance with the principle of not doing harm to other environmental objectives (DNSH) and the minimum social safeguards, as discussed in the sections "European Union taxonomy" and "Statement on the alignment of Enel's business with the European taxonomy".

Ordinary operating expenses (opex) under the European taxonomy



(1) Only expenses required by the taxonomy.

Eligible-aligned Eligible-not aligned Non-eligible

In 2021, 64.6% of ordinary operating expenses (opex) were generated by business activities aligned with the EU taxonomy, compared with 65.6% in 2020. Considering all retail electricity sales as "non-eligible", 64.2% of operating expenses were aligned.

The percentage of ordinary operating expenses of taxonomy eligible-aligned activities decreased in 2021 compared with the previous year, mainly reflecting a slight decrease in transmission and distribution costs (taxonomy eligible-aligned) and an increase in thermal generation costs.

Net results from commodity contracts

Net results from commodity contracts in 2021 improved by €2,621 million compared with the previous year, due mainly to fluctuations in market prices.

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Ordinary gross operating profit

The table below presents gross operating profit/(loss) by Business Line.

Millions of euro				
	2021	2020	Change	
Thermal Generation and Trading	1,702	2,230	(528)	-23.7%
Enel Green Power	4,815	4,721	94	2.0%
Infrastructure and Networks(1)	7,663	7,801	(138)	-1.8%
End-user Markets	3,086	3,197	(111)	-3.5%
Enel X	298	161	137	85.1%
Services	79	94	(15)	-16.0%
Holding and other	1,567	(177)	1,744	-
Total(1)	**19,210**	**18,027**	**1,183**	**6.6%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

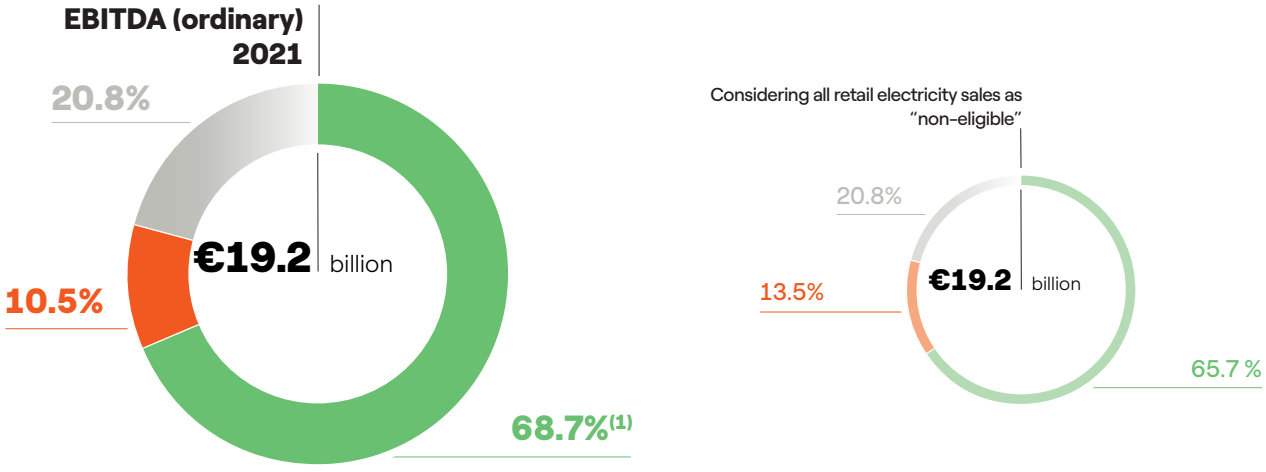
The increase in **ordinary gross operating profit** is mainly attributable to the development of new commercial initiatives by Enel X, particularly in Italy, and the start-up of new renewable energy plants, especially in Brazil, as well as the gain on the sale of Open Fiber within the scope of the Stewardship business model.
These effects were only partially offset by a decrease in margins, primarily in Italy, on trading and on End-user Markets for the release of a provision (in the amount of €75 million) in 2020 related to a dispute with a trader, as well as the recognition of a fine of €27 million assessed by Italy's Privacy Authority in 2021. Gross operating profit reflects the unfavorable trend in exchange rates, particularly in Latin America, in the amount of €314 million.

Finally, the following additional effects that essentially offset each other should also be noted:

- the release in Spain, in 2020, of the electricity discount provision net of allocations for early-retirement incentives for a total of €377 million;
- greater provisions in 2020 for early-retirement incentives in Italy in application of Article 4 of the Fornero Law in the amount of €126 million;
- the reversal in 2021 of provisions following the closure of a dispute concerning hydroelectric fees in Spain in the amount of €300 million;
- gains recognized in 2021 resulting from the reimbursement related to the CO_2 allowances granted free of charge in Spain in the amount of €186 million;
- a decrease in other income connected with the electrical business (€288 million), mainly related to the reimbursement of system charges and network fees (Resolutions nos. 50/2018 and 461/2020 of the Regulatory Authority for Energy, Networks and the Environment - ARERA) within the scope of distribution operations in Italy.

In addition, with regard to ordinary gross operating profit (ordinary EBITDA), we report the results of the alignment of this indicator with the European taxonomy by reason of their substantial contribution to climate change mitigation, in compliance with the principle of not doing harm to other environmental objectives (DNSH) and the minimum social safeguards, as discussed in the sections "European Union taxonomy" and "Statement on the alignment of Enel's business with the European taxonomy".

Ordinary gross operating profit (ordinary EBITDA) under the European taxonomy



(1) Excluding the capital gain on the sale of Open Fiber from ordinary EBITDA, eligible-aligned ordinary EBITDA is equal to 75.6% of total.

Eligible-aligned Eligible-not aligned Non-eligible

In 2021, 68.7% of ordinary gross operating profit was generated by business activities aligned with the EU taxonomy, compared with 73.4% in 2020.
Considering all retail electricity sales as "non-eligible", 65.8% of ordinary gross operating profit was aligned in 2021.

The percentage of the ordinary gross operating profit of taxonomy eligible-aligned activities decreased in 2021 compared with 2020, mainly reflecting the changes discussed in "Turnover (revenue) under the European taxonomy".

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Gross operating profit

Millions of euro	2021							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total
Ordinary gross operating profit/(loss)	**1,702**	**4,815**	**7,663**	**3,086**	**298**	**79**	**1,567**	**19,210**
Energy-transition and digitalization costs	(795)	(47)	(423)	(94)	(15)	(160)	(56)	(1,590)
COVID-19 costs	(8)	(7)	(30)	(2)	-	(5)	(1)	(53)
Gross operating profit/(loss)	**899**	**4,761**	**7,210**	**2,990**	**283**	**(86)**	**1,510**	**17,567**

Millions of euro	2020							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks[(1)]	End-user Markets	Enel X	Services	Holding and other	Total[(1)]
Ordinary gross operating profit/(loss)	**2,230**	**4,721**	**7,801**	**3,197**	**161**	**94**	**(177)**	**18,027**
Energy-transition and digitalization costs	(517)	(64)	(231)	(65)	(7)	(95)	(12)	(991)
COVID-19 costs	(13)	(10)	(50)	(11)	(2)	(46)	(1)	(133)
Gross operating profit/(loss)	**1,700**	**4,647**	**7,520**	**3,121**	**152**	**(47)**	**(190)**	**16,903**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

The Group has continued the energy-transition and digitalization process with additional provisions for personnel expenses, costs for the restructuring and conversion of certain plants in Italy, and write-downs of fuel and replacement-part inventories associated with the coal plants, which are not included in ordinary gross operating profit.

Ordinary operating profit

Millions of euro	2021	2020	Change	
Thermal Generation and Trading	729	1,456	(727)	-49.9%
Enel Green Power	3,480	3,460	20	0.6%
Infrastructure and Networks[(1)]	4,813	4,846	(33)	-0.7%
End-user Markets	1,753	1,906	(153)	-8.0%
Enel X	44	(7)	51	-
Services	(113)	(85)	(28)	-32.9%
Holdings and other	1,529	(205)	1,734	-
Total[(1)]	**12,235**	**11,371**	**864**	**7.6%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

Ordinary operating profit for 2021 increased by €864 million as a result of the factors described above for ordinary gross operating profit and, above all, the increase in depreciation and amortization recognized in 2021 within the scope of distribution in Italy and Spain due to the technical obsolescence of a number of digital meters, which resulted in a reduction in their useful life, as well as to new plants that have begun operating in the last two years.

Operating profit

Millions of euro	2021							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total
Ordinary operating profit/(loss)	**729**	**3,480**	**4,813**	**1,753**	**44**	**(113)**	**1,529**	**12,235**
Energy-transition and digitalization costs and impairment losses	(1,819)	(47)	(423)	(94)	(15)	(160)	(56)	(2,614)
Write-downs of generation plants in Spain - Non-Peninsular Territories, Mexico, and Australia	(1,488)	(185)	-	-	-	-	-	(1,673)
Other impairment losses	-	(159)	(12)	-	1	(45)	-	(215)
COVID-19 costs	(8)	(7)	(30)	(2)	-	(5)	(1)	(53)
Operating profit/(loss)	**(2,586)**	**3,082**	**4,348**	**1,657**	**30**	**(323)**	**1,472**	**7,680**

Millions of euro	2020							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks[1]	End-user Markets	Enel X	Services	Holding and other	Total[1]
Ordinary operating profit/(loss)	**1,456**	**3,460**	**4,846**	**1,906**	**(7)**	**(85)**	**(205)**	**11,371**
Energy-transition and digitalization costs and impairment losses	(1,422)	(50)	(231)	(65)	(7)	(95)	(12)	(1,882)
Write-down of the Mexico, Australia and Argentina CGUs	-	(534)	(216)	-	-	-	-	(750)
Other impairment losses	(6)	(132)	-	(13)	-	-	-	(151)
COVID-19 costs	(13)	(10)	(50)	(11)	(2)	(46)	(1)	(133)
Operating profit/(loss)	**15**	**2,734**	**4,349**	**1,817**	**(16)**	**(226)**	**(218)**	**8,455**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

In addition to the factors described above in relation to gross operating profit, the most significant non-recurring items include the write-down of coal-fired plants, particularly in Italy, within the scope of the broader energy transition, which is a strategic pillar for the Group, and the impairment losses recognized on the assets related to the CGUs of Spain (Non-Peninsular Territories) (€1,488 million), Mexico (€155 million), and Australia (€30 million).

Other impairment losses mainly involve the assets associated with the PH Chucas plant in Costa Rica to reflect the deterioration of future earnings at this plant and the impairment loss of €45 million for the head office following the partial demolition of the property to be restructured.

Group ordinary profit

Group ordinary profit in 2021 came to €5,593 million, as compared with the €5,197 million for the same period of the previous year.
This increase is due to the factors described above in relation to ordinary operating profit, partially offset by an increase in taxes.
The effective tax rate increased in 2021 as a result of:

- tax reforms in Argentina and Colombia;
- a tax inspection at Enel Iberia and related adjustment to the tax credit;
- the tax benefit recognized in Italy in 2020 in relation to the patent box mechanism.

These effects were partially offset by application of the participation exemption (PEX) on the gain realized on the sale of the investment in Open Fiber.

Group profit

Group profit in 2021 came to €3,189 million (€2,610 million in 2020), an increase of €579 million compared with 2020. The table below provides a reconciliation of Group profit with Group ordinary profit, indicating the non-recurring items and their respective impact on performance, net of the associated tax effects and non-controlling interests.

Millions of euro

	2021	2020
Group ordinary profit	**5,593**	**5,197**
Energy-transition and digitalization costs and impairment losses	(1,839)	(1,020)
Write-downs of generation plant assets	(1,027)	(637)
Other impairment losses	(42)	(11)
COVID-19 costs	(36)	(86)
Write-down of certain assets related to the sale of the investment in Slovenské elektrárne	540	(833)
Group profit	**3,189**	**2,610**

Statement on the alignment of Enel's business with the European taxonomy

Financial metrics calculation process

As described in the section "European Union taxonomy", Enel performed a specific implementation process to classify all its economic activities along its value chain in accordance with the following three categories: eligible-aligned, eligible-not aligned and not eligible.

The calculation of the financial metrics associated with each economic activity was performed using a specific process during which the following criteria were implemented and the following considerations were made:

- the three financial metrics required under the European taxonomy regulation – turnover (revenue), capital expenditure (capex) and operating expenditure (opex or ordinary operating expenses) – were calculated in accordance with the eligibility analysis described in the section "European Union taxonomy";
- although not expressly requested, Enel also performed an assessment for ordinary gross operating profit, believing that this metric best represents the actual financial performance of integrated utilities such as Enel;
- the financial information was collected from the accounting system used by the Enel Group or from the management systems used by the corporate Business Lines. However, some exceptions were also made to provide a more detailed representation of the figures or to exclude certain specific activities from the overall eligibility-alignment calculation (such as non-aligned hydroelectric generation or infrastructure considered eligible-not aligned among eligible-aligned distribution systems). For example, the following proxies were used:
  - hydroelectric: eligible-not aligned hydroelectric plants were excluded considering their output multiplied by average unit revenue for 2020 and 2021. This approach was also extended to capital expenditure, ordinary operating expenses and ordinary gross operating profit;
  - distribution: new connections between a substation or network and a generation plant whose greenhouse gas intensity exceeds the threshold of 100 gCO_{2eq}/kWh have been excluded considering their power (in MW) multiplied by average revenue (thousands of euro/MW) for 2020 and 2021. This approach was only applied to revenue and capital expenditure;
- the aggregate financial data in the reporting refer to "segment" values and include items concerning third parties and inter-segment transactions;
- revenue from electricity sales was calculated considering the quantity of retail power sales by Group companies in Italy and Spain accompanied by Certificates of Origin (based on data from national authorities) and applying the average unit revenue. This revenue is considered eligible-aligned since it regards electricity generated using technologies that comply with the technical screening criteria of the European taxonomy. This approach was also implemented for capital expenditure, ordinary operating expenses and ordinary gross operating profit. To prevent double counting, eligible revenue by sector is included net of inter-segment transactions (Enel Green Power, Distribution and Retail);
- the 2020 data were recalculated on the basis of the new eligibility analysis performed in 2021 after the publication of the 2020 Sustainability Report and the publication of the Climate Delegated Act in the Official Journal of the European Union. The main differences in each business segment are as follows:
  - electricity generation: 100% of geothermal installed capacity is now considered eligible-aligned compared with 10% in the previous analysis, while an additional 0.5% of hydroelectric installed capacity is now considered eligible (rising from 99% to 99.5%);
  - electricity transmission and distribution: DSOs in Chile, Colombia and Peru are now considered eligible and new infrastructure installed in 2020 to connect power plants with a carbon intensity threshold above 100 $gCO2_{eq}$/kWh have been excluded from the financial data of all eligible-aligned DSOs;
  - Enel X: e-Home and distributed generation solutions are now considered eligible-aligned (they were previously considered not eligible);
  - sales: the retail sale of electricity in Italy and Spain accompanied by Certificates of Origin is now considered eligible-aligned (it was previously considered not eligible);
- total revenue, capital expenditure and ordinary gross operating profit of each specific activity correspond to Group totals, while the total ordinary operating expenses of each specific activity correspond only to the total ordinary costs considered in the types of operating expenses envisaged under the European taxonomy;
- the share of the KPIs relating to each individual economic activity is calculated on the basis of the total revenue, capital expenditure and ordinary gross operating profit of the Group and the total ordinary costs considered in the types of operating expenses envisaged by the European taxonomy. The share of revenue, capital expenditure, ordinary operating expenses and ordinary gross operating profit of each individual economic ac-

tivity contributes to the climate change mitigation goal. This is the only European taxonomy objective reported in the table, as the alignment analysis was performed only for this objective as it is more relevant than the climate change adaptation objective and the criteria for the other environmental objectives are not yet available.

The 2021-2023 Strategic Plan presented on the occasion of the 2020 Capital Markets Day held in November 2020 declared that between 80% and 90% of capital expenditure was aligned with the European taxonomy for the three-year period, reflecting the regulatory uncertainty prevailing when it was announced (the Climate Delegated Act had not yet been approved). However, 85.6% of the capital expenditure established for 2021 in the 2021-2023 Strategic Plan is now considered to be aligned with the European taxonomy according to the updated analysis conducted in 2021. The same main changes are considered for the restated 2020 data. In addition, the new 2022-2024 Strategic Plan presented on the occasion of the 2021 Capital Markets Day states that over 85% of capital expenditure will be allocated to aligned activities in the 2022-2024 period.

Statement on the alignment of Enel's business with the European taxonomy

In 2021, the level of alignment of the Group's economic activities with the European taxonomy due to their substantial contribution to the climate change mitigation objective, in compliance with the principle of not doing harm to other environmental objectives (DNSH) and the minimum social safeguards is indicated in the following tables and in the sections "Revenue", "Costs", "Ordinary gross operating profit/(loss)" and "Capital expenditure".

Finally, EU taxonomy reporting pursuant to the European taxonomy regulation and the delegated act is provided in full in the 2021 Sustainability Report – Non-Financial Statement pursuant to Regulation (EU) 2020/852.

Turnover (revenue) under the European taxonomy

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Absolute Turnover "revenue"[1] 2021	Proportion of Turnover "revenue"[2] 2021	Absolute Turnover "revenue"[1]	Proportion of Turnover "revenue"[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Minimum safeguards[5]	Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)															
Electricity generation from wind power	4.3	2,392	2.7	2,195	3.3	100.0		Y		Y		Y	Y		
Electricity generation using solar photovoltaic technology	4.1	761	0.9	477	0.7	100.0		Y		Y		Y	Y		
Electricity generation from hydropower	4.5	5,976	6.8	4,543	6.9	100.0		Y	Y			Y	Y		
Electricity generation from geothermal energy	4.6	380	0.4	484	0.8	100.0		Y	Y		Y	Y	Y		
Storage of electricity	4.10	-	-	-	-	100.0		Y	Y	Y		Y	Y		
Enel Green Power and Retail Intercompany		(795)	(0.9)	(760)	(1.2)			Y		Y	Y	Y			
Transmission and distribution of electricity	4.9	19,907	22.6	18,761	28.4	100.0							Y	E	
e-distribuzione and Retail Intercompany		(770)	(0.9)	(786)	(1.2)			Y			Y				
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Smart Lighting)	7.3 (d)	239	0.3	243	0.4	100.0		Y			Y		Y		
Urban and suburban transport, road passenger transport (Enel X - e-Bus)	6.3 (a)	62	0.1	5	-	100.0		Y		Y	Y		Y		
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Energy Efficiency)	7.3 (a-e)	9	-	1	-	100.0		Y			Y		Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Home/Vivi Meglio Unifamiliare)	7.3 (a-e) 7.5 (a) 7.6 (a)	334	0.4	223	0.4	100.0		Y			Y		Y		

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Absolute Turnover "revenue"[1] 2021	Proportion of Turnover "revenue"[2] 2021	Absolute Turnover "revenue"[1]	Proportion of Turnover "revenue"[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]							Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[5]	Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Condominium)	7.3 (a-e)	9	-	1	-	100.0		Y			Y		Y		
Professional services related to energy performance of buildings (Enel X - Customer Insight)	9.3	88	0.1	98	0.1	100.0		Y					Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Distributed Energy)	7.3 (d,e) 7.6 (a)	55	-	44	0.1	100.0		Y			Y		Y		
Installation, maintenance and repair of renewable energy technologies (Enel X - Battery Energy Storage)	7.6 (f)	24	-	16	-	100.0		Y					Y		
6.13 Infrastructure for personal mobility, cycle logistics 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Enel X - Mobility)	6.13 7.4	63	0.1	32	-	100.0		Y	Y	Y	Y	Y	Y		
Market (power sales to end customer with Certificates of Origin)		6,416	7.3	4,919	7.5										
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**35,150**	**39.9**	**30,496**	**46.2**	**100.0**									

Economic activities	Taxonomy Code	Absolute Turnover "revenue"[1] 2021 millions of euro	Proportion of Turnover "revenue"[2] 2021 %	Absolute Turnover "revenue"[1] millions of euro	Proportion of Turnover "revenue"[2] 2020 %	Substantial contribution to climate change mitigation[3] %	DNSH Criteria ("Do No Significant Harm")[4] Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards[5] Y/N	Category[6] Enabling activity E	Transitional activity T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
Electricity generation from hydropower	4.5	28	-	18	-										
Transmission and distribution of electricity (Argentina and new connections between a substation and power plant >100 gCO_{2eq}/kWh)	4.9	689	0.8	648	1.0										
Market (power sales to end customer without Certificates of Origin)		24,890	28.3	19,916	30.2										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**25,607**	**29.1**	**20,582**	**31.2**										
Total (A.1 + A.2)		**60,757**	**69.0**	**51,078**	**77.4**										
B. Taxonomy-not-eligible activities															
Electricity generation from coal and liquid fossil fuels		1,904	2.2	1,639	2.5										
Electricity generation from gas		8,064	9.1	4,783	7.2										
Electricity generation from nuclear energy		1,388	1.6	1,342	2.0										
Enel X (only activities not eligible)		798	0.9	585	0.9										
Trading activities (energy sales - wholesale)		21,799	24.8	13,973	21.2										
Market (gas sales to end customer)		6,276	7.1	3,821	5.8										
Services, Holding and Other		3,930	4.5	2,025	3.1										
Elisions and adjustments		(16,910)	(19.2)	(13,242)	(20.1)										
Turnover of taxonomy-non-eligible activities (B)		**27,249**	**31.0**	**14,926**	**22.6**										
Total (A + B)		**88,006**	**100.0**	**66,004**	**100.0**										

A2. TAXONOMY ELIGIBLE-NOT ALIGNED ACTIVITIES

B. TAXONOMY NOT ELIGIBLE ACTIVITIES

(1) **Absolute Turnover "revenue":** revenues from each single activity. If an activity is present in both A.1 and A.2 or B, the figure refers to the proportion of the activity that corresponds to A.1, A.2 or B.
(2) **Proportion of Turnover "revenue":** percentage impact of revenues from each individual business activity on the Group's total revenues.
(3) **Substantial contribution to climate change mitigation:** refers to the share of the revenues of each individual economic activity (indicated in the column Turnover "revenue") that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table, as it is considered more relevant compared to the climate change adaptation objective, while the criteria for the other environmental objectives are not yet available.
(4) **DNSH:** environmental objectives meeting the DNSH criteria are specified for each activity.
(5) **Minimum safeguards:** indicates whether the minimum safeguards are respected for each individual activity.
(6) **Category:** specifies whether the activity makes a direct contribution to climate mitigation or is an enabling or transitional activity.

Capital expenditure (capex) under the European taxonomy

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Absolute capex "capital expenditure"[1] 2021	Proportion of capex "capital expenditure"[2] 2021	Absolute capex "capital expenditure"[1] 2020	Proportion of capex "capital expenditure"[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]							Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[5]	Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)															
Electricity generation from wind power	4.3	2,971	22.6	2,601	25.5	100.0		Y		Y		Y	Y		
Electricity generation using solar photovoltaic technology	4.1	1,991	15.2	1,430	14.0	100.0		Y		Y		Y	Y		
Electricity generation from hydropower	4.5	416	3.2	333	3.3	100.0		Y	Y			Y	Y		
Electricity generation from geothermal energy	4.6	122	0.9	146	1.4	100.0		Y	Y		Y	Y	Y		
Storage of electricity	4.10	153	1.2	23	0.2	100.0		Y	Y	Y		Y	Y		
Transmission and distribution of electricity	4.9	5,109	39.0	3,836	37.6	100.0		Y		Y	Y	Y	Y	E	
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Smart Lighting)	7.3 (d)	53	0.4	47	0.5	100.0		Y			Y		Y		
Urban and suburban transport, road passenger transport (Enel X - e-Bus)	6.3 (a)	(1)	-	32	0.3	100.0		Y		Y	Y		Y		
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Energy Efficiency)	7.3 (a-e)	2	-	1	-	100.0		Y			Y		Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Home/Vivi Meglio Unifamiliare)	7.3 (a-e) 7.5 (a) 7.6 (a)	54	0.4	35	0.4	100.0		Y			Y		Y		

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Absolute capex "capital expenditure"[1] 2021	Proportion of capex "capital expenditure"[2] 2021	Absolute capex "capital expenditure"[1] 2020	Proportion of capex "capital expenditure"[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Minimum safeguards[5]	Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Condominium)	7.3 (a-e)	3	-	-	-	100.0		Y			Y		Y		
Professional services related to energy performance of buildings (Enel X - Customer Insight)	9.3	3	-	1	-	100.0		Y					Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Distributed Energy)	7.3 (d,e) 7.6 (a)	8	0.1	7	0.1	100.0		Y			Y		Y		
Installation, maintenance and repair of renewable energy technologies (Enel X - Battery Energy Storage)	7.6 (f)	34	0.3	10	0.1	100.0		Y					Y		
6.13 Infrastructure for personal mobility, cycle logistics 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Enel X - Mobility)	6.13 7.4	51	0.4	45	0.4	100.0		Y	Y	Y	Y	Y	Y		
Market (power sales to end customer with Certificates of Origin)		121	0.9	88	0.9										
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**11,090**	**84.6**	**8,635**	**84.7**	100.0									

Economic activities	Taxonomy Code	Absolute capex "capital expenditure"[1] 2021 millions of euro	Proportion of capex "capital expenditure"[2] 2021 %	Absolute capex "capital expenditure"[1] 2020 millions of euro	Proportion of capex "capital expenditure"[2] 2020 %	Substantial contribution to climate change mitigation[3] %	DNSH Criteria ("Do No Significant Harm")[4] Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards[5] Y/N	Category[6] Enabling activity E	Transitional activity T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
Electricity generation from hydropower	4.5	2	-	2	-										
Transmission and distribution of electricity (Argentina and new connections between a substation and power plant >100 gCO_{2eq}/kWh)	4.9	174	1.3	100	1.0										
Market (power sales to end customer without Certificates of Origin)		425	3.3	305	3.0										
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**601**	**4.6**	**407**	**4.0**										
Total (A.1 + A.2)		**11,691**	**89.2**	**9,042**	**88.7**										
B. Taxonomy-non-eligible activities															
Electricity generation from coal and liquid fossil fuels		49	0.4	67	0.7										
Electricity generation from gas		499	3.8	383	3.8										
Electricity generation from nuclear energy		165	1.3	146	1.4										
Enel X (only activities not eligible)		160	1.2	125	1.2										
Trading activities (energy sales - wholesale)		65	0.5	54	0.5										
Market (gas sales to end customer)		97	0.7	67	0.6										
Services, Holding and Other		207	1.6	174	1.7										
Adjustments		175	1.3	139	1.4										
Capex of taxonomy-non-eligible activities (B)		**1,417**	**10.8**	**1,155**	**11.3**										
Total (A + B)		**13,108**	**100.0**	**10,197**	**100.0**										

A2. TAXONOMY ELIGIBLE-NOT ALIGNED ACTIVITIES

B. TAXONOMY NOT ELIGIBLE ACTIVITIES

(1) **Absolute capex "capital expenditure":** investments for each individual activity. If an activity is present in both A.1 and A.2 or B, the figure refers to the proportion of the activity that corresponds to A.1, A.2 or B.
(2) **Proportion of capex "capital expenditure":** percentage impact of investments of each individual business activity on the Group's total investments.
(3) **Substantial contribution to climate change mitigation:** refers to the share of capex "capital expenditure" of each individual economic activity (indicated in the column capex "capital expenditure") that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table, as it is considered more relevant compared to the climate change adaptation objective, while the criteria for the other environmental objectives are not yet available.
(4) **DNSH:** environmental objectives meeting the DNSH criteria are specified for each activity.
(5) **Minimum safeguards:** indicates whether the minimum safeguards are respected for each individual activity.
(6) **Category:** specifies whether the activity makes a direct contribution to climate mitigation or is an enabling or transitional activity.

Operating expenses (opex) under the European taxonomy

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxo-nomy Code	Absolute opex[1] 2021	Proportion of opex[2] 2021	Absolute opex[1] 2020	Proportion of opex[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Minimum safeguards[5]	Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)															
Electricity generation from wind power	4.3	101	7.3	86	5.9	100.0		Y		Y		Y	Y		
Electricity generation using solar photovoltaic technology	4.1	44	3.2	27	1.9	100.0		Y		Y		Y	Y		
Electricity generation from hydropower	4.5	188	13.5	191	13.1	100.0		Y	Y			Y	Y		
Electricity generation from geothermal energy	4.6	6	0.4	6	0.4	100.0		Y	Y		Y	Y	Y		
Storage of electricity	4.10	-	-	-	-	100.0		Y	Y	Y		Y	Y		
Transmission and distribution of electricity	4.9	546	39.3	636	43.5									E	
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Smart Lighting)	7.3 (d)	2	0.1	2	0.1	100.0		Y		Y	Y	Y	Y		
Urban and suburban transport, road passenger transport (Enel X - e-Bus)	6.3 (a)	-	-	-	-										
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Energy Efficiency)	7.3 (a-e)	-	-	-	-	100.0		Y			Y		Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Home/Vivi Meglio Unifamiliare)	7.3 (a-e) 7.5 (a) 7.6 (a)	2	0.1	1	0.1	100.0		Y		Y	Y		Y		

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Absolute opex[1] 2021	Proportion of opex[2] 2021	Absolute opex[1] 2020	Proportion of opex[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Minimum safeguards[5]	Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Condominium)	7.3 (a-e)	-	-	-	-	100.0		Y			Y		Y		
Professional services related to energy performance of buildings (Enel X - Customer Insight)	9.3	1	0.1	1	0.1	100.0		Y			Y		Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Distributed Energy)	7.3 (d,e) 7.6 (a)	-	-	-	-	100.0		Y			Y		Y		
Installation, maintenance and repair of renewable energy technologies (Enel X - Battery Energy Storage)	7.6 (f)	1	0.1	1	0.1	100.0		Y					Y		
6.13 Infrastructure for personal mobility, cycle logistics 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Enel X - Mobility)	6.13 7.4	1	0.1	2	0.1	100.0		Y			Y		Y		
Market (power sales to end customer with Certificates of Origin)		6	0.4	5	0.3	100.0		Y					Y		
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**898**	**64.6**	**958**	**65.6**	100.0									

Economic activities	Taxonomy Code	Absolute opex[1] 2021	Proportion of opex[2] 2021	Absolute opex[1] 2020	Proportion of opex[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Minimum safeguards[5]	Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
Electricity generation from hydropower	4.5	1	0.1	1	-										
Transmission and distribution of electricity (Argentina and new connections between a substation and power plant >100 gCO_{2eq}/kWh)	4.9	25	1.8	19	1.3										
Market (power sales to end customer without Certificates of Origin)		34	2.4	29	2.0										
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**60**	**4.3**	**49**	**3.3**										
Total (A.1 + A.2)		**958**	**68.9**	**1,007**	**68.9**										
B. Taxonomy-non-eligible activities															
Electricity generation from coal and liquid fossil fuels		59	4.2	78	5.3										
Electricity generation from gas		228	16.4	233	15.9										
Electricity generation from nuclear energy		97	7.0	95	6.5										
Enel X (only activities not eligible)		18	1.3	13	0.9										
Trading activities (energy sales - wholesale)		8	0.6	9	0.7										
Market (gas sales to end customer)		8	0.6	5	0.3										
Services, Holding and Other		99	7.1	101	7.0										
Elisions and adjustments		(85)	(6.1)	(80)	(5.5)										
Opex of taxonomy-non-eligible activities (B)		**432**	**31.1**	**454**	**31.1**										
Total (A + B)		**1,390**	**100.0**	**1,461**	**100.0**										

A2. TAXONOMY ELIGIBLE-NOT ALIGNED ACTIVITIES

B. TAXONOMY NOT ELIGIBLE ACTIVITIES

(1) **Absolute opex:** opex for each individual activity. If an activity is present in both A.1 and A.2 or B, the figure refers to the proportion of the activity that corresponds to A.1, A.2 or B.
(2) **Proportion of opex:** percentage impact of opex of each individual business activity out of the total ordinary operating expenses required by the taxonomy at Group level.
(3) **Substantial contribution to climate change mitigation:** refers to the share of ordinary opex for each individual economic activity (indicated in the column Absolute opex) that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table, as it is considered more relevant compared to the climate change adaptation objective, while the criteria for the other environmental objectives are not yet available.
(4) **DNSH:** environmental objectives meeting the DNSH criteria are specified for each activity.
(5) **Minimum safeguards:** indicates whether the minimum safeguards are respected for each individual activity.
(6) **Category:** specifies whether the activity makes a direct contribution to climate mitigation or is an enabling or transitional activity.

Ordinary gross operating profit under the European taxonomy

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Ordinary gross operating profit (EBITDA)[1] 2021	Proportion of ordinary gross operating profit (EBITDA)[2] 2021	Ordinary gross operating profit (EBITDA)[1] 2020	Proportion of ordinary gross operating profit (EBITDA)[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[5]	Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)															
Electricity generation from wind power	4.3	1,393	7.3	1,490	8.3	100.0		Y		Y		Y	Y		
Electricity generation using solar photovoltaic technology	4.1	384	2.0	340	1.9	100.0		Y		Y		Y	Y		
Electricity generation from hydropower	4.5	2,771	14.4	2,570	14.2	100.0		Y	Y			Y	Y		
Electricity generation from geothermal energy	4.6	236	1.2	350	1.9	100.0		Y	Y		Y	Y	Y		
Storage of electricity	4.10	-	-	-	-	100.0		Y	Y	Y		Y	Y		
Transmission and distribution of electricity	4.9	7,616	39.7	7,748	43.0	100.0		Y		Y	Y	Y	Y	E	
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Smart Lighting)	7.3 (d)	73	0.4	91	0.5	100.0		Y			Y		Y		
Urban and suburban transport, road passenger transport (Enel X - e-Bus)	6.3 (a)	14	0.1	2	-	100.0				Y		Y	Y		Y
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Energy Efficiency)	7.3 (a-e)	2	-	-	-	100.0				Y			Y		Y
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Home/Vivi Meglio Unifamiliare)	7.3 (a-e) 7.5 (a) 7.6 (a)	135	0.7	89	0.5	100.0		Y			Y		Y		

A1. TAXONOMY ELIGIBLE-ALIGNED ACTIVITIES

Economic activities	Taxonomy Code	Ordinary gross operating profit (EBITDA)[1] 2021	Proportion of ordinary gross operating profit (EBITDA)[2] 2021	Ordinary gross operating profit (EBITDA)[1] 2020	Proportion of ordinary gross operating profit (EBITDA)[2] 2020	Substantial contribution to climate change mitigation[3]	DNSH Criteria ("Do No Significant Harm")[4]						Minimum safeguards[5]	Category[6]	
							Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Enabling activity	Transitional activity
		millions of euro	%	millions of euro	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment (Enel X - Condominium)	7.3 (a-e)	1	-	-	-	100.0		Y			Y		Y		
Professional services related to energy performance of buildings (Enel X - Customer Insight)	9.3	16	0.1	13	0.1	100.0		Y					Y		
7.3 Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment 7.6 Installation, maintenance and repair of renewable energy technologies (Enel X - Distributed Energy)	7.3 (d,e) 7.6 (a)	5	-	3	-	100.0		Y			Y		Y		
Installation, maintenance and repair of renewable energy technologies (Enel X - Battery Energy Storage)	7.6 (f)	(3)	-	3	-	100.0		Y					Y		
6.13 Infrastructure for personal mobility, cycle logistics 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Enel X - Mobility)	6.13 7.4	(11)	(0.1)	(40)	(0.2)	100.0		Y	Y	Y	Y	Y	Y		
Market (power sales to end customer with Certificates of Origin)		565	2.9	568	3.2										
Ordinary EBITDA of environmentally sustainable activities (taxonomy-aligned) (A.1)		**13,197**	**68.7**	**13,227**	**73.4**	100.0									

Economic activities	Taxonomy Code	Ordinary gross operating profit (EBITDA)[1] 2021 millions of euro	Proportion of ordinary gross operating profit (EBITDA)[2] 2021 %	Ordinary gross operating profit (EBITDA)[1] 2020 millions of euro	Proportion of ordinary gross operating profit (EBITDA)[2] 2020 %	Substantial contribution to climate change mitigation[3] %	DNSH Criteria ("Do No Significant Harm")[4] Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards[5] Y/N	Category[6] Enabling activity E	Transitional activity T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
Electricity generation from hydropower	4.5	17	0.1	9	-										
Transmission and distribution of electricity (Argentina and new connections between a substation and power plant >100 gCO_{2eq}/kWh)	4.9	4	-	48	0.3										
Market (power sales to end customer without Certificates of Origin)		1,990	10.4	2,065	11.4										
Ordinary EBITDA of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**2,011**	**10.5**	**2,122**	**11.7**										
Total (A.1 + A.2)		**15,208**	**79.2**	**15,349**	**85.1**										
B. Taxonomy-non-eligible activities															
Electricity generation from coal and liquid fossil fuels		282	1.4	535	3.0										
Electricity generation from gas		906	4.7	659	3.7										
Electricity generation from nuclear energy		416	2.2	439	2.4										
Enel X (only activities not eligible)		68	0.3	1	-										
Trading activities (energy sales - wholesale)		98	0.5	597	3.3										
Market (gas sales to end customer)		422	2.2	447	2.5										
Services, Holding and Other		1,645	8.6	(83)	(0.5)										
Adjustments		165	0.9	83	0.5										
Ordinary EBITDA of taxonomy-non-eligible activities (B)		**4,002**	**20.8**	**2,678**	**14.9**										
Total (A + B)		**19,210**	**100.0**	**18,027**	**100.0**										

A2. TAXONOMY ELIGIBLE-NOT ALIGNED ACTIVITIES

B. TAXONOMY NOT ELIGIBLE ACTIVITIES

(1) **Ordinary gross operating profit (EBITDA):** Ordinary gross operating profit on each individual asset. If an activity is present in both A.1 and A.2 or B, the figure refers to the proportion of the activity that corresponds to A.1, A.2 or B.
(2) **Proportion of ordinary gross operating margin (ordinary EBITDA):** percentage impact of EBITDA of each individual business on the Group's total EBITDA.
(3) **Substantial contribution to climate change mitigation:** refers to the portion of EBITDA of each individual business activity (indicated in the column Ordinary gross operating profit (EBITDA)) that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table, as it is considered more relevant compared to the climate change adaptation objective, while the criteria for the other environmental objectives are not yet available.
(4) **DNSH:** environmental objectives meeting the DNSH criteria are specified for each activity.
(5) **Minimum safeguards:** indicates whether the minimum safeguards are respected for each individual activity.
(6) **Category:** specifies whether the activity makes a direct contribution to climate mitigation or is an enabling or transitional activity.

Value generated and distributed for stakeholders

Millions of euro	2021	2020
Economic value generated directly[1] [2]	**88,084**	**66,100**
Economic value distributed directly		
Operating expenses[1]	63,768	42,634
Personnel expenses and benefits	4,415	3,956
Payments to providers of capital (shareholders and lenders)	7,428	7,082
Payments to government[3] [4]	4,127	4,260
Total economic value distributed[1] [4]	**79,738**	**57,932**
Economic value retained[1] [2] [4]	**8,346**	**8,168**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.
(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.
(3) The amount represents "total tax borne", which is costs for taxes borne by the Group. For more information, see the 2021 Sustainability Report and the Consolidated Non-Financial Statement.
(4) The figure for 2020 has been calculated more accurately.

The economic value generated and distributed directly by Enel, in accordance with the criteria established by GRI 201, provides a good indication of how the Group has created wealth for all stakeholders. The increase in value generated directly and in operating expenses reflects the sharp rise in commodity prices, especially gas.
Payments to providers of capital increased in reflection of costs connected with the early redemption of a number of bond issues.

Analysis of the Group's financial position and structure

€94,294 million
NET CAPITAL EMPLOYED
€87,772 million in 2020

€51,952 million
NET FINANCIAL DEBT
+14.4% on 2020

55.0%
SUSTAINABLE FINANCING
out of €71,969 million in gross borrowing

€13,108 million
TOTAL CAPITAL EXPENDITURE
of which 84.6% eligible and aligned with European taxonomy

Net capital employed and funding

Millions of euro

	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Net non-current assets:				
- property, plant and equipment and intangible assets	102,733	96,489	6,244	6.5%
- goodwill	13,821	13,779	42	0.3%
- equity-accounted investments	704	861	(157)	-18.2%
- other net non-current assets/(liabilities)	(4,496)	(6,807)	2,311	34.0%
Total net non-current assets	**112,762**	**104,322**	**8,440**	**8.1%**
Net working capital:				
- trade receivables	16,076	12,046	4,030	33.5%
- inventories	3,109	2,401	708	29.5%
- net receivables due from institutional market operators	(762)	(2,755)	1,993	72.3%
- other net current assets/(liabilities)	(10,940)	(6,977)	(3,963)	-56.8%
- trade payables	(16,959)	(12,859)	(4,100)	-31.9%
Total net working capital	**(9,476)**	**(8,144)**	**(1,332)**	**-16.4%**
Gross capital employed	**103,286**	**96,178**	**7,108**	**7.4%**
Provisions:				
- employee benefits	(2,724)	(2,964)	240	8.1%
- provisions for risks and charges and net deferred taxes	(6,548)	(6,050)	(498)	-8.2%
Total provisions	**(9,272)**	**(9,014)**	**(258)**	**-2.9%**
Net assets held for sale	**280**	**608**	**(328)**	**-53.9%**
Net capital employed	**94,294**	**87,772**	**6,522**	**7.4%**
Total equity	**42,342**	**42,357**	**(15)**	**-**
Net financial debt	**51,952**	**45,415**	**6,537**	**14.4%**

Property, plant and equipment and intangible assets increased, essentially reflecting capital expenditure during the period (€12,090 million) and changes in the consolidation scope (€395 million) related mainly to the acquisition of a controlling interest in Enel Green Power Australia. These factors were partially offset mainly by depreciation, amortization and impairment losses recognized during the year in the amount of €8,695 million.

Goodwill increased as a result of adjustments in exchange rates.

Other net non-current assets increased in response to the fair value measurement of derivatives and an increase in financial assets related to service concessions for which IFRIC 12 has been applied.

Equity-accounted investments decreased due mainly to the write-down of the investment in Slovak Power Holding in response, primarily, to the reduction in the fair value of the cash flow hedge derivatives.

Net assets held for sale refer mainly to a number of projects in South Africa for which there is a binding offer for their future sale. The reduction is due to the sale of Open Fiber in 2021 and the sale of Enel Green Power Bulgaria.

Net capital employed came to €94,294 million at December 31, 2021, and was funded by €42,342 million in equity attributable to owners of the Parent and minority interests and €51,952 million in net financial debt. With regard to the latter, the debt/equity ratio at December 31, 2021 was 1.23 (compared with 1.07 at December 31, 2020).

Net financial debt

The Enel Group's net financial debt and changes in the period are detailed in the table below.

Millions of euro				
	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Long-term debt:				
- bank borrowings	12,579	8,663	3,916	45.2%
- bonds	39,099	38,357	742	1.9%
- other borrowings[1]	2,942	2,499	443	17.7%
Long-term debt	*54,620*	*49,519*	*5,101*	*10.3%*
Long-term financial assets and securities	(2,692)	(2,745)	53	1.9%
Net long-term debt	**51,928**	**46,774**	**5,154**	**11.0%**
Short-term debt				
Bank borrowings:				
- current portion of long-term bank borrowings	989	1,369	(380)	-27.8%
- other short-term bank borrowings	1,329	711	618	86.9%
Short-term bank borrowings	*2,318*	*2,080*	*238*	*11.4%*
Bonds (current portion)	2,700	1,412	1,288	91.2%
Other borrowings (current portion)	342	387	(45)	-11.6%
Commercial paper	10,708	4,854	5,854	-
Cash collateral on derivatives and other financing	918	370	548	-
Other short-term financial borrowings[2]	363	415	(52)	-12.5%
Other short-term debt	*15,031*	*7,438*	*7,593*	-
Long-term loan assets (short-term portion)	(1,538)	(1,428)	(110)	-7.7%
Loan assets - cash collateral	(6,485)	(3,223)	(3,262)	-
Other short-term financial assets	(356)	(253)	(103)	-40.7%
Cash and cash equivalents with banks and short-term securities	(8,946)	(5,973)	(2,973)	-49.8%
Cash and cash equivalents and short-term financial assets	*(17,325)*	*(10,877)*	*(6,448)*	*-59.3%*
Net short-term debt	**24**	**(1,359)**	**1,383**	**-**
NET FINANCIAL DEBT	**51,952**	**45,415**	**6,537**	**14.4%**
Net financial debt of "Assets held for sale"	**699**	**646**	**53**	**8.2%**

(1) Includes other non-current financial borrowings included under "Other non-current financial liabilities".
(2) Includes current borrowings included under "Other current financial liabilities".

Net financial debt amounted to €51,952 million at December 31, 2021, an increase of €6,537 million from the €45,415 million at December 31, 2020. This was due mainly to: (i) funding needs for investments in the period (€13,108 million, including €111 million reclassified as available for sale), including contract assets; (ii) the payment of dividends totaling €5,041 million, including coupons paid to holders of hybrid bonds in the amount of €71 million; (iii) transactions in non-controlling interests mainly related to the increase in the interest held in Enel Américas following the public tender offer issued on March 15, 2021 (€1,295 million); (iv) adverse exchange rate developments (€1,918 million); (v) an increase in lease liabilities (€479 million); (vi) the payments and consolidation of debt connected with business combinations in Australia, Spain and Italy (a total of €283 million).
Cash flows generated by operating activities (€10,069 million), the issue of perpetual hybrid bonds (€2,214 million net of transaction costs), the conversion of hybrid bonds into perpetual hybrid bonds (€967 million net of transaction costs) and the liquidity generated by the sale of Open Fiber in the amount of €2,423 million partially offset these funding needs.

Gross financial debt at December 31, 2020 came to €71,969 million, up €12,932 million from the previous year.

Gross financial debt

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Gross long-term debt	Gross short-term debt	Gross debt	Gross long-term debt	Gross short-term debt	Gross debt
Gross financial debt	58,651	13,318	71,969	52,687	6,350	59,037
of which:						
- sustainable financing	*28,973*	*10,474*	*39,447*	*15,748*	*3,901*	*19,649*
Sustainable financing/Total gross debt (%)			55%			33%

More specifically, **gross long-term financial debt** (including the short-term portion), in the amount of €58,651 million, includes €28,973 million in sustainable financing and is structured as follows:

- bonds in the amount of €41,799 million, of which €18,003 million in sustainable bonds, up €2,030 million compared with December 31, 2020. The change in bonds is due mainly to the numerous sustainability-linked issues by Enel Finance International in 2021, which were only partially offset by redemptions of maturing bonds, early repurchases of conventional bonds by Enel Finance International, and a consent solicitation in the amount of €900 million by Enel SpA on a non-convertible subordinated hybrid bond converted into perpetual hybrid and, therefore, recognized as an equity instrument and no longer as a debt instrument;
- bank borrowings in the amount of €13,568 million, €10,970 million of which related to sustainable financing. These borrowings increased by €3,536 million compared with the previous year due mainly to the use of new financing and negative currency differences, which were only partially offset by repayments made during the period. Of note among new bank borrowings:
  - €1,508 million related to the use of three variable-rate loans tied to sustainable development goals granted to Enel SpA;
  - €1,400 million related to the use of various loans tied to sustainable development goals granted to Endesa;
  - €300 million related to the use of two variable-rate loans tied to sustainable development goals granted to e-distribuzione by the European Investment Bank;
- other borrowings in the amount of €3,284 million, an increase of €398 million from the previous year.

Gross short-term financial debt increased by €6,968 million compared with December 31, 2020, to €13,318 million. It mainly includes commercial paper of €10,708 million, of which €10,343 connected with sustainability goals.

Cash and cash equivalents and short-term financial assets, in the amount of €20,017 million, increased by €6,395 million compared with the end of 2020 due mainly to the increase in financial assets for cash collateral in the amount of €3,262 million and in cash and cash equivalents with banks and short-term securities for a total of €2,973 million.

Sustainable finance: private and public finance to mobilize capital at the service of climate objectives

For Enel, "sustainable finance" means the synergy between private and public finance. In particular, private finance conveys private capital towards sustainable investments or for the benefit of companies whose strategic action is directed at certain sustainability objectives, reflecting the economic and financial value of sustainability in a lower borrowing costs. Public finance, on the other hand, stimulates the creation of sustainable investments through grants and loans at subsidized interest rates.

At Enel, sustainable finance plays a crucial role in supporting the Group's sustainable growth, representing, at the end of 2021, more than half of our gross debt and contributing to a progressive reduction in the cost of debt through the recognition of the value of sustainability.

It is for this reason that during 2021 Enel extended this sustainability-linked approach to all its financial debt instruments, with the publication of the "Sustainability-Linked Financing Framework", a comprehensive document with which Enel illustrated how sustainability can be integrated into its various types of financial transaction: credit lines, commercial paper, bond issues, guarantees and derivatives on interest rates and exchange rates.

Enel was the first company to structure a framework with these characteristics. The framework establishes a set of KPIs, targets and principles that govern the development of sustainable finance throughout the Group with ambition and transparency, linking our financial strategy to our sustainability objectives.

The Group's financial instruments and financial transactions may therefore have an interest rate or other financial or structural terms linked to the achievement of objectives for the reduction of direct greenhouse gas emissions (SDG 13 "Climate Action") or growth in installed renewables capacity (SDG 7 "Affordable and Clean Energy").

The Sustainability-Linked Financing Framework was updated in January 2022 following the presentation of the new Strategic Plan and in particular includes bringing forward achievement of the ambitious goal of eliminating direct greenhouse gas emissions (Scope 1) from 2050 to 2040.

	Actual	Target					
	2021	2021	2022	2023	2024	2030	2040
Direct greenhouse gas emissions (Scope 1) - specific	227 gCO_{2eq}/kWh			148 gCO_{2eq}/kWh	140 gCO_{2eq}/kWh	82 gCO_{2eq}/kWh	0 gCO_{2eq}/kWh
Percentage of installed renewables capacity[1]	57.5%	55%	60%	65%	66%	80%	100%

(1) The calculation of the KPIs does not include 3.9 MW of capacity connected with generation plants acquired by the Group, in accordance with the contractual terms of the individual instruments.

Having achieved 57.5% of installed renewables capacity in 2021, Enel has achieved the target set in all the financial instruments in which the interest rate, or other financial or structural terms of the transaction, are linked to a percentage of installed renewables capacity equal to or greater than 55%. In particular, this includes the achievement of the targets contained in the first sustainability-linked bonds issued by Enel Finance International NV (EFI) in 2019 on the US and European markets.

Furthermore, 2021 was an exciting year for the Group and its sustainable finance strategy, with structured transactions amounting to the equivalent of more than €30 billion. Starting with the exposures of the various industrial activities, Enel has signed agreements with multiple financial counterparties for both derivatives and sustainable guarantees, both of which are linked to the Group's ability to achieve its sustainability objectives in subsequent years.

Furthermore, in March 2021, Enel agreed a sustainability-linked revolving credit facility worth €10 billion, the largest sustainable credit line in the world at the time of signing, linked to SDG 13. In May 2021, Enel Finance America LLC structured a $5 billion commercial paper program, again linked to the same sustainability goal.

With regard to bond issues, between June and September 2021, sustainability-linked bonds in euros and dollars were issued by EFI in a total amount equivalent to about €10 billion.

These issues are linked to the achievement of Enel's sustainability goal for the reduction of direct greenhouse gas emissions (Scope 1), in line with the Group's Sustainability-Linked Financing Framework. At the same time, EFI repurchased conventional bond in circulation, not linked to the pursuit of SDG objectives, in the total amount of some €8 billion, using voluntary purchase offers and the exercise of specific buyback options.

This bond repurchase program, together with the new sustainability-linked bond issues, made it possible to achieve a ratio between sustainable funding sources and the Group's total gross debt of about 55% at the end of 2021,

while also enabling a reduction of the cost of the Group's borrowing and providing an important mechanism for protecting against potential increases in interest rates due to the acceleration of the economic recovery or the tightening of monetary policies by central banks in response to the rise in inflation.

In the area of public finance, the Group supports the economic recovery plan and intends to become a strategic partner in the implementation of the Green Deal and the Recovery Plan at both the European and national levels. The goal is to drive a sustainable, rapid and effective recovery through a broad pipeline of shovel-ready projects focused on decarbonization, electricity grids and electrification, aimed at accelerating the green and digital transition of the European economy with a significant impact in terms of GDP, employment and reduction of CO_2 emissions, in full alignment with the European taxonomy.
To this end, the Group has identified potential investments amounting to about €5.4 billion in 2022-2027 that will have a direct impact on the Group and are consistent with the National Recovery Plans in Italy, Spain and Romania. These initiatives focus on green hydrogen, renewables and storage, revitalization of the photovoltaic manufacturing industry, smart grids, grid resilience and charging infrastructure for electric mobility. These investments are expected to have a spill-over impact on GDP of around €13.2 billion, creating over 18,000 new jobs.

The Group has also developed other projects with an indirect impact, aimed at promoting partnerships with public and private entities, both with a view to the decarbonization and electrification of energy consumption through the expansion of electric bus fleets, the transition to green ports and the promotion of energy efficiency in public buildings.
Furthermore, in the context of subsidized loans from international and national financial institutions, the Group is leading an innovation process aimed at accelerating the mobilization of capital to support sustainable growth through the use of sustainability-linked financial instruments.
More specifically, in 2021, the Group received subsidized loans totaling €1.3 billion that, following the path taken in our private-sector financing, include sustainability-linked mechanisms connected with SDG 13. Among the main transactions, special mention goes to a €600 million sustainability-linked loan to e-distribuzione, a Group company, from the European Investment Bank (EIB), the first sustainability-linked loan agreement for the EIB.
In the coming years, Enel will continue to make use of sustainable finance tools, with the aim of achieving a ratio between sustainable borrowing and the Group's total debt of about 65% by 2024 and over 70% by 2030.
Sustainability-linked finance will therefore continue to represent the perfect tool for linking ambitious climate objectives with funding sources and addressing the future challenges of the energy transition.

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Cash flows

Millions of euro	2021	2020	Change
Cash and cash equivalents at the beginning of the year[(1)]	**6,002**	**9,080**	**(3,078)**
Cash flows from operating activities	10,069	11,508	(1,439)
Cash flows from investing activities	(10,875)	(10,117)	(758)
Cash flows from/(used in) financing activities	3,777	(3,972)	7,749
Effect of exchange differences on cash and cash equivalents	17	(497)	514
Cash and cash equivalents at the end of the year[(2)]	**8,990**	**6,002**	**2,988**

(1) Of which cash and cash equivalents in the amount of €5,906 million at January 1, 2021 (€9,029 million at January 1, 2020), short-term securities in the amount of €67 million at January 1, 2021 (€51 million at January 1, 2020), and cash and cash equivalents pertaining to assets held for sale in the amount of €29 million at January 1, 2021.
(2) Of which, cash and cash equivalents in the amount of €8,858 million at December 31, 2021 (€5,906 million at December 31, 2020), short-term securities in the amount of €88 million at December 31, 2021 (€67 million at December 31, 2020), and cash and cash equivalents pertaining to assets held for sale in the amount of €44 million at December 31, 2021 (€29 million at December 31, 2020).

Cash flows from operating activities for 2021 produced a net inflow of €10,069 million, down €1,439 million from the previous year, mainly reflecting an increase in financial expense connected with the early extinguishment of a number of loans replaced by new bond issues at more advantageous rates and higher taxes paid.
Cash flows from investing activities for 2021 absorbed liquidity in the amount of €10,875 million, compared with a net outflow of €10,117 million in 2020.
In particular, investments in property, plant and equipment, intangible assets, investment property and contract assets totaled €13,108 million (including €111 million reclassified as available for sale), an increase on the previous year, as analyzed in greater in the following section.

Investments in entities or business units, net of cash and cash equivalents acquired, totaled €283 million and mainly concerned the acquisition of renewable energy assets in Spain for €79 million, the line-item consolidation of the net financial debt of a number of Australian companies that were equity-accounted until December 2020, and the acquisition of CityPoste Payment SpA for about €19 million.
Disposals of entities or business units, net of cash and cash equivalents sold, amounted to €61 million, and mainly regarded the sale of wind operations in Bulgaria.
The liquidity generated by the decrease in other investing activities in 2021, equal to €2,455 million, mainly concerned the €2,423 million change in cash flows produced by the sale of Open Fiber.

Cash flows from financing activities generated liquidity in the total amount of €3,777 million, compared with a net cash use of €3,972 million in 2020. The cash flow for 2021 essentially concerned:

- the payment of dividends in the amount of €4,970 million, as well as €71 million paid to holders of perpetual hybrid bonds;
- the cash requirement associated with transactions in non-controlling interests in the amount of €1,295 million, mainly regarding the increase in the interest held in Enel Américas following the tender offer launched on March 15, 2021;
- the net increase of €7,913 million resulting from repayments, new financing and other changes in financial debt;
- the €2,213 million in cash generated on the issue of a non-convertible perpetual subordinated hybrid bond net of transaction costs as well as ancillary costs related to the conversion of a number of bonds into perpetual hybrid bonds.

In 2021, cash flows for investing activities in the amount of €10,875 million absorbed the entirety of cash flows generated on operating activities of €10,069 million. The difference was covered by borrowing, which generated cash flows totaling €3,777 million. The difference is reflected in the increase in cash and cash equivalents, which at December 31, 2021 amounted to €8,990 million, compared with €6,002 million at the end of 2020. This also reflected the effects of favorable developments in the exchange rates of the various local currencies against the euro in the amount of €17 million.

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Capital expenditure

Millions of euro

	2021	2020	Change	
Thermal Generation and Trading	822	694	128	18.4%
Enel Green Power	5,662[1]	4,629	1,033	22.3%
Infrastructure and Networks	5,296	3,937	1,359	34.5%
End-user Markets	643	460	183	39.8%
Enel X	367	303	64	21.1%
Services	139	103	36	35.0%
Holding and other	68	71	(3)	-4.2%
Total	**12,997**	**10,197**	**2,800**	**27.5%**

(1) The figure does not include €111 million regarding units classified as "held for sale".

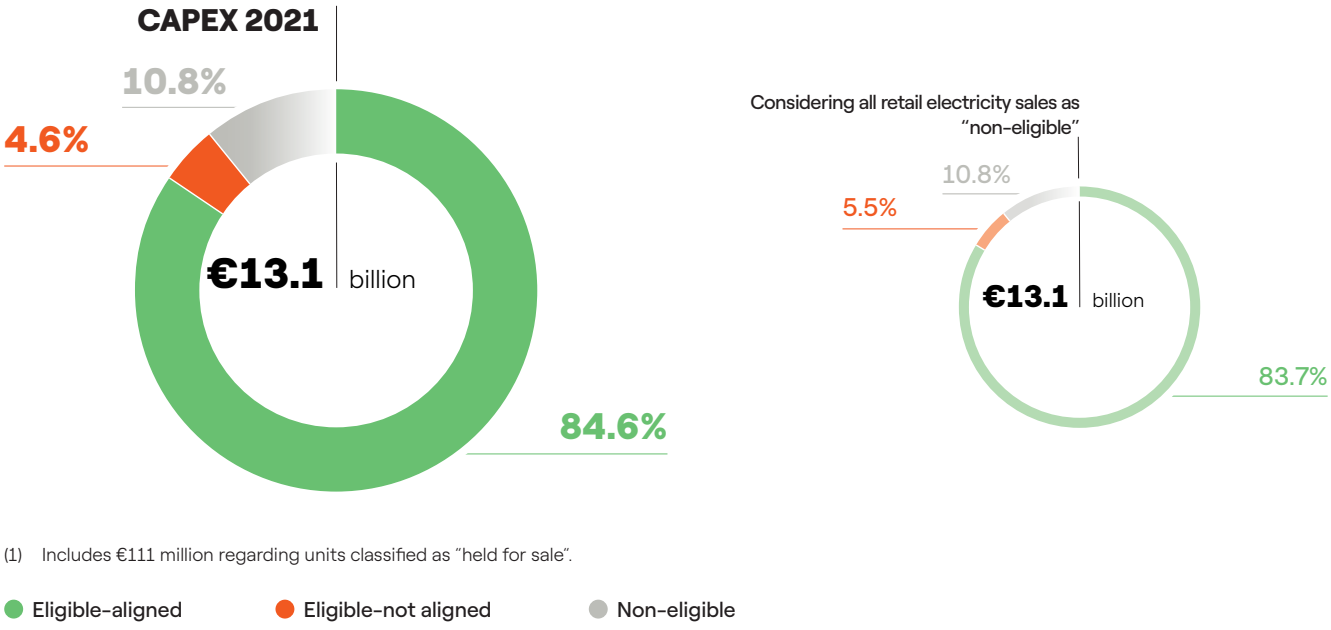
Capital expenditure increased by €2,800 million on the previous year.
In line with the Paris Agreement on the reduction of CO_2 emissions and guided by energy efficiency and energy-transition goals, the Enel Group has invested, above all, in renewable energy. More specifically, the increase primarily concerned the United States (€579 million), Iberia (€253 million), Colombia (€192 million), Italy (€123 million), India (€122 million), Russia (€68 million), Chile (€66 million), Peru (€26 million), Panama (€25 million), and Brazil (€30 million, net of the significant unfavorable impact of exchange rate developments in the amount of €62 million). These increases were only partially offset by decreased capital expenditure in South Africa (€338 million), Mexico (€118 million) and Greece (€23 million).
In response to increasingly volatile weather events and to invest in grid resilience, investment in electricity distribution also increased.
Capital expenditure for distribution increased in Italy (€588 million), Brazil (€335 million), Iberia (€243 million), for the Grid Blue Sky project and for quality and remote control, Argentina (€74 million), Chile (€38 million), Peru (€29 mil-

lion), Colombia (€31 million) and Romania (€10 million).
Capital expenditure increased in the End-user Markets Business Line, particularly in Italy (€117 million), Iberia (€57 million) and Romania (€9 million), attributable essentially to the digitalization of customer-management processes.
Capital expenditure by Enel X increased mainly in Italy, in the amount of €63 million, in the e-Home business with the Vivi Meglio project as a result of the increase in volumes and for investments to develop global technology platforms for the digital management of this business, and in North America (€10 million) for the development of storage projects, as well as in Iberia in the e-Home business in response to the increase in volumes sold compared with 2020. These factors were partly offset by a decrease in capital expenditure in Latin America.

The growth of capital expenditure in Thermal Generation and Trading, especially in Italy (€123 million), is attributable to the conversion of a number of plants from coal to gas with lower CO_2 emissions.

Finally, with regard to capital expenditure (capex), we report the results of the alignment of this indicator with the European taxonomy by reason of its substantial contribution to climate change mitigation, in compliance with the principle of not doing harm to other environmental objectives (DNSH) and the minimum social safeguards, as discussed in the sections "European Union taxonomy" and "Statement on the alignment of Enel's business with the European taxonomy".

Capital expenditure (capex) under the European taxonomy(1)



(1) Includes €111 million regarding units classified as "held for sale".

In 2021, 84.6% of capital expenditure (capex) was generated by business activities aligned with the EU taxonomy, compared with 84.7% in 2020.
Considering all retail electricity sales as "non-eligible", 83.7 % of capital expenditure was aligned.
The percentage of the capital expenditure of taxonomy eligible-aligned activities in 2021 was in line with the previous year.
The percentage of 2021 capital expenditure for eligible-aligned activities was 1.9% lower than the value of capital expenditure planned for 2021 in the 2021-2023 Strategic Plan for those activities. In absolute terms, the capital expenditure of taxonomy eligible-aligned activities was greater than planned, primarily attributable to the greater-than-planned increase in expenditure to expand Group renewables capacity (an excess of €683 million). However, capital expenditure in eligible-not aligned activities and non-eligible activities was also greater (€412 million), notably for electricity transmission and distribution, the sale of energy not certified by guarantees of origin and thermal generation.

Performance by Business Line

The representation of performance by Business Line presented here is based on the approach used by management in monitoring Group performance for the two periods under review, taking account of the operational model adopted as described above.

With regard to disclosures for operating segments, as management reports on performance by Business Line, the Group has therefore adopted the following reporting sectors:

- primary segment: Business Line;
- secondary segment: geographical area.

The Business Line is therefore the main discriminant in the analyses performed and decisions taken by the management of the Enel Group, and is fully consistent with the internal reporting prepared for these purposes since the results are measured and evaluated first and foremost for each Business Line and only thereafter are they broken down by country.

The following chart outlines these organizational arrangements.

	HOLDING						
	Global Business Lines					Local businesses	
Regions/ countries	Thermal Generation	Trading	Enel Green Power	Infrastructure and Networks	Enel X	End-user Markets	Services
Italy	✓	✓	✓	✓	✓	✓	✓
Iberia	✓	✓	✓	✓	✓	✓	✓
Europe	✓	✓	✓	✓	✓	✓	✓
Africa, Asia and Oceania			✓		✓		
North America	✓	✓	✓		✓	✓	✓
Latin America	✓	✓	✓	✓	✓	✓	✓

The organization continues to be based on matrix of Business Lines (Thermal Generation and Trading, Enel Green Power, Infrastructure and Networks, End-user Markets, Enel X, Services and Holding/Other) and geographical areas (Italy, Iberia, Europe, Latin America, North America, Africa, Asia and Oceania, Central/Holding).

Performance by Business Line in 2021 and 2020

Results for 2021[(1)]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Reporting segment total	Eliminations and adjustments	Total
Revenue and other income from third parties	22,883	7,244	17,164	37,396	1,513	20	1,786	88,006	-	88,006
Revenue and other income from transactions with other segments	10,272	2,282	3,492	1,312	28	1,977	148	19,511	(19,511)	-
Total revenue	**33,155**	**9,526**	**20,656**	**38,708**	**1,541**	**1,997**	**1,934**	**107,517**	**(19,511)**	**88,006**
Net results from commodity contracts	535	(55)	-	2,044	-	-	(2)	2,522	-	2,522
Gross operating profit/(loss)	**899**	**4,761**	**7,210**	**2,990**	**283**	**(86)**	**1,510**	**17,567**	**-**	**17,567**
Depreciation, amortization and impairment losses	3,485	1,679	2,862	1,333	253	237	38	9,887	-	9,887
Operating profit/(loss)	**(2,586)**	**3,082**	**4,348**	**1,657**	**30**	**(323)**	**1,472**	**7,680**	**-**	**7,680**
Capital expenditure	**822**	**5,662[(2)]**	**5,296**	**643**	**367**	**139**	**68**	**12,997**	**-**	**12,997**

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) The figure does not include €111 million classified as available for sale.

Results for 2020[(1) (2) (3) (4)]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Reporting segment total	Eliminations and adjustments	Total
Revenue and other income from third parties	14,332	5,852	15,919	28,793	1,097	2	9	66,004	-	66,004
Revenue and other income from transactions with other segments	7,404	1,840	3,510	715	24	1,868	145	15,506	(15,506)	-
Total revenue	**21,736**	**7,692**	**19,429**	**29,508**	**1,121**	**1,870**	**154**	**81,510**	**(15,506)**	**66,004**
Net results from commodity contracts	(421)	68	-	264	-	(6)	(4)	(99)	-	(99)
Gross operating profit/(loss)	**1,700**	**4,647**	**7,520**	**3,121**	**152**	**(47)**	**(190)**	**16,903**	**-**	**16,903**
Depreciation, amortization and impairment losses	1,685	1,913	3,171	1,304	168	179	28	8,448	-	8,448
Operating profit/(loss)	**15**	**2,734**	**4,349**	**1,817**	**(16)**	**(226)**	**(218)**	**8,455**	**-**	**8,455**
Capital expenditure	**694**	**4,629**	**3,937**	**460**	**303**	**103**	**71**	**10,197**	**-**	**10,197**

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) The figures for revenue from third parties and intersegment transactions have been calculated more accurately.
(3) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.
(4) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

In addition to the above, the Group also monitors performance by geographical area, classifying results by region/country. In the table below, ordinary gross operating profit is shown for the two periods under review with the goal of providing a view of performance not only by Business Line, but also by region/country.

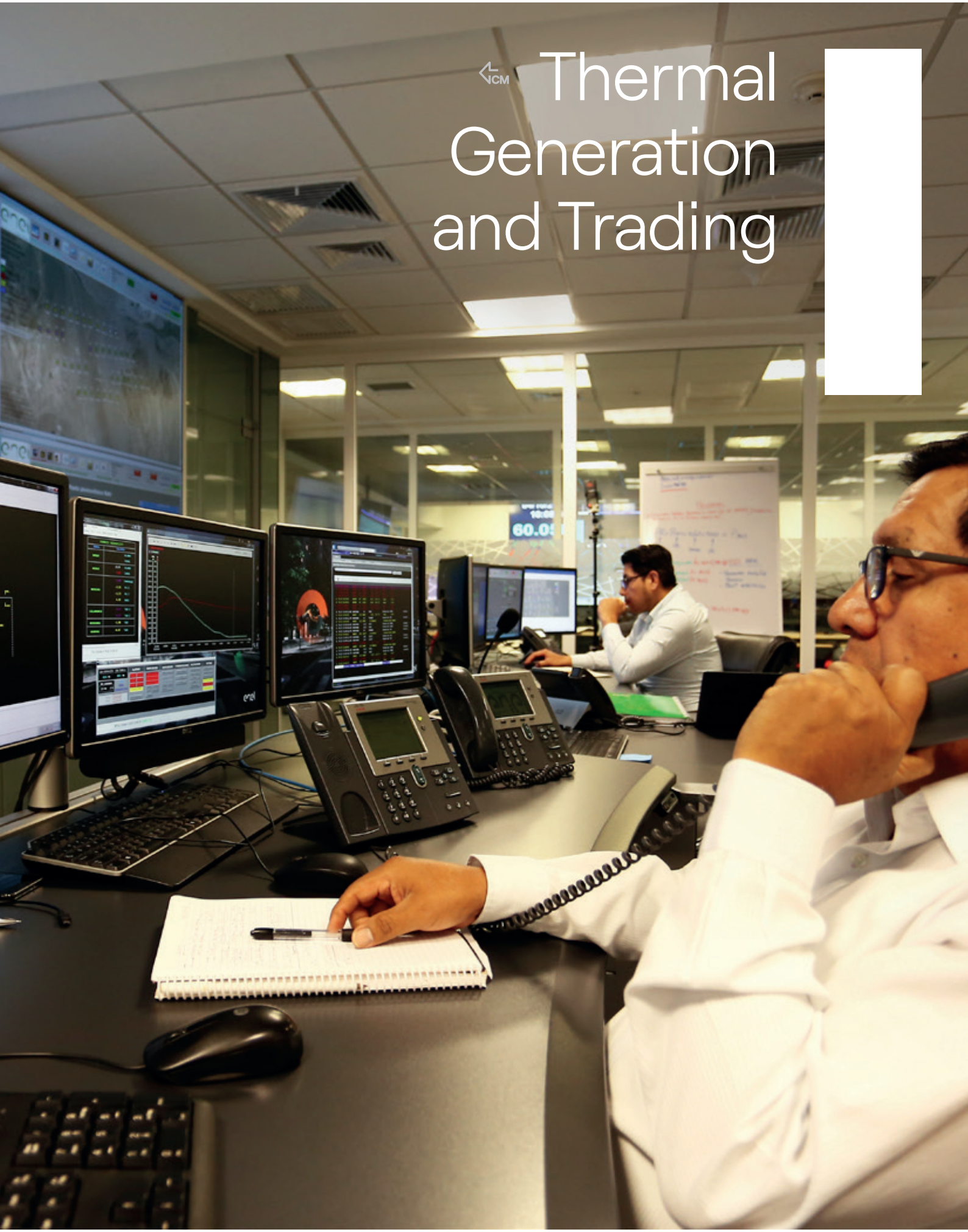
It should be noted that ordinary gross operating profit excludes non-recurring items. For a reconciliation with gross operating profit, please see the section "Group Performance".

Ordinary gross operating margin[1] [2]

Millions of euro	Thermal Generation and Trading			Enel Green Power			Infrastructure and Networks			End-user Markets		
	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
Italy	**464**	**488**	**(24)**	**1,184**	**1,362**	**(178)**	**3,836**	**3,861**	**(25)**	**2,311**	**2,372**	**(61)**
Iberia	**844**	**1,258**	**(414)**	**840**	**436**	**404**	**1,877**	**2,114**	**(237)**	**547**	**530**	**17**
Latin America	**350**	**340**	**10**	**1,809**	**1,982**	**(173)**	**1,810**	**1,684**	**126**	**263**	**203**	**60**
Argentina	*97*	*85*	*12*	*24*	*28*	*(4)*	*3*	*47*	*(44)*	*12*	*(7)*	*19*
Brazil	*132*	*66*	*66*	*334*	*271*	*63*	*1,120*	*964*	*156*	*136*	*107*	*29*
Chile	*(49)*	*64*	*(113)*	*536*	*825*	*(289)*	*144*	*157*	*(13)*	*44*	*25*	*19*
Colombia	*58*	*11*	*47*	*601*	*575*	*26*	*385*	*362*	*23*	*49*	*56*	*(7)*
Peru	*114*	*115*	*(1)*	*141*	*136*	*5*	*158*	*154*	*4*	*22*	*22*	*-*
Panama	*(2)*	*(1)*	*(1)*	*127*	*102*	*25*	*-*	*-*	*-*	*-*	*-*	*-*
Other countries	*-*	*-*	*-*	*46*	*45*	*1*	*-*	*-*	*-*	*-*	*-*	*-*
Europe	**81**	**118**	**(37)**	**177**	**162**	**15**	**96**	**136**	**(40)**	**(41)**	**83**	**(124)**
Romania	*(2)*	*(2)*	*-*	*82*	*79*	*3*	*96*	*136*	*(40)*	*(41)*	*83*	*(124)*
Russia	*83*	*120*	*(37)*	*5*	*(7)*	*12*	*-*	*-*	*-*	*-*	*-*	*-*
Other countries	*-*	*-*	*-*	*90*	*90*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
North America	**(39)**	**17**	**(56)**	**699**	**769**	**(70)**	**-**	**-**	**-**	**6**	**9**	**(3)**
United States and Canada	*(35)*	*18*	*(53)*	*627*	*695*	*(68)*	*-*	*-*	*-*	*-*	*-*	*-*
Mexico	*(4)*	*(1)*	*(3)*	*72*	*74*	*(2)*	*-*	*-*	*-*	*6*	*9*	*(3)*
Africa, Asia and Oceania	**-**	**-**	**-**	**110**	**54**	**56**	**-**	**-**	**-**	**-**	**-**	**-**
South Africa	*-*	*-*	*-*	*82*	*53*	*29*	*-*	*-*	*-*	*-*	*-*	*-*
India	*-*	*-*	*-*	*3*	*6*	*(3)*	*-*	*-*	*-*	*-*	*-*	*-*
Other countries	*-*	*-*	*-*	*25*	*(5)*	*30*	*-*	*-*	*-*	*-*	*-*	*-*
Other	**2**	**9**	**(7)**	**(4)**	**(44)**	**40**	**44**	**6**	**38**	**-**	**-**	**-**
Total	**1,702**	**2,230**	**(528)**	**4,815**	**4,721**	**94**	**7,663**	**7,801**	**(138)**	**3,086**	**3,197**	**(111)**

(1) Ordinary gross operating profit excludes non-recurring items. For a reconciliation with gross operating profit, see the section "Group Performance".
(2) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

Enel X			Services			Holding and other			Total		
2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
131	**38**	**93**	**56**	**83**	**(27)**	**-**	**-**	**-**	**7,982**	**8,204**	**(222)**
52	**45**	**7**	**31**	**30**	**1**	**-**	**-**	**-**	**4,191**	**4,413**	**(222)**
92	**84**	**8**	**(77)**	**(86)**	**9**	**-**	**-**	**-**	**4,247**	**4,207**	**40**
5	*3*	*2*	*(3)*	*(3)*	*-*	*-*	*-*	*-*	*138*	*153*	*(15)*
1	*2*	*(1)*	*(18)*	*(19)*	*1*	*-*	*-*	*-*	*1,705*	*1,391*	*314*
19	*15*	*4*	*(55)*	*(64)*	*9*	*-*	*-*	*-*	*639*	*1,022*	*(383)*
50	*42*	*8*	*-*	*-*	*-*	*-*	*-*	*-*	*1,143*	*1,046*	*97*
17	*22*	*(5)*	*(1)*	*-*	*(1)*	*-*	*-*	*-*	*451*	*449*	*2*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*125*	*101*	*24*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*46*	*45*	*1*
17	**9**	**8**	**7**	**4**	**3**	**-**	**-**	**-**	**337**	**512**	**(175)**
11	*10*	*1*	*7*	*4*	*3*	*-*	*-*	*-*	*153*	*310*	*(157)*
-	*(1)*	*1*	*-*	*-*	*-*	*-*	*-*	*-*	*88*	*112*	*(24)*
6	*-*	*6*	*-*	*-*	*-*	*-*	*-*	*-*	*96*	*90*	*6*
22	**(9)**	**31**	**-**	**(3)**	**3**	**(1)**	**(2)**	**1**	**687**	**781**	**(94)**
22	*(9)*	*31*	*-*	*(3)*	*3*	*(1)*	*(2)*	*1*	*613*	*699*	*(86)*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*74*	*82*	*(8)*
-	**2**	**(2)**	**-**	**-**	**-**	**-**	**-**	**-**	**110**	**56**	**54**
-	*2*	*(2)*	*-*	*-*	*-*	*-*	*-*	*-*	*82*	*55*	*27*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*3*	*6*	*(3)*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*25*	*(5)*	*30*
(16)	**(8)**	**(8)**	**62**	**66**	**(4)**	**1,568**	**(175)**	**1,743**	**1,656**	**(146)**	**1,802**
298	**161**	**137**	**79**	**94**	**(15)**	**1,567**	**(177)**	**1,744**	**19,210**	**18,027**	**1,183**



Thermal Generation and Trading

Thermal Generation and Trading

37 GW
NET EFFICIENT INSTALLED CAPACITY
-22.4% from coal-fired plants on 2020

113.8 TWh
NET ELECTRICITY GENERATION
+5.3% from coal-fired plants on 2020

2.2%
COAL REVENUE
as % of total Group revenue

€1,702 million
ORDINARY GROSS OPERATING PROFIT
€2,230 million in 2020

HHIG GBL
ICM

Operations

Net electricity generation

Millions of kWh

	2021	2020	Change	
Coal-fired plants	13,858	13,155	703	5.3%
Fuel-oil and turbo-gas plants	22,709	19,401	3,308	17.1%
Combined-cycle plants	51,718	43,353	8,365	19.3%
Nuclear plants	25,504	25,839	(335)	-1.3%
Total net generation	**113,789**	**101,748**	**12,041**	**11.8%**
- of which Italy	*23,808*	*19,044*	*4,764*	*25.0%*
- of which Iberia	*44,799*	*42,853*	*1,946*	*4.5%*
- of which Latin America	*23,934*	*21,764*	*2,170*	*10.0%*
- of which Europe	*21,248*	*18,087*	*3,161*	*17.5%*

The increase in thermal generation is essentially attributable to an increase in generation both from combined-cycle plants (8,365 million kWh) and from fuel-oil and turbo-gas plants (3,308 million kWh). The increase for combined-cycle plants is attributable mainly to Italy (3,158 million kWh), Iberia (3,078 million kWh), and Latin America (1,905 million kWh), whereas the increase for fuel-oil and turbo-gas plants was seen mainly in Russia (2,938 million kWh).

Net efficient generation capacity

MW

	2021	2020	Change	
Coal-fired plants	6,910	8,903	(1,993)	-22.4%
Fuel-oil and turbo-gas plants	11,715	11,711	4	-
Combined-cycle plants	15,039	15,009	30	0.2%
Nuclear plants	3,328	3,328	-	-
Total	**36,992**	**38,951**	**(1,959)**	**-5.0%**
- of which Italy	*11,569*	*12,414*	*(845)*	*-6.8%*
- of which Iberia	*12,751*	*13,871*	*(1,120)*	*-8.1%*
- of which Latin America	*7,396*	*7,406*	*(10)*	*-0.1%*
- of which Europe	*5,276*	*5,260*	*16*	*0.3%*

Compared with 2020, the 1,959 MW decrease in net efficient generation capacity was primarily due to the decommissioning of coal-fired plants in Spain and Italy.

Performance

Millions of euro				
	2021	2020	Change	
Revenue[1]	33,155	21,736	11,419	52.5%
Gross operating profit/(loss)	899	1,700	(801)	-47.1%
Ordinary gross operating profit/(loss)	1,702	2,230	(528)	-23.7%
Operating profit/(loss)	(2,586)	15	(2,601)	-
Ordinary operating profit/(loss)	729	1,456	(727)	-49.9%
Capital expenditure	822	694	128	18.4%

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.

With regard to revenue, it should be noted that, in response to strategic decisions inspired by a sustainable business model under which we pursue the goals, inter alia, of combating climate change, the percentage of coal-related revenue experienced a progressive, generalized decline as shown in the following table:

Revenue from thermal and nuclear generation

Millions of euro		
	2021	2020
Revenue[1] [2]		
Revenue from thermal generation	13,501	7,517
- of which coal-fired generation	*1,904*	*1,639*
Revenue from nuclear generation	1,403	1,360
Revenue from thermal generation as a percentage of total revenue	15.3%	11.4%
- of which: revenue from coal-fired generation as a percentage of total revenue	*2.2%*	*2.5%*
Revenue from nuclear generation as a percentage of total revenue	1.6%	2.1%

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.

The following tables show a breakdown of performance by region/country in 2021.

Revenue[(1)]

Millions of euro

	2021	2020	Change	
Italy[(1)]	22,816	14,965	7,851	52.5%
Iberia[(1)]	8,344	5,125	3,219	62.8%
Latin America	2,390	1,304	1,086	83.3%
- of which Argentina	*165*	*148*	*17*	*11.5%*
- of which Brazil	*957*	*182*	*775*	*-*
- of which Chile	*899*	*627*	*272*	*43.4%*
- of which Colombia	*186*	*183*	*3*	*1.6%*
- of which Peru	*183*	*164*	*19*	*11.6%*
North America	100	12	88	-
Europe	554	539	15	2.8%
- of which Romania	*4*	*-*	*4*	*-*
- of which Russia	*550*	*539*	*11*	*2.0%*
Other	122	130	(8)	-6.2%
Eliminations and adjustments	(1,171)	(339)	(832)	-
Total	**33,155**	**21,736**	**11,419**	**52.5%**

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to the consolidated financial statements.

Revenue for 2021 amounted to €33,155 million, an increase of €11,419 million over 2020. This change is mainly attributable to:

- Italy, primarily due to an increase in sales of electricity and gas, reflecting the increase in commodity prices, gas in particular, and an increase in thermal generation;
- Spain, reflecting an increase in revenue from the sale of electricity, largely connected with an increase in average prices and the recognition of an indemnity associated with CO_2 emission allowances allocated under the "*Plan Nacional de Asignación de Derechos de Emisión*" (PNA) in the amount of €186 million.

Ordinary gross operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	464	488	(24)	-4.9%
Iberia	844	1,258	(414)	-32.9%
Latin America	350	340	10	2.9%
- of which Argentina	*97*	*85*	*12*	*14.1%*
- of which Brazil	*132*	*66*	*66*	*-*
- of which Chile	*(49)*	*64*	*(113)*	*-*
- of which Colombia	*58*	*11*	*47*	*-*
- of which Peru	*114*	*115*	*(1)*	*-0.9%*
- of which Panama	*(2)*	*(1)*	*(1)*	*-*
North America	(39)	17	(56)	-
Europe	81	118	(37)	-31.4%
- of which Romania	*(2)*	*(2)*	*-*	*-*
- of which Russia	*83*	*120*	*(37)*	*-30.8%*
Other	2	9	(7)	-77.8%
Total	**1,702**	**2,230**	**(528)**	**-23.7%**

The €528 million decrease in **ordinary gross operating profit** in 2021 is due mainly to:

- a reduction of €414 million in Iberia, essentially attributable to:
  - greater costs related to the purchase of energy commodities and greater costs for the derivatives on those commodities, due mainly to fluctuations in market prices;
  - greater personnel expenses due mainly to the release, in 2020, of the provision for the energy discount net of allocations for early-retirement incentives.

  These negative factors were only partly offset by the increase in revenue from the sale of electricity connected, above all, to the increase in average prices and by the recognition of the indemnity connected with CO_2 emission allowances allocated under the "*Plan Nacional de Asignación de Derechos de Emisión*" (PNA) of €186 million;
- a €56 million decrease in profit in North America due essentially to the weaker net performance on commodity contracts;
- a €37 million decrease in profit in Russia mainly attributable to the abolition of the capacity payment for the gas-fired plants;
- a €113 million decrease in Chile due mainly to the recognition of greater costs for commodity purchases, particularly for gas, as a result of increases in both price and volumes and in relation to the greater quantities generated by combined-cycled plants. This effect was only partially offset by an increase in revenue from the sale of electricity and improved net performance on commodity contracts.

These effects were partially offset by a €66 million improvement in profit in Brazil related mainly to the increase in sales revenue due to increases in volumes and in average prices.

Gross operating profit in the amount of €899 million (€1,700 million in 2020) reflects costs of €795 million related to the direct and indirect activities called for by personnel conversion plans associated with the energy transition and digitalization, mainly in Italy, and €8 million in costs incurred as a result of the COVID-19 pandemic for workplace sanitization activities, personal protective equipment and donations.

Ordinary operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	265	386	(121)	-31.3%
Iberia	271	787	(516)	-65.6%
Latin America	180	179	1	0.6%
- of which Argentina	*27*	*32*	*(5)*	*-15.6%*
- of which Brazil	*120*	*56*	*64*	*-*
- of which Chile	*(91)*	*17*	*(108)*	*-*
- of which Colombia	*41*	*(6)*	*47*	*-*
- of which Peru	*86*	*80*	*6*	*7.5%*
- of which other countries	*(3)*	*-*	*(3)*	*-*
North America	(39)	14	(53)	-
Europe	52	82	(30)	-36.6%
- of which Romania	*(2)*	*(2)*	*-*	*-*
- of which Russia	*54*	*84*	*(30)*	*-35.7%*
Other	-	8	(8)	-
Total	**729**	**1,456**	**(727)**	**-49.9%**

The decrease in **ordinary operating profit** is tied both to the factors described above in relation to ordinary gross operating profit and to the increase in depreciation, amortization and impairment losses (totaling €199 million) recognized in 2021 as compared with the previous year, largely reflecting an increase in costs for retiring thermal generation plants, in particular coal-fired facilities.

The **operating loss** of €2,586 million for 2021 (€15 million in 2020) reflects both the factors described in relation to ordinary operating performance and the write-down of certain plants in Spain in the amount of €1,488 million, charges related to restructuring plans for the energy transition and digitalization, mainly in Italy, in the amount of €1,819 million, and non-recurring costs incurred in response to the COVID-19 pandemic for workplace sanitization activities, personal protective equipment and donations in the amount of €8 million.

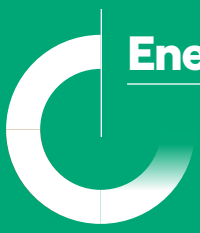
Capital expenditure

Millions of euro

	2021	2020	Change	
Italy	303	180	123	68.3%
Iberia	334	331	3	0.9%
Latin America	143	120	23	19.2%
North America	8	7	1	14.3%
Europe	34	56	(22)	-39.3%
Total	**822**	**694**	**128**	**18.4%**

The €128 million increase in **capital expenditure** is mainly attributable to Italy. Capital expenditure in Italy in 2021 essentially concerned the reconversion of a number of plants as part of energy-transition projects, efforts to improve service quality and digitalization projects.

Enel Green Power



Enel Green Power

50.1 GW
NET EFFICIENT INSTALLED CAPACITY
57.5% of total Group capacity

108.8 TWh
NET ELECTRICITY GENERATION
+37.1% from solar plants on 2020

€4,815 million
ORDINARY GROSS OPERATING PROFIT
€4,721 million in 2020

€5,662 million[1]
CAPITAL EXPENDITURE
+22.3% on 2020

(1) Does not include €111 million regarding units classified as "held for sale".

HIG GBL
ICM

Operations

Net electricity generation

Millions of kWh

	2021	2020	Change	
Hydroelectric	57,001	62,437	(5,436)	-8.7%
Geothermal[1]	6,086	6,128	(42)	-0.7%
Wind	37,791	30,992	6,799	21.9%
Solar	7,899	5,763	2,136	37.1%
Other sources[1]	40	40	-	-
Total net generation	**108,817**	**105,360**	**3,457**	**3.3%**
- of which Italy	*24,157*	*23,451*	*706*	*3.0%*
- of which Iberia	*12,794*	*13,415*	*(621)*	*-4.6%*
- of which Latin America	*46,441*	*47,400*	*(959)*	*-2.0%*
- of which Europe	*2,488*	*2,374*	*114*	*4.8%*
- of which North America	*20,356*	*17,182*	*3,174*	*18.5%*
- of which Africa, Asia and Oceania	*2,581*	*1,538*	*1,043*	*67.8%*

(1) The 2020 figures reflect a more accurate calculation of electricity generated.

Net electricity generation in 2021 increased by 3.3% from 2020 due to increases in wind and solar production, which were partially offset by decreases in hydroelectric and geothermal generation.

The most significant changes in wind generation were seen in Brazil (+3,138 million kWh), the United States (+1,916 million kWh), South Africa (+550 million kWh), Mexico (+497 million kWh), Iberia (+370 million kWh), Russia (+149 million kWh), and Canada (+104 million kWh).

The 37.1% increase in solar generation is attributable mainly to Iberia (+569 million kWh), the United States (+580 million kWh), Australia (+477 million kWh), and Brazil (+402 million kWh).

Hydroelectric generation decreased overall due to less favorable water conditions in Latin America (-4,597 million kWh) and Iberia (-1,560 million kWh), which was to minimal extent offset by increased generation in Italy (+691 million kWh).

Net efficient generation capacity

MW

	2021	2020	Change	
Hydroelectric	27,847	27,820	27	0.1%
Geothermal	915	882	33	3.7%
Wind	14,903	12,412	2,491	20.1%
Solar	6,395	3,897	2,498	64.1%
Other sources	6	5	1	20.0%
Total net efficient generation capacity	**50,066**	**45,016**	**5,050**	**11.2%**
- of which Italy	*14,040*	*13,986*	*54*	*0.4%*
- of which Iberia	*8,390*	*7,781*	*609*	*7.8%*
- of which Latin America	*16,506*	*14,554*	*1,952*	*13.4%*
- of which Europe	*1,248*	*1,141*	*107*	*9.4%*
- of which North America	*7,941*	*6,643*	*1,298*	*19.5%*
- of which Africa, Asia and Oceania	*1,941*	*911*	*1,030*	-

The increase in net efficient capacity is mainly due to the start of operations of solar plants in the United States, Chile and Brazil and of wind farms in Brazil, the United States, and South Africa, as well as to the effect of the full consolidation of a number of companies in Australia, which were measured using the equity method until December 31, 2020.

ICM

Performance

Millions of euro				
	2021	2020	Change	
Revenue	9,526	7,692	1,834	23.8%
Gross operating profit/(loss)	4,761	4,647	114	2.5%
Ordinary gross operating profit/(loss)	4,815	4,721	94	2.0%
Operating profit/(loss)	3,082	2,734	348	12.7%
Ordinary operating profit/(loss)	3,480	3,460	20	0.6%
Capital expenditure	5,662[1]	4,629	1,033	22.3%

(1) The figure does not include €111 million regarding units classified as "held for sale".

The following tables show a breakdown of performance by region/country in 2021.

Revenue

Millions of euro				
	2021	2020	Change	
Italy	2,725	2,154	571	26.5%
Iberia	900	771	129	16.7%
Latin America	4,235	3,234	1,001	31.0%
- of which Argentina	*37*	*39*	*(2)*	*-5.1%*
- of which Brazil	*1,551*	*837*	*714*	*85.3%*
- of which Chile	*1,375*	*1,209*	*166*	*13.7%*
- of which Colombia	*884*	*814*	*70*	*8.6%*
- of which Peru	*141*	*132*	*9*	*6.8%*
- of which Panama	*153*	*136*	*17*	*12.5%*
- of which other countries	*94*	*67*	*27*	*40.3%*
North America	1,147	1,156	(9)	-0.8%
- of which United States and Canada	*971*	*1,018*	*(47)*	*-4.6%*
- of which Mexico	*176*	*138*	*38*	*27.5%*
Europe	358	323	35	10.8%
- of which Romania	*220*	*198*	*22*	*11.1%*
- of which Russia	*13*	*-*	*13*	*-*
- of which Greece	*125*	*114*	*11*	*9.6%*
- of which Bulgaria	*-*	*9*	*(9)*	*-*
- of which other countries	*-*	*2*	*(2)*	*-*
Africa, Asia and Oceania	175	99	76	76.8%
Other	264	226	38	16.8%
Eliminations and adjustments	(278)	(271)	(7)	-2.6%
Total	**9,526**	**7,692**	**1,834**	**23.8%**

The increase in **revenue** over 2020 is mainly attributable to:

- an increase in the sale of electricity in Brazil due to greater imports by Argentina and Uruguay and for the start-up of new plants;
- an increase in revenue in Italy and Spain tied to greater average energy prices;
- the line-by-line consolidation of a number of Australian companies that had been measured at equity until December 31, 2020.

Ordinary gross operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	1,184	1,362	(178)	-13.1%
Iberia	840	436	404	92.7%
Latin America	1,809	1,982	(173)	-8.7%
- of which Argentina	*24*	*28*	*(4)*	*-14.3%*
- of which Brazil	*334*	*271*	*63*	*23.2%*
- of which Chile	*536*	*825*	*(289)*	*-35.0%*
- of which Colombia	*601*	*575*	*26*	*4.5%*
- of which Peru	*141*	*136*	*5*	*3.7%*
- of which Panama	*127*	*102*	*25*	*24.5%*
- of which other countries	*46*	*45*	*1*	*2.2%*
North America	699	769	(70)	-9.1%
- of which United States and Canada	*627*	*695*	*(68)*	*-9.8%*
- of which Mexico	*72*	*74*	*(2)*	*-2.7%*
Europe	177	162	15	9.3%
- of which Romania	*82*	*79*	*3*	*3.8%*
- of which Russia	*5*	*(7)*	*12*	-
- of which Greece	*95*	*85*	*10*	*11.8%*
- of which Bulgaria	*-*	*7*	*(7)*	-
- of which other countries	*(5)*	*(2)*	*(3)*	-
Africa, Asia and Oceania	110	54	56	-
Other	(4)	(44)	40	90.9%
Total	**4,815**	**4,721**	**94**	**2.0%**

The improvement in **ordinary gross operating profit** is mainly attributable to:

- an increase in gross operating profit in Spain due in particular to the reversal of provisions for hydroelectric fees following the favorable outcome of a dispute, to greater quantities produced and sold by wind and solar plants, and to higher average energy prices;
- an increase in profit in Africa, Asia and Oceania due mainly to the line-by-line consolidation of a number of Australian companies that were measured using the equity method at December 31, 2020, as well as an increase in generation at new wind farms in South Africa;
- a decrease in profit in Italy due mainly to a decrease in volumes on the spot markets, the lower performance of hydroelectric plants, and an increase in charges for commodity derivatives;
- a decrease in profit in Latin America, particularly as a result of adverse exchange rate developments and decreased profit in Chile due mainly to a decline in hydroelectric generation as a result of unfavorable water conditions in the country, which led to higher costs for the provisioning of commodities to supply the greater volumes sold under power purchase agreements (PPAs); this impact was partially offset by an increase in profit in Brazil due to the greater quantities of power generated and sold, the start-up of new plants, and the effect of prices on new PPAs, as well as by a greater energy margin in Colombia as a result of price effects;
- a reduction in profit in North America, mainly in the United States and Canada, due to a worsening of the energy margin and to the recognition in 2020 of greater gains from indemnities and disputes (€31 million) and the sale of the Haystack wind project by Tradewind (€45 million). These effects were partially offset by greater tax partnership gains (€42 million) recognized following the start-up of new plants by Enel North America, including Azure Blue Jay, Lily Solar, and Rochaven Ranchland.

Gross operating profit amounted to €4,761 million (€4,647 million in 2020), reflecting provisions for charges in respect of the energy transition and digitalization (€47 million) and costs incurred in responding to the COVID-19 pandemic for workplace sanitization activities, personal protective equipment and donations (€7 million).

Ordinary operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	902	1,072	(170)	-15.9%
Iberia	609	237	372	-
Latin America	1,448	1,605	(157)	-9.8%
- of which Argentina	*18*	*22*	*(4)*	*-18.2%*
- of which Brazil	*253*	*208*	*45*	*21.6%*
- of which Chile	*378*	*660*	*(282)*	*-42.7%*
- of which Colombia	*553*	*523*	*30*	*5.7%*
- of which Peru	*107*	*99*	*8*	*8.1%*
- of which Panama	*112*	*83*	*29*	*34.9%*
- of which other countries	*27*	*10*	*17*	-
North America	382	487	(105)	-21.6%
- of which United States and Canada	*334*	*444*	*(110)*	*-24.8%*
- of which Mexico	*48*	*43*	*5*	*11.6%*
Europe	114	93	21	22.6%
- of which Romania	*61*	*58*	*3*	*5.2%*
- of which Russia	*(1)*	*(13)*	*12*	*92.3%*
- of which Greece	*61*	*47*	*14*	*29.8%*
- of which Bulgaria	*-*	*4*	*(4)*	-
- of which other countries	*(7)*	*(3)*	*(4)*	-
Africa, Asia and Oceania	46	21	25	-
Other	(21)	(55)	34	61.8%
Total	**3,480**	**3,460**	**20**	**0.6%**

Ordinary operating profit in 2021 increased by €20 million over 2020 and included €1,335 million in depreciation, amortization and impairment losses (€1,261 million in 2020). Depreciation in particular increased, by €59 million compared with 2020, reflecting new capital expenditure in recent years.

Operating profit for 2021, in the amount of €3,082 million (€2,734 million in 2020), reflects the factors described above in relation to gross operating profit and ordinary operating profit, as well as the write-down of certain plants in Mexico and Australia in the amount of €185 million and other write-downs for a total of €159 million, mainly related to assets associated with the PH Chucas plant in Costa Rica, which is operated under a concession arrangement.

Capital expenditure

Millions of euro

	2021	2020	Change	
Italy	406	283	123	43.5%
Iberia	713	460	253	55.0%
Latin America	1,864	1,514	350	23.1%
North America	2,238	1,773	465	26.2%
Europe	204	157	47	29.9%
Africa, Asia and Oceania	207	414	(207)	-50.0%
Other	30	28	2	7.1%
Total	**5,662**[1]	**4,629**	**1,033**	**22.3%**

(1) The figure does not include €111 million regarding units classified as "held for sale".

Capital expenditure increased by €1,033 million in 2021 compared with the same figure for the previous year. In particular, the change was attributable to:

- an increase of €465 million in North America, mainly reflecting a rise in capital expenditure on solar plants (€378 million) and wind farms (€78 million) in the United States;
- an increase of €350 million in capital expenditure in Latin America attributable mainly to wind farms (€361 million) and hydroelectric plants (€39 million), which was partially offset by a decrease in capital expenditure on photovoltaic (€67 million) and geothermal plants (€19 million). The increase in capital expenditure was mainly concentrated in Colombia, Chile and Brazil;
- an increase of €253 million in capital expenditure in Iberia attributable mainly to solar plants (€146 million), wind farms (€98 million), and hydroelectric plants (€8 million);
- a €123 million increase in capital expenditure in Italy attributable mainly to wind farms (€93 million), solar plants (€19 million), and hydroelectric plants (€23 million), which was to a minimal extent offset by a decrease at geothermal plants (€7 million);
- a €47 million increase in capital expenditure in Europe, particularly at wind farms in Russia (€67 million). This effect was partially offset by decreased capital expenditure in Greece in the amount of €23 million;
- a decrease of €207 million in capital expenditure in Africa, Asia and Oceania related mainly to wind farms (€292 million) concentrated in South Africa (€111 million was reclassified as held for sale), which was partially offset by increased capital expenditure for wind farms in India (€47 million) and for photovoltaic plants (€85 million), mainly in India and Australia.


enel

Infrastructure and Networks

Infrastructure and Networks

510.3 TWh
ELECTRICITY TRANSPORTED ON ENEL´S DISTRIBUTION GRID
485.2 TWh in 2020

€7,663 million
ORDINARY GROSS OPERATING PROFIT
€7,801 million in 2020

€5,296 million
CAPITAL EXPENDITURE
40.7% of total Group capital expenditure

HIG GBL
ICM

Operations

Electricity distribution and transmission grids

Millions of kWh

	2021	2020	Change	
Electricity transported on Enel's distribution grid[1]	510,257	485,229	25,028	5.2%
- of which Italy	*226,715*	*214,401*	*12,314*	*5.7%*
- of which Iberia	*131,090*	*124,486*	*6,604*	*5.3%*
- of which Latin America	*136,407*	*130,968*	*5,439*	*4.2%*
- of which Europe	*16,045*	*15,374*	*671*	*4.4%*
End users with active smart meters (no.)[1]	44,968,974	44,293,483	675,491	1.5%

(1) The figures for 2020 have been calculated more accurately.

In 2021, electricity transported on the grid increased (by 5.2%) mainly due to developments in:

- Italy (+5.7%), with an increase in the demand for electricity distributed to low-, medium-, high- and very-high-voltage customers, while electricity distributed to other distributors decreased slightly;
- Iberia (+5.3%), where the increase was essentially due to the rise in electricity transported by Edistribución Redes Digitales SL, reflecting the effect of the lockdown imposed in 2020 in response to the COVID-19 pandemic;
- Latin America (+4.2%), reflecting the increase in volumes transported, mainly in Peru, Colombia and Argentina;
- Europe (+4.4%), with an increase in electricity distributed in Romania, attributable to both business and residential customers.

Average frequency of interruptions per customer

	2021	2020	Change	
SAIFI (average no.)				
Italy	*1.8*	*1.7*	*0.1*	*5.9%*
Iberia	*1.4*	*1.4*	*-*	*-*
Argentina[1]	*4.9*	*4.4*	*0.5*	*11.4%*
Brazil	*4.8*	*5.4*	*(0.6)*	*-11.1%*
Chile	*1.5*	*1.5*	*-*	*-*
Colombia	*5.2*	*5.6*	*(0.4)*	*-7.1%*
Peru	*2.3*	*2.6*	*(0.3)*	*-11.5%*
Romania	*2.9*	*3.4*	*(0.5)*	*-14.7%*

(1) The figures for 2020 reflect a more accurate calculation of average frequency.

Average duration of interruptions per customer

	2021	2020	Change	
SAIDI (average minutes)				
Italy[1]	*42.9*	*42.1*	*0.8*	*1.9%*
Iberia[1]	*70.0*	*77.5*	*(7.5)*	*-9.7%*
Argentina[1]	*797.3*	*839.4*	*(42.1)*	*-5.0%*
Brazil	*607.9*	*678.8*	*(70.9)*	*-10.4%*
Chile	*152.3*	*171.2*	*(18.9)*	*-11.0%*
Colombia	*401.4*	*466.6*	*(65.2)*	*-14.0%*
Peru[1]	*413.9*	*418.6*	*(4.7)*	*-1.1%*
Romania	*109.7*	*134.5*	*(24.8)*	*-18.4%*

(1) The figures for 2020 reflect a more accurate calculation of average duration.

As shown in the tables above, service quality has improved in nearly all geographical areas, although the SAIDI in Argentina remains high due, in particular, to failures in the high-voltage systems not managed by the Group.

Grid losses

	2021	2020	Change	
Grid losses (average %)				
Italy	*4.7*	*4.9*	*(0.2)*	*-4.1%*
Iberia[1]	*7.1*	*7.3*	*(0.2)*	*-2.7%*
Argentina	*18.0*	*18.9*	*(0.9)*	*-4.8%*
Brazil	*13.1*	*13.4*	*(0.3)*	*-2.2%*
Chile	*5.2*	*5.2*	*-*	*-*
Colombia	*7.5*	*7.6*	*(0.1)*	*-1.3%*
Peru	*8.5*	*8.8*	*(0.3)*	*-3.4%*
Romania	*8.7*	*9.2*	*(0.5)*	*-5.4%*

(1) The figures for 2020 reflect a more accurate calculation of grid losses.

Performance

Millions of euro	2021	2020	Change	
Revenue[(1)]	20,656	19,429	1,227	6.3%
Gross operating profit/(loss)[(1)]	7,210	7,520	(310)	-4.1%
Ordinary gross operating profit/(loss)[(1)]	7,663	7,801	(138)	-1.8%
Operating profit/(loss)[(1)]	4,348	4,349	(1)	-
Ordinary operating profit/(loss)[(1)]	4,813	4,846	(33)	-0.7%
Capital expenditure	5,296	3,937	1,359	34.5%

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

The following tables show a breakdown of performance by region/country in 2021.

Revenue

Millions of euro	2021	2020	Change	
Italy	7,326	7,488	(162)	-2.2%
Iberia	2,489	2,617	(128)	-4.9%
Latin America	10,366	8,908	1,458	16.4%
- of which Argentina	*688*	*647*	*41*	*6.3%*
- of which Brazil[(1)]	*7,109*	*5,736*	*1,373*	*23.9%*
- of which Chile	*1,262*	*1,229*	*33*	*2.7%*
- of which Colombia	*630*	*601*	*29*	*4.8%*
- of which Peru	*677*	*695*	*(18)*	*-2.6%*
Europe	414	396	18	4.5%
Other	590	393	197	50.1%
Eliminations and adjustments	(529)	(373)	(156)	-41.8%
Total[(1)]	**20,656**	**19,429**	**1,227**	**6.3%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

The increase in **revenue** is mainly attributable to Brazil, reflecting an increase in electricity distributed and rate adjustments.

This increase was partially mitigated by lower revenue in:

- Italy, due essentially to the recognition in 2020 of the gain related to application of the Regulatory Authority for Energy, Networks and the Environment (ARERA) Resolutions nos. 50/2018 and 461/2020;
- Iberia, due mainly to the lower financial remuneration rate applied as of January 1, 2020, on power transmission.

Ordinary gross operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	3,836	3,861	(25)	-0.6%
Iberia	1,877	2,114	(237)	-11.2%
Latin America	1,810	1,684	126	7.5%
- of which Argentina	*3*	*47*	*(44)*	*-93.6%*
- of which Brazil[1]	*1,120*	*964*	*156*	*16.2%*
- of which Chile	*144*	*157*	*(13)*	*-8.3%*
- of which Colombia	*385*	*362*	*23*	*6.4%*
- of which Peru	*158*	*154*	*4*	*2.6%*
Europe	96	136	(40)	-29.4%
Other	44	6	38	-
Total[1]	**7,663**	**7,801**	**(138)**	**-1.8%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

Ordinary gross operating profit decreased especially in Spain due to the reversal of the provision related to the energy discount recognized in 2020 (€269 million). This effect was partially offset by an increase in profit in Brazil as a result of an increase in wheeling volumes at rising average prices, reflecting rate adjustments for the year.

Gross operating profit of €7,210 million (€7,520 million in 2020) reflects the factors impacting ordinary gross operating profit and the following non-recurring items:

- provisions recognized for costs connected with restructuring plans for the energy transition and digitalization, mainly in Italy and Brazil (€389 million), and costs associated with the removal of certain meters involved in the replacement campaign (€34 million);
- costs incurred for workplace sanitization activities, personal protective equipment and donations in response to the COVID-19 pandemic (€30 million).

Ordinary operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	2,500	2,407	93	3.9%
Iberia	1,094	1,364	(270)	-19.8%
Latin America	1,175	1,018	157	15.4%
- of which Argentina	*(25)*	*31*	*(56)*	*-*
- of which Brazil[1]	*708*	*527*	*181*	*34.3%*
- of which Chile	*95*	*110*	*(15)*	*-13.6%*
- of which Colombia	*297*	*261*	*36*	*13.8%*
- of which Peru	*100*	*89*	*11*	*12.4%*
Europe	6	54	(48)	-88.9%
Other	38	3	35	-
Total[1]	**4,813**	**4,846**	**(33)**	**-0.7%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more information, please see note 7 to the consolidated financial statements.

The decrease in **ordinary operating profit** for 2021, including depreciation, amortization and impairment losses of €2,850 million (€2,955 million in 2020), is attributable to the factors described above in relation to ordinary gross operating profit. This effect was partially mitigated by an increase in Italy due mainly to a decline in impairment losses on trade receivables compared with the previous year (€225 million), partly offset by an increase of €57 million in depreciation as a result of the reduction of the useful life of first-generation digital meters.

Operating profit for 2021, in the amount of €4,348 million (€4,349 million in 2020), reflects the factors described above in relation to ordinary operating profit.

Capital expenditure

Millions of euro

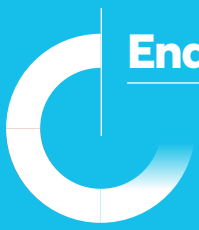
	2021	2020	Change	
Italy	2,554	1,966	588	29.9%
Iberia	874	631	243	38.5%
Latin America	1,663	1,156	507	43.9%
Europe	192	182	10	5.5%
Other	13	2	11	-
Total	**5,296**	**3,937**	**1,359**	**34.5%**

Capital expenditure increased year on year by €1,359 million.

More specifically, this increase is attributable to:

- Italy, for an increase in new customer connections and an increase in investment in service quality (e-grid and DSO 4.0 projects). In addition, capital expenditure on the latest generation digital meters also increased by €46 million compared with 2020 following the resumption of the mass-replacement program, which had slowed last year as a result of the COVID-19 emergency;
- Spain, for increased capital expenditure on distribution lines and on substations, transformers, and metering equipment;
- Latin America, and particularly Brazil, due to increased spending on distribution lines and substations, maintenance, and an increase in new connection.

End-user Markets



End-user Markets

309.4 TWh
ELECTRICITY SOLD
298.2 TWh in 2020

€3,086 million
GROSS OPERATING PROFIT
€3,197 million in 2020

69.3 million
RETAIL CUSTOMERS
of which 24.8 million on the free market

HIG GBL
ICM

Operations

Electricity sales

Millions of kWh

	2021	2020	Change	
Free market	175,958	160,202	15,756	9.8%
Regulated market	133,467	137,984	(4,517)	-3.3%
Total	**309,425**	**298,186**	**11,239**	**3.8%**
- of which Italy	*92,768*	*90,205*	*2,563*	*2.8%*
- of which Iberia	*79,457*	*80,772*	*(1,315)*	*-1.6%*
- of which Latin America	*127,906*	*118,388*	*9,518*	*8.0%*
- of which Europe	*9,294*	*8,821*	*473*	*5.4%*

The increase in the volume of electricity sold in 2021 came primarily on the free market for business-to-business (B2B) customers, mainly in Italy and Latin America. Conversely, the regulated market saw a decrease in volumes in both the business-to-consumer (B2C) and B2B segments due mainly to a decline in the number of customers compared with 2020.

Natural gas sales

Millions of m^3

	2021	2020	Change	
Business to consumer	3,731	3,637	94	2.6%
Business to business	6,142	6,071	71	1.2%
Total [1]	**9,873**	**9,708**	**165**	**1.7%**
- of which Italy	*4,353*	*4,429*	*(76)*	*-1.7%*
- of which Iberia	*5,180*	*5,022*	*158*	*3.1%*
- of which Latin America	*160*	*155*	*5*	*3.2%*
- of which Europe[1]	*180*	*102*	*78*	*76.5%*

(1) The figures for 2020 reflect a more accurate calculation of volumes sold.

The increase in volumes sold in Spain and Romania in 2021 was partly offset by the reduction in consumption in Italy in the B2B segment.

The Group's retail customers total 69,342,818, of which 24,839,600 in the free market, while at December 31, 2020 they numbered 69,517,932, of which 22,931,809 in the free market.

Performance

Millions of euro				
	2021	2020	Change	
Revenue	38,708	29,508	9,200	31.2%
Gross operating profit/(loss)	2,990	3,121	(131)	-4.2%
Ordinary gross operating profit/(loss)	3,086	3,197	(111)	-3.5%
Operating profit/(loss)	1,657	1,817	(160)	-8.8%
Ordinary operating profit/(loss)	1,753	1,906	(153)	-8.0%
Capital expenditure	643	460	183	39.8%

The following tables show a breakdown of performance by region/country in 2021.

Revenue

Millions of euro				
	2021	2020	Change	
Italy	19,818	14,869	4,949	33.3%
Iberia	16,177	11,987	4,190	35.0%
Latin America	1,393	1,492	(99)	-6.6%
- of which Argentina	*2*	-	*2*	-
- of which Brazil	*349*	*299*	*50*	*16.7%*
- of which Chile	*93*	*271*	*(178)*	*-65.7%*
- of which Colombia	*760*	*705*	*55*	*7.8%*
- of which Peru	*189*	*217*	*(28)*	*-12.9%*
North America	7	10	(3)	-30.0%
Europe	1,309	1,150	159	13.8%
Other	4	-	4	-
Total	**38,708**	**29,508**	**9,200**	**31.2%**

Revenue for 2021 increased by 31.2% over the previous year, due mainly to greater revenue from electricity sales (up €6,637 million) and gas sales (up €2,459 million) as a result of greater volumes and sales prices in Italy and Spain.

Ordinary gross operating profit/(loss)

Millions of euro				
	2021	2020	Change	
Italy	2,311	2,372	(61)	-2.6%
Iberia	547	530	17	3.2%
Latin America	263	203	60	29.6%
- of which Argentina	*12*	*(7)*	*19*	-
- of which Brazil	*136*	*107*	*29*	*27.1%*
- of which Chile	*44*	*25*	*19*	*76.0%*
- of which Colombia	*49*	*56*	*(7)*	*-12.5%*
- of which Peru	*22*	*22*	-	-
North America	6	9	(3)	-33.3%
Europe	(41)	83	(124)	-
Total	**3,086**	**3,197**	**(111)**	**-3.5%**

The decrease in **ordinary gross operating profit** for 2021 is essentially attributable to:

- a €124 million decrease in profit in Romania, which mainly reflects an increase in costs to purchase energy (€257 million), which was only partially offset by greater sales revenue (€120 million);
- a €61 million decrease in profit in Italy, where the €120 million decline in profit on the regulated market due, mainly, to the reduction in revenue from marketing services was partly offset by a €59 million increase in profit on the free market due mainly to an increase in sales volumes thanks in part to an increased number of customers. The decline in profit also reflected lower operating expenses in 2020 following the reversal of a provision connected with a dispute with a trader and the recognition of a fine of €27 million imposed by the Privacy Authority in 2021.

These adverse effects were only partially offset by a €60 million increase in profit in Latin America, particularly in Brazil due to adjustments to rates and to greater quantities sold.

Gross operating profit came to €2,990 million (€3,121 million in 2020). In addition to the factors discussed for ordinary gross operating profit, the figure also reflects non-recurring items connected with provisions for charges in respect of restructuring plans for the energy transition and digitalization (€94 million) and non-recurring costs incurred in responding to the COVID-19 pandemic for workplace sanitization activities, personal protective equipment and donations (€2 million).

Ordinary operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	1,508	1,548	(40)	-2.6%
Iberia	345	304	41	13.5%
Latin America	(41)	(6)	(35)	-
- of which Argentina	*4*	*(44)*	*48*	-
- of which Brazil	*(113)*	*(26)*	*(87)*	-
- of which Chile	*20*	*11*	*9*	*81.8%*
- of which Colombia	*31*	*41*	*(10)*	*-24.4%*
- of which Peru	*17*	*12*	*5*	*41.7%*
North America	5	9	(4)	-44.4%
Europe	(64)	51	(115)	-
Total	**1,753**	**1,906**	**(153)**	**-8.0%**

Ordinary operating profit reflects the factors noted earlier for ordinary gross operating profit, as well as an increase in depreciation and amortization of €42 million, mainly regarding amortization of intangibles in Italy and Spain.

Operating profit for 2021, in the amount of €1,657 million (€1,817 million in 2020), reflects the factors described above in relation to gross operating profit and the increase in depreciation, amortization and impairment losses in Italy and Spain.

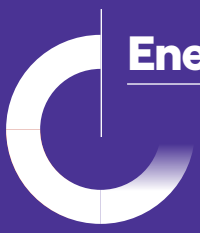
Capital expenditure

Millions of euro

	2021	2020	Change	
Italy	427	310	117	37.7%
Iberia	196	139	57	41.0%
Europe	20	11	9	81.8%
Total	**643**	**460**	**183**	**39.8%**

The increase in **capital expenditure** is mainly attributable to the greater capitalization of costs connected with the acquisition of new contracts with customers.

Enel X



Enel X

157,209 no.
CHARGING POINTS
105,079 in 2020

2,821 thousand
LIGHTING POINTS
2,794 in 2020

7.7 GW
DEMAND RESPONSE
6.0 GW in 2020

€298 million
ORDINARY GROSS OPERATING PROFIT
€161 million in 2020

+21.1%
CAPITAL EXPENDITURE
compared with 2020 for a total of €367 million

HIG GBL
ICM

Operations

	2021	2020	Change	
Demand response capacity (MW)	7,713	6,038	1,675	27.7%
Lighting points (thousands)	2,821	2,794	27	1.0%
Storage (MW)	375	123	252	-
Charging points (no.)(1)	157,209	105,079	52,130	49.6%

(1) The figures for 2020 reflect more accurate calculations.

Private-sector charging points increased by 48,430, mainly in North America and Italy, while public charging points increased by 3,700, primarily in Italy and Spain.

ICM

Performance

Millions of euro				
	2021	2020	Change	
Revenue	1,541	1,121	420	37.5%
Gross operating profit/(loss)	283	152	131	86.2%
Ordinary gross operating profit/(loss)	298	161	137	85.1%
Operating profit/(loss)	30	(16)	46	-
Ordinary operating profit/(loss)	44	(7)	51	-
Capital expenditure	367	303	64	21.1%

The following tables show a breakdown of performance by region/country in 2021.

Revenue

Millions of euro

	2021	2020	Change	
Italy	536	324	212	65.4%
Iberia	271	244	27	11.1%
Latin America	275	218	57	26.1%
- of which Argentina	*12*	*7*	*5*	*71.4%*
- of which Brazil	*23*	*20*	*3*	*15.0%*
- of which Chile	*66*	*68*	*(2)*	*-2.9%*
- of which Colombia	*127*	*75*	*52*	*69.3%*
- of which Peru	*47*	*48*	*(1)*	*-2.1%*
North America	274	192	82	42.7%
Europe	88	53	35	66.0%
Africa, Asia and Oceania	67	55	12	21.8%
Other	164	156	8	5.1%
Eliminations and adjustments	(134)	(121)	(13)	-10.7%
Total	**1,541**	**1,121**	**420**	**37.5%**

Revenue for 2021 increased by 37.5% year on year, with the greatest gains seen in:

- Italy, due to increases in commercial efforts in seismic and energy upgrading in the e-Home and Vivi Meglio businesses;
- Colombia, for activities related to the e-Bus project;
- North America, for growth in demand response capacity.

Ordinary gross operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	131	38	93	-
Iberia	52	45	7	15.6%
Latin America	92	84	8	9.5%
- of which Argentina	*5*	*3*	*2*	*66.7%*
- of which Brazil	*1*	*2*	*(1)*	*-50.0%*
- of which Chile	*19*	*15*	*4*	*26.7%*
- of which Colombia	*50*	*42*	*8*	*19.0%*
- of which Peru	*17*	*22*	*(5)*	*-22.7%*
North America	22	(9)	31	-
Europe	17	9	8	88.9%
Africa, Asia and Oceania	-	2	(2)	-
Other	(16)	(8)	(8)	-
Total	**298**	**161**	**137**	**85.1%**

Ordinary gross operating profit increased mainly in Italy and North America, due to increased profit on services associated, respectively, with new commercial initiatives and to demand response activities.

Gross operating profit came to €283 million (€152 million in 2020). The difference of €15 million in 2021 compared with ordinary gross operating profit concerns the provisions recognized for restructuring plans for the energy transition and digitalization.

Ordinary operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	17	(11)	28	-
Iberia	4	(1)	5	-
Latin America	72	72	-	-
- of which Argentina	*5*	*3*	*2*	*66.7%*
- of which Brazil	*1*	*(2)*	*3*	*-*
- of which Chile	*17*	*14*	*3*	*21.4%*
- of which Colombia	*39*	*41*	*(2)*	*-4.9%*
- of which Peru	*10*	*16*	*(6)*	*-37.5%*
North America	(22)	(52)	30	57.7%
Europe	13	3	10	-
Africa, Asia and Oceania	(3)	(1)	(2)	-
Other	(37)	(17)	(20)	-
Total	**44**	**(7)**	**51**	**-**

Ordinary operating profit includes depreciation, amortization and impairment losses in the amount of €254 million (€168 million in 2020). The increase in depreciation, amortization and impairment losses is essentially attributable to increased amortization of intangibles recognized by Enel X Italia.

Operating profit for 2021, in the amount of €30 million (a loss of €16 million in 2020), reflects the factors described above in relation to gross operating profit, the positive value adjustment of the Cremzow storage plant (€1 million) and the increase in amortization recognized by Enel X Italia.

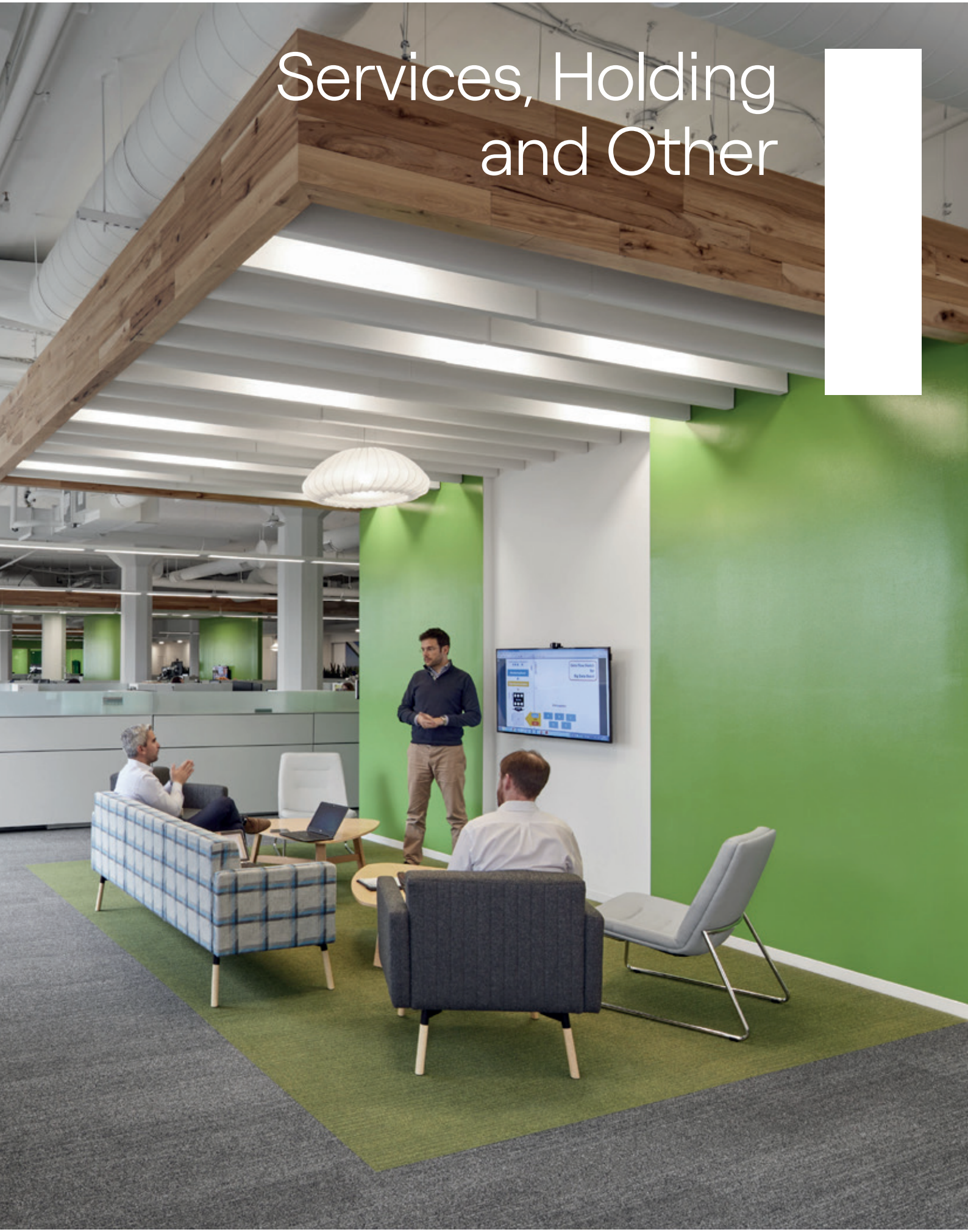
Capital expenditure

Millions of euro

	2021	2020	Change	
Italy	99	70	29	41.4%
Iberia	54	50	4	8.0%
Latin America	48	67	(19)	-28.4%
North America	46	36	10	27.8%
Europe	4	5	(1)	-20.0%
Africa, Asia and Oceania	10	3	7	-
Other	106	72	34	47.2%
Total	**367**	**303**	**64**	**21.1%**

Capital expenditure increased mainly in Italy within the Vivi Meglio business due to the increase in volumes handled, in North American as a result of an increase in storage activities, and in Iberia in the e-Home business following an increase in volumes sold compared with 2020.
Enel X Srl also posted a significant increase in capital expenditure to develop global technology platforms for digital business management.
The reduction in capital expenditure in Latin America is due mainly to the execution, in 2020, of projects related to the e-Bus business in Colombia. This decrease was partially offset by greater capital expenditure for smart lighting projects in Peru and distributed energy projects in Brazil.

Services, Holding and Other



Performance

Millions of euro	2021	2020	Change	
Revenue[(1)]	3,931	2,024	1,907	94.2%
Gross operating profit/(loss)	1,424	(237)	1,661	-
Ordinary gross operating profit/(loss)	1,646	(83)	1,729	-
Operating profit/(loss)	1,149	(444)	1,593	-
Ordinary operating profit/(loss)	1,416	(290)	1,706	-
Capital expenditure	207	174	33	19.0%

(1) For the sake of clarity, the Holding segment includes internal eliminations that were previously reported under intersegment eliminations and adjustments in the amount of €115 million in 2020.

The tables below show a breakdown of performance by region/country in 2021.

Revenue

Millions of euro	2021	2020	Change	
Italy	760	749	11	1.5%
Iberia	465	480	(15)	-3.1%
Latin America	17	13	4	30.8%
Europe	24	24	-	-
Other[(1)]	2,895	988	1,907	-
Eliminations and adjustments	(230)	(230)	-	-
Total	**3,931**	**2,024**	**1,907**	**94.2%**

(1) For the sake of clarity, the Holding segment includes internal eliminations that were previously reported under intersegment eliminations and adjustments in the amount of €115 million in 2020.

The increase in 2021 **revenue** is mainly attributable to the gain related to the sale of Open Fiber as part of the Stewardship business model in the amount of €1,763 million and to the increase in services provided to the other Business Lines.

Ordinary gross operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	56	83	(27)	-32.5%
Iberia	31	30	1	3.3%
Latin America	(77)	(86)	9	10.5%
North America	(1)	(5)	4	80.0%
Europe	7	4	3	75.0%
Other	1,630	(109)	1,739	-
Total	**1,646**	**(83)**	**1,729**	**-**

The increase in **ordinary gross operating profit** for 2021 is mainly attributable to the change in revenue described above, which was partially offset by an increase in service costs, particularly for information systems, and by greater provisions for disputes in Italy.

Gross operating profit came to €1,424 million (€237 million in 2020). Extraordinary items in 2021 were almost entirely represented by provisions for restructuring plans and digitalization totaling €216 million. Costs incurred in response to the COVID-19 pandemic for workplace sanitization activities, personal protective equipment and donations in the amount of €6 million decreased by €41 million compared with the same period of the previous year.

Ordinary operating profit/(loss)

Millions of euro

	2021	2020	Change	
Italy	(16)	14	(30)	-
Iberia	(20)	(16)	(4)	-25.0%
Latin America	(79)	(88)	9	10.2%
North America	(1)	(6)	5	83.3%
Europe	5	3	2	66.7%
Other	1,527	(197)	1,724	-
Total	**1,416**	**(290)**	**1,706**	**-**

Ordinary operating profit for 2021 is essentially in line with the increase in ordinary gross operating profit, taking account of the €23 million increase in depreciation, amortization and impairment losses.

Operating profit for 2021, in the amount of €1,149 million (a loss of €444 million in 2020), reflects the factors described above in relation to gross operating profit and ordinary operating profit and the €45 million impairment loss recognized on the Group's head office in Rome following the partial demolition of the property for renovations.

Capital expenditure

Millions of euro

	2021	2020	Change	
Italy	53	33	20	60.6%
Iberia	32	27	5	18.5%
Latin America	4	3	1	33.3%
North America	1	-	1	-
Europe	1	-	1	-
Other	116	111	5	4.5%
Total	**207**	**174**	**33**	**19.0%**

The increase in **capital expenditure** in 2021 in Italy is mainly attributable to property renovation work and software development.

Enel shares

Enel and the financial markets

	2021	2020
Gross operating profit per share (euro)[1]	1.73	1.66
Operating profit per share (euro)[1]	0.76	0.83
Group profit per share (euro)	0.31	0.26
Group ordinary profit per share (euro)	0.55	0.51
Dividend per share (euro)	0.380	0.358
Group equity per share (euro)	2.92	2.79
Share price - 12-month high (euro)	8.95	8.57
Share price - 12-month low (euro)	6.53	5.23
Average share price in December (euro)	6.77	8.17
Market capitalization (millions of euro)[2]	68,804	83,110
No. of shares outstanding at December 31 (millions)[3]	10,167	10,167

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to the consolidated financial statements.
(2) Calculated on average share price in December.
(3) The number of shares includes 4,889,152 treasury shares in 2021 and 3,269,152 treasury shares in 2020.

		Current[1]	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2019
Rating					
Standard & Poor's	Outlook	STABLE	STABLE	STABLE	STABLE
	Medium/long-term	BBB+	BBB+	BBB+	BBB+
	Short-term	A-2	A-2	A-2	A-2
Moody's	Outlook	STABLE	POSITIVE	POSITIVE	POSITIVE
	Medium/long-term	Baa1	Baa1	Baa2	Baa2
	Short-term	-	-	-	-
Fitch	Outlook	STABLE	STABLE	STABLE	STABLE
	Medium/long-term	BBB+	A-	A-	A-
	Short-term	F2	F2	F2	F2

(1) Figures updated to January 31, 2022.

The world economy in 2021 was characterized by a generalized recovery, with estimated world GDP growth of about 5.8% on an annual basis. The rebound was made possible, especially in the more developed countries, by significant government fiscal support and the rapid and effective roll-out of vaccination campaigns.
However, the reopening of economic activity at the beginning of 2021 generated sharp imbalances between supply and demand on a global scale, causing severe distortions in supply chains and, consequently, pushing up the prices of raw materials and intermediate and consumer goods,

In the 2nd Half of 2021, US GDP, which increased by 5.7% year-on-year in the year as a whole, grew more slowly than anticipated at the beginning of the year.
In the euro area, the real economy posted a clear recovery in both the 2nd and 3rd Quarters of 2021, with annual GDP grown by 5.2%. However, the economic recovery slowed in the 4th Quarter due to rapid increases in energy prices and a surge in Omicron-related COVID cases, which prompted many countries to reintroduce business closures and mobility restrictions.

In Latin America, the reopening of national economies coincided with a global increase in food and energy prices against a background of weak local currencies and periods of severe drought in many large relevant areas of the continent. These developments pushed up inflation, which in many cases was well above the targets of local central banks.

The economic recovery also impacted financial markets. The main European equity indices closed 2021 with gains. The Italian FTSE- MIB rose 23.0%, the Spanish Ibex35 gained 7.9%, the German DAX30 increased 15.8% and the French CAC40 jumped 28.9%.

The euro-area utilities sector (EURO STOXX Utilities) closed the year with an increase of 3.6%.

Finally, as regards the Enel stock, 2021 ended with a price of €7.046 per share, a decline of 14.9% on the previous year.

On January 20, 2021 Enel paid an interim dividend of €0.175 per share from 2020 profits and on July 21, 2021 it paid the balance of the dividend for that year in the amount of €0.183. Total dividends distributed in 2021 amounted to €0.358 per share, about 9% higher than the €0.328 per share distributed in 2020.

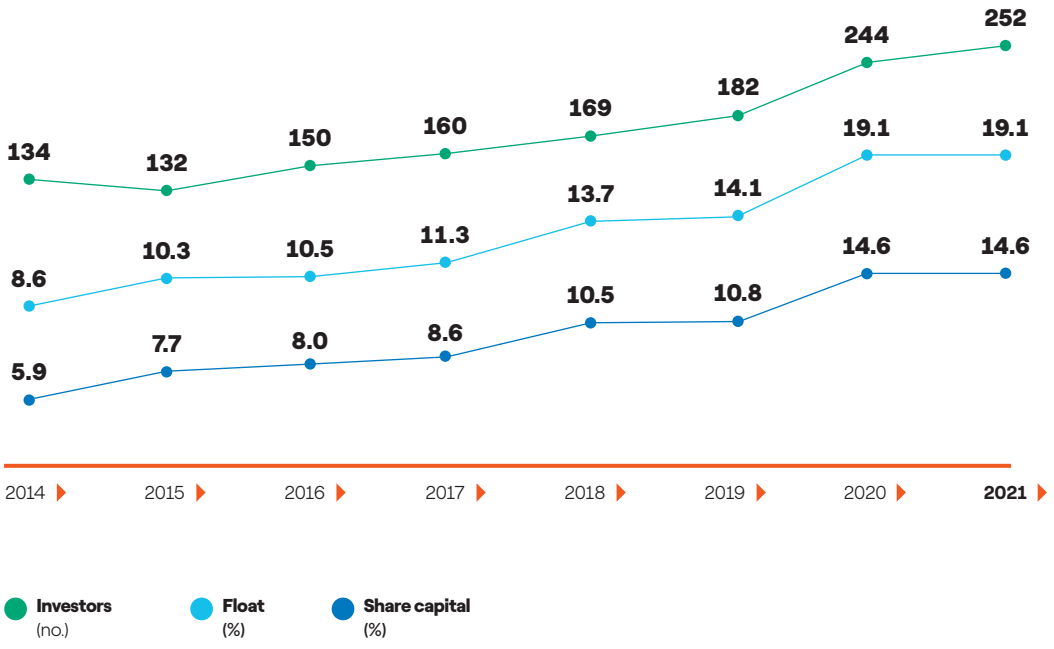
In relation to ordinary profit for 2021, on January 26, 2022 an interim dividend of €0.19 was paid, while the balance of the dividend is scheduled for payment on July 20, 2022.

At December 31, 2021, institutional investors had reduced their position in Enel to 59.4% of share capital (compared with 62.3% at December 31, 2020), while the share of individual investors rose to 17.0% (as against 14.1% at December 31, 2020). The interest of the Ministry for the Economy and Finance was unchanged at 23.6%. Socially responsible investors (SRIs) held about 14.6% of share capital (essentially unchanged on December 31, 2020) and represent 24.6% of institutional investors (23.4% at December 31, 2020). Investors who have signed the Principles for Responsible Investment represent 46.6% of share capital (47.8% at December 31, 2020).

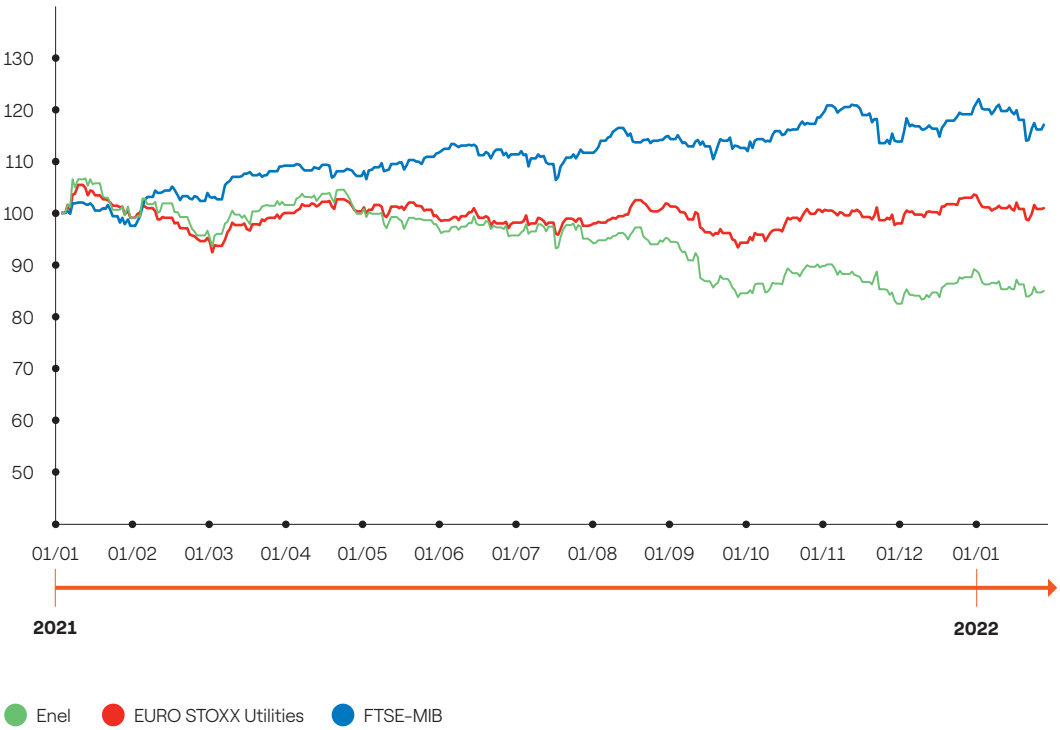
For further information we invite you to visit the Investor Relations section of our corporate website (http://www.enel.com/investors/overview) and download the "Enel Investor" app, which contains both economic and financial information (annual reports, semi-annual and quarterly reports, presentations to the financial community, analyst estimates and stock market trading trends involving the shares issued by Enel and its main listed subsidiaries, ratings and outlooks assigned by rating agencies) and up-to-date data and documentation of interest to shareholders and bondholders in general (price sensitive press releases, outstanding bonds, bond issue programs, composition of Enel's corporate bodies, bylaws and regulations of Shareholders' Meetings, information and documentation relating to Shareholders' Meetings, procedures and other documentation concerning corporate governance, the Code of Ethics and organizational and management arrangements).

We have also created contact centers for private investors (which can be reached by phone at +39-0683054000 or by e-mail at azionisti.retail@enel.com) and for institutional investors (phone: +39-0683051; e-mail: investor.relations@enel.com).

Developments in ESG investors



Performance of Enel share price and the EURO STOXX Utilities and FTSE-MIB indices from January 1, 2021 to January 31, 2022



Innovation and digitalization

For Enel, innovation and digitalization are key pillars of its strategy to grow in a rapidly changing context while ensuring high safety standards, business continuity and operational efficiency, and thus enabling new uses of energy and new ways of managing it, making it accessible to an ever-larger number of people.

Enel also operates through an Open Innovability® model, a consensus-based ecosystem that makes it possible to connect all areas of the Company with startups, industrial partners, small and medium-sized enterprises, research centers and universities through a variety of system, such as crowdsourcing platforms and the Innovation Hub network. The Company has numerous innovation partnership agreements that, in addition to Enel's traditional lines of business in the renewables and conventional generation sectors, have promoted the development of new solutions for e-mobility, microgrids, energy efficiency and the industrial Internet of Things (IoT).
Enel's innovation strategy leverages the online crowdsourcing platform (openinnovability.com) and a global network of 10 Innovation Hubs (of which 3 are also Labs) and 22 Labs (of which 3 are dedicated to startups), which consolidates the new model of collaboration with startups and SMEs. The latter offer innovative solutions and new business models, and Enel makes its skills, testing facilities and a global network of partners available to support their development and possible scale-up. The Hubs are located in the most important innovation ecosystems for the Group (Catania, Pisa, Milan, Silicon Valley, Boston, Rio de Janeiro, Madrid, Moscow, Santiago de Chile and Tel Aviv), they manage relationships with all the players involved in innovation activities and are the main source of scouting for innovative startups and SMEs. The Labs (among which those in Milan, Pisa, Catania, São Paulo, Tel Aviv and Be'er Sheva are the most representative) allow startups to develop and test their solutions together with the Business Lines.
In 2021, thanks to the Group's stable positioning in innovative ecosystems and the extensive use of the Hub and Lab network, more than 90 scouting initiatives were launched (more than half of which in the form of virtual bootcamps) in various technological areas. This enabled Enel to meet more than 2,000 startups and to begin more than 100 new collaborative relationships.
The community of 500,000 solvers gave Enel a global crowdsourcing presence in 2021 as well, with over 27 innovation and sustainability challenges launched on openinnovability.com. In 2021, Enel reached a total of over 177 challenges launched since the platform was created, 44,000 users registered on the site (about 400,000 potential solvers from partner platforms) and about €650,000 in monetary prizes paid to the winners.

In 2021, the integration of Open Innovation Culture and Agile Transformation was launched at the Group level with the aim of providing the business with comprehensive support, from the generation of the idea to the implementation of projects, using Innovation and Agile approaches as a key driver to create competitive advantage and optimize costs over time.

Ever increasing importance is being taken on by activities to promote and develop the culture of innovation and entrepreneurship within the Company, through multiple initiatives such as the training of personnel in courses provided through the Innovation Academy (many of which are run with internal instructors), the project involving Innovation Ambassadors, who are people passionate about innovation and creativity who voluntarily dedicate part of their working time to support activities in solving business challenges with a co-creative and innovative approach, and finally the "Make it Happen!" entrepreneurship project, a company contest in which employees can propose innovative business projects or process efficiency projects directly to Company top management.

During 2021, Enel also continued to implement We4U, the World energy 4 Universities partnership program with national and international universities and research centers, with the aim of maintaining a constant and multidisciplinary dialogue focused on the challenges of the energy transition.

The activities of the innovation communities also continued, involving different areas and skills within the Company. In addition to the existing communities addressing energy storage, blockchain, drones, augmented and virtual reality, additive manufacturing, artificial intelligence, wearables, robotics and green hydrogen, four other communities on sensors, materials, computer generative design and data monetization were added in 2021. While for the most cutting-edge technologies the role of the communities is exploratory, researching possible use cases and applications, others play a role in sharing and disseminating best practices that can enable technologies to scale and expand their impact on the business: this is the case of drones, with possibilities opened by regulatory developments concerning flights beyond the visual line of sight (BVLOS), robotic solutions, especially in the field of legged-robots and autonomous missions, virtual and augmented reality and artificial intelligence applications.

In 2021, €130 million (including personnel expenses) were invested in innovation, research and development.

In 2021, cyber security innovation work benefited from the network of Innovation Hubs, as well as from their startup portfolio and the partnerships agreed at the Group level. These interconnections have fostered the sharing of best practices and operating approaches, as well as the establishment and expansion of info-sharing channels. In particular, the services provided by more than 20 startups were analyzed and proof-of-concept activities were performed, some of which are still in progress while others have been internalized, addressing the issues summarized below.

The following technological areas were investigated:
- cyber protection and detection services in the field of micro-services, in particular for containers and serverless instances in the DevSecOps field;
- specific solutions for the protection of industrial systems (OT), which owing to their scope of applicability often have low computational capacity and are linked to legacy systems;
- services for identifying vulnerabilities in third-party assets and services used by the organization that can undermine the security of the organization itself (external attack surface);
- solutions that exploit the greater potential of artificial intelligence and machine learning, helping to enhance capabilities for the detection of cyber threats and the automation of analysis, correlation and response to incidents;
- solutions to identify the vulnerabilities of assets and devices (mobile devices, IoT, web applications, etc) with the use of innovative techniques;
- services that enable analysis of the firmware of IoT devices within a few hours and the rapid identification of key vulnerabilities, optimizing execution times compared with manual processes.

Intellectual property

Continuing the work done the previous year, in 2021 Enel redoubled its commitment to leveraging and developing its intellectual property portfolio to ensure it serves as a source of competitive advantage for the Group.
The Open Innovability® ecosystem generates innovation through the creation and sharing of internal and external solutions that give life to ideas that enable the safe and sustainable propagation of the technological solutions through which electrification, platformization and stewardship programs are implemented, but which at the same time require appropriate forms of legal protection.
This innovative impulse is also reflected in the Group's investment in intangible assets, which show a significant increase, in line with the strategic direction delineated above, with particular regard to IT and digital applications.
The investments focused on all the Group's Global Business Lines and mainly concerned:
- in the Global Thermal Generation Global Business Line, the development of innovative technical solutions in solar generation that seek, on the one hand, to create an innovative system for the rapid and automatable installation of photovoltaic panels and, on the other hand, to increase the photovoltaic output of plants by increasing charge transfer mechanisms at the micro and nanometric level in correspondence with different layers both in single and heterojunction cells and in tandem systems;
- in the Global Infrastructure and Networks Global Business Line, the creation of platforms for the exploitation of network externalities in the service market, as well as for the automation of user management;
- in the Enel X Global Business Line, the development of applications in the telemedicine business and platforms in urban livability field, with particular regard, respectively, to the Smart Axistance eWell App, designed and operated in collaboration with leading specialists at the Policlinico Gemelli Foundation, and to the 15 Minutes City Index platform, developed in collaboration with the University of Florence;
- in the new e-Mobility Global Business Line, the definition of forms of protection for its solutions in electric charging, including the community design to protect Juice Media, an innovative product which enables the simultaneous offer of electric charging and multimedia advertising services in a single structure.

The Group is also investing resources in the development of innovative solutions for protecting its intellectual property, mainly in the forms of copyright protection and trade secrets, concerning climate models and advanced quantitative models for the analysis of energy systems in order to support decarbonization and electrification in the main geographical areas in which we operate, using an integrated and future-oriented vision.
At December 31, 2021, the Group had applied for 892 for patents in 146 technological families. Of these, 749 have been granted and 143 are pending. The portfolio ensures protection in all the markets in which the Group is present.
For a detailed analysis of the most significant intellectual property rights of each Global Business Line, please see the section on intellectual property in the Sustainability Report. The increase in the size of the entire portfolio of intel-

lectual property rights held by the Enel Group corresponds to growing internal efforts to strengthen the information infrastructure necessary for the immediate identification of the innovation generated, its evaluation and protection, as well as the ongoing monitoring of the portfolio's evolution, with a view to ensuring continuous and close alignment between technological and commercial trajectories and corresponding forms of safeguarding the competitive advantage provided by intellectual property rights. The Group also intends to continue to support and encourage the development of its innovation model through specific projects for internal dissemination by the Intellectual Property unit. In this regard, in 2021 a new Intellectual Property Management procedure was introduced and management reporting tools were developed to enhance the sharing of information on the value generated within Enel through the Open Innovability® model. For more information, please see the section on intellectual property in the Sustainability Report.

The new Intellectual Property Management procedure

The management of the Group's intellectual property is governed by the new Intellectual Property Management procedure. It comprises all stages of the life of intellectual property, from the moment of conception of inventions to that of protecting and maintaining the portfolio and relationships with external counterparties. In particular, the procedure governs cases in which the intellectual property generated within Enel is transferred externally in circumstances such as: (i) collaborative research; (ii) procurement; (iii) relations with startups; (iv) mergers, acquisitions and stewardship operations; and (v) the outright or licensed acquisitions of intangible assets of Enel and third parties.
The methods for protecting intangible assets, monitoring their use, and metrics for measuring the Group's performance in the management of intellectual property are regulated within this procedure, tracing information of use in the future planning and leveraging assets and mapping risks.

The Intellectual Property Reporting project

Starting in 2020, Enel has set itself the challenge – commonly felt but not definitively absorbed into corporate practices in the various global technology companies – of accurately representing its intellectual assets in its non-financial reporting. This prompted us to first undertake a quantitative and qualitative survey of our existing assets, systematizing both legally protected assets (patents, designs, utility models) and trade secrets. In 2021, Enel laid the foundations for the definition of an internal non-financial reporting process for intellectual property, based on a proprietary methodology designed to lend continuity from year to year to valuing and leveraging our intangible asset resources, partly with a view to future external reporting.
The process is applicable to all internal Enel projects that are intended to generate intellectual property and is based on the necessary and preventive identification of the various components which a project may generate, such as, among other things, documentation, technology, algorithms, processes, products, layouts, schemes and dashboards. Each identified intangible element is matched with one or more forms of intellectual property right in order to measure the intensity of the project's output in terms of intellectual content. The internal methodology also envisages an exercise to evaluate the intellectual property generated internally, which, while not intending in any way to replace other valuation methods adopted within the Enel Group for determining fair value based on income methods, makes it possible to assess the intrinsic value of these intangibles on the basis of financial factors and providing an indication of the investment that would be necessary to replicate the technological solution being evaluated.
At an experimental level, a number of projects that have contributed to the generation of intellectual property within the Enel Group were selected from within the Global Business Lines, the Global Service Functions and the staff functions for a more detailed analysis of the problems arising from the application of this qualitative-quantitative methodology. The methodology was tested and perfected with these projects on the basis of empirical experience and taking account of the specific technical and organizational features of the various areas.
More specifically, the most interesting practical applications of the Intellectual Property Reporting methodology include Grid Blue Sky, a flagship project of the Global Infrastructure and Networks Business Line (mentioned in the 2020 Sustainability Report), and the intangibles of

the 3SUN factory, which is involved in the manufacture of bi-facial heterojunction solar panels based on proprietary Enel technology.

The Grid Blue Sky project seeks to re-engineer the operating model used for grids with a view to the integrated management of all operations, from design and planning to operation and maintenance, interaction with customers and the support of new business models adopted by distributors, all in such a way that the various functions are natively compatible with the various aspects of the operating environment, including the regulatory factors typical of energy markets. Grid Blue Sky is based on an innovative development paradigm, which makes its architecture scalable, sustainable and resilient, being based on the idea that all the activities of an operator take place through access to a single integrated platform on which the data converge. This avoids the need to develop redundant vertical solutions, because the database is shared and opens up the possibility of developing countless services or integrating third-party solutions. The platform includes the following components:

- the asset owner, which concerns everything related to the planning and development of the power grid;
- the asset operator, which concerns the management of grid operation and maintenance processes;
- customer engagement, which handles interaction with customers, who will thus benefit from a single platform for interaction and relationship management; and
- the system operator, which looks to the future of electricity distribution, examining as yet unregulated perspectives concerning the use of the flexibility offered by grid-connected resources to solve congestion and voltage regulation issues.

The examination of the project using the Intellectual Property Reporting methodology made it possible to identify the various intangible components that combine to form the platform and confirmed the considerable intellectual property density of Grid Blue Sky. The search for a correspondence between intangible components and forms of protection – which is part of the methodology inaugurated by Enel – reveals the presence of a copyright on all the source code underpinning the platform and on all aspects of conceptual design and the information flows at the basis of the operating model, as well as copyright over all the original graphic elements (user interfaces and data access dashboards). Furthermore, in application of the internal procedure governing the protection of trade secrets, all the confidential components underlying Enel's great know-how in managing the grid and which are expressed in technological, organizational, economic, financial and marketing aspects have been identified, isolated and codified.

Similarly, the exercise of codifying intangible assets and identifying forms of protection was conducted for Enel Green Power's 3SUN factory, which conceives and develops new-generation photovoltaic applications. Enel has long been at the forefront in the design of bi-facial heterojunction solar panels, which increase the efficiency of systems thanks to their greater capacity for capturing solar radiation. 3SUN's know-how in this area does not only involve the panel as such, but also the innovative materials used, the assembly methods, as well as all the industrial knowledge behind the construction and automated management (from an Industry 4.0 perspective) of production lines. The codification of intellectual property for 3SUN identified all the technological components and related forms of protection, which involve a broad group of patent families for the processes implemented, the materials used and the heterojunction techniques used to manufacture panels, as well as a considerable volume of confidential knowledge, adequately identified and protected, necessary to make the panels, and specific production know-how that directly concerns the realization of all the components of the Gigafactory.

The cases of Grid Blue Sky and 3SUN are emblematic of the assiduous work that Enel has been pursuing for some years now to make it increasingly visible to the outside world how intellectual property is instrumental to the generation and preservation of the Company's competitive advantage, both in cases of direct and internal exploitation of technological solutions (as in the case of 3SUN) or where proprietary oversight is instrumental to sharing knowledge in a context of open innovation and enabling new business models (as in the case of Grid Blue Sky).

People centricity

People management and development at Enel

The Enel Group workforce at December 31, 2021 numbered 66,279 (66,717 at December 31, 2020). The contraction of 438 in the Group workforce in 2021 reflects the impact of the balance between new hires and terminations during the period (-461) and the change in the consolidation scope (a total of +23), which included the disposal of the Enel Green Power Bulgaria companies and the acquisition of CityPoste Payment SpA in Italy.

The following tables analyze the number and variation in employees by gender, age group, job classification and geographical area. An analysis by Business Line is also provided for the number of employees only.

Year-end workforce

		2021	2020	Change	
Employees by gender:	no.	**66,279**	**66,717**	**(438)**	**-0.7%**
- of which men	no.	51,341	52,346	(1,005)	-1.9%
	%	77.5	78.5	-1.0	-1.3%
- of which women	no.	14,938	14,371	567	3.9%
	%	22.5	21.5	1.0	4.7%
Employees by age group:	no.	**66,279**	**66,717**	**(438)**	**-0.7%**
- <30	no.	7,761	7,289	472	6.5%
	%	11.7	10.9	0.8	7.3%
- 30-50	no.	38,024	36,355	1,669	4.6%
	%	57.4	54.5	2.9	5.3%
- >50	no.	20,494	23,073	(2,579)	-11.2%
	%	30.9	34.6	-3.7	-10.7%
Employees by level:	no.	**66,279**	**66,717**	**(438)**	**-0.7%**
- senior manager	%	2.1	2.1	-	-
- middle manager	%	18.5	17.4	1.1	6.3%
- office staff	%	53.6	53.8	-0.2	-0.4%
- blue collar	%	25.8	26.7	-0.9	-3.4%
Employees by geographical area	no.	**66,279**	**66,717**	**(438)**	**-0.7%**
Italy	no.	30,276	29,800	476	1.6%
	%	45.7	44.7	1.0	2.2%
Iberia	no.	9,518	9,781	(263)	-2.7%
	%	14.4	14.7	-0.3	-2.0%
Latin America	no.	18,763	19,838	(1,075)	-5.4%
	%	28.3	29.7	-1.4	-4.7%
Europe	no.	4,994	4,966	28	0.6%
	%	7.5	7.4	0.1	1.4%
North America	no.	1,914	1,639	275	16.8%
	%	2.9	2.5	0.4	16.0%
Africa, Asia and Oceania	no.	814	693	121	17.5%
	%	1.2	1.0	0.2	20.0%

Workforce by Business Line

No.

	at Dec. 31, 2021	at Dec. 31, 2020	Percentage of total at Dec. 31, 2021	Percentage of total at Dec. 31, 2020
Thermal Generation and Trading	7,847	8,142	11.8%	12.2%
Enel Green Power	8,989	8,298	13.5%	12.4%
Infrastructure and Networks	33,263	34,332	50.2%	51.5%
End-user Markets	6,148	6,324	9.3%	9.5%
Enel X	3,352	2,989	5.1%	4.5%
Services	5,734	5,731	8.7%	8.6%
Holding and other	946	901	1.4%	1.3%
Total	**66,279**	**66,717**	**100.0%**	**100.0%**

Change in workforce

Balance at December 31, 2020	**66,717**
Hirings	5,401
Terminations	(5,862)
Change in consolidation scope	23
Balance at December 31, 2021	**66,279**

Breakdown of changes in workforce

		2021	2020	Change	
Hiring rate	%	**8.1**	**4.7**	**3.4**	**72.3%**
New hires by gender:	no.	**5,401**	**3,131**	**2,270.0**	**72.5%**
- of which men	no.	3,764	2,203	1,561	70.9%
	%	69.7	70.4	-0.7	-1.0%
- of which women	no.	1,637	928	709	76.4%
	%	30.3	29.6	0.7	2.4%
New hires by age group:	no.	**5,401**	**3,131**	**2,270**	**72.5%**
- <30	no.	2,579	1,363	1,216	89.2%
	%	47.8	43.5	4.3	9.9%
- 30-50	no.	2,653	1,700	953	56.1%
	%	49.1	54.3	-5.2	-9.6%
- >50	no.	169	68	101	-
	%	3.1	2.2	0.9	40.9%
New hires by geographical area	no.	**5,401**	**3,131**	**2,270**	**72.5%**
Italy	no.	1,697	1,044	653	62.5%
	%	31.5	33.3	-1.8	-5.4%
Iberia	no.	693	257	436	-
	%	12.8	8.2	4.6	56.1%
Latin America	no.	1,704	991	713	71.9%
	%	31.5	31.7	-0.2	-0.6%
Europe	no.	439	280	159	56.8%
	%	8.1	8.9	-0.8	-9.0%
North America	no.	636	362	274	75.7%
	%	11.8	11.6	0.2	1.7%
Africa, Asia and Oceania	no.	232	197	35	17.8%
	%	4.3	6.3	-2.0	-31.7%

		2021	2020	Change	
Turnover rate	%	**8.8**	**6.0**	**2.8**	**46.7%**
Terminations by gender:	no.	**5,862**	**3,696**	**2,166**	**58.6%**
- of which men	no.	4,779	3,001	1,778	59.2%
	%	81.5	81.2	0.3	0.4%
- of which women	no.	1,083	695	388	55.8%
	%	18.5	18.8	-0.3	-1.6%
Terminations by age group:	no.	**5,862**	**3,696**	**2,166**	**58.6%**
- <30	no.	702	547	155	28.3%
	%	12.0	14.8	-2.8	-18.9%
- 30-50	no.	2,275	1,273	1,002	78.7%
	%	38.8	34.4	4.4	12.8%
- >50	no.	2,885	1,876	1,009	53.8%
	%	49.2	50.8	-1.6	-3.1%
Terminations by geographical area	no.	**5,862**	**3,696**	**2,166**	**58.6%**
Italy	no.	1,249	1,011	238	23.5%
	%	21.3	27.3	-6.0	-22.0%
Iberia	no.	956	599	357	59.6%
	%	16.3	16.2	0.1	0.6%
Latin America	no.	2,779	1,393	1,386	99.5%
	%	47.4	37.7	9.7	25.7%
Europe	no.	406	299	107	35.8%
	%	6.9	8.1	-1.2	-14.8%
North America	no.	361	313	48	15.3%
	%	6.2	8.5	-2.3	-27.1%
Africa, Asia and Oceania	no.	111	81	30	37.0%
	%	1.9	2.2	-0.3	-13.6%

Training and development

As the COVID-19 emergency evolved, personnel safety was guaranteed by continuing to adopt the flexible working measures implemented in 2020. In 2021, remote working was used by more than 39 thousand employees in the countries in which the Group operates. This capacity for flexibility and resilience leverages our consolidated experience with flexible working, which began in Italy as early as 2016 and then gradually spread throughout the Group, and the technological and digital transformation of corporate strategy that has made Enel the first public utility completely resident in the cloud.
The new approach to work has benefited from the numerous tools and support services made available to our people, an essential prerequisite for working from home, ensuring the circulation and sharing of information and the effective organization of activities. Training and awareness-raising initiatives continue to accompany the adoption of fully digital working methods and the promotion of a work culture based on independence, delegation and trust, and attention to the well-being of our people and their families.

In this context, the targeted reskilling and upskilling programs have therefore been strengthened, the former to learn skills and expertise that enable people to fill new positions and roles, while the latter involve the development of training and empowerment courses that enable employees to improve their performance in their job, increasing the skills available to them in their current position.
During 2021, dissemination efforts concerning upskilling and reskilling issues were launched with the involvement of all the Group's countries and Business Lines: these included a global challenge and 36 interviews with senior executives on current and future skills. A working group was also formed to draft guidelines and map projects, adopting a common taxonomy in which upskilling, reskilling and external skilling are considered as an integrated set of initiatives that include training, development and the Enel ecosystem as a whole.
European networking on upskilling and reskilling issues was expanded by joining the Upskill4the future initiative of CSR Europe with the People Business Partner R-evolution project of e-distribuzione, targeted at People Business Partners, the first facilitators of the energy transition in accompanying people along their professional growth path, who contributed to

the drafting of the Joint Statement on the Just Transition, of the European social partners, signed in November.

Enel promotes training activities for its people as a key element in ensuring their constant development. We have developed career paths to foster the evolution of our talent, the valorization of passions and personal aptitude and the development of new languages, also promoting the formation of internal trainers ("train the trainer"). In 2021, some 3 million hours of training were provided, an increase compared with the previous year, with 20% provided in person and the remainder delivered remotely. This was made possible by the upgrading of digital tools and the E-Ducation platform, which ensured broad access to content and expanded the culture of digitalization for learning. The training courses covered issues related to conduct, technical issues, safety, new skills and digital culture.
Total Group training costs in 2021 amounted to €23 million.[18]

Average training hours per employee

		2021	2020	Change	
Average number of training hours	hrs/person	**44.6**	**40.9**	**3.7**	**9.0%**
Average number of training hours by level:					
- senior manager	hrs/person	29.6	31.9	(2.3)	-7.2%
- middle manager	hrs/person	41.9	41.4	0.5	1.2%
- office staff	hrs/person	38.4	35.7	2.7	7.6%
- blue collar	hrs/person	60.3	51.4	8.9	17.3%
Average number of training hours by gender:					
- men	hrs/person	46.5	40.4	6.1	15.1%
- women	hrs/person	37.7	42.7	(5.0)	-11.7%

In a rapidly changing work environment, accelerated by the pandemic crisis, the Group has set itself the ambitious goal of promoting digital sustainability in the coming years through a series of training initiatives that illustrate all those technologies that enable our people to work and coexist sustainably with the surrounding environment.
With regard to people development initiatives, in 2021 a new performance appraisal model was developed and extended to the entire Group: the Open Feedback Evaluation (OFE). The program, which involves 100% of the Group's eligible employees, has significant distinctive features compared with past iterations. More specifically, in order to forge a constant dialogue between and with people, the evaluation has been made continuous and omni-comprehensive, with three moments of communication between managers and personnel during the year. The new OFE model consists of three interdependent dimensions: "Talent", which consists in highlighting a worker's individual skills based on the 15 Soft Skills Model linked to the 4 Open Power values of Trust, Responsibility, Innovation and Proactivity; "Generosity", understood as an aptitude to enter into relationships with others, dedicating time to recognizing the talents of colleagues and in turn getting involved by requesting feedback on one's own performance, generating a mechanism for individual and collective growth; and, finally, "Action", i.e., the ability of employees to achieve professional goals, as assessed by their managers.

Listening and improvement of organizational well-being

Following earlier initiatives conducted by Enel to ensure we are constantly listening to our people, which over the years have led to the development of specific action plans for individual holding functions, Business Lines and geographical areas, producing answers to the main needs that emerged from the process (meritocracy, personal development, work-life balance, etc.), at the end of 2020 a global "Open Listening - interview to build our future" program was launched. This global initiative, which saw the active participation of 70% of employees, provided important feedback on the internal climate but also on working conditions, asking our people to imagine the future in the "Next Normal" era: from remote working methods to spaces, innovative technologies and the new leadership models of the future.
Furthermore, during 2021 Enel and our people also developed a global well-being model based on eight pillars that impact general satisfaction: psychological, physical,

(18) The cost calculation takes account of the specific training account in the New Primo system. This includes all external training costs and is currently the only form of certified information on training costs available.

social, ethical, economic and cultural well-being, work-life harmony and a feeling of protection. To measure well-being and identify the most important initiatives for people, a global well-being survey was conducted. The findings of the survey will enable the development of a Global Wellness Program in 2022, with the involvement of an international, diverse and multicultural team.
Finally, 2021 saw another important listening moment aimed at identifying, among other things, the aspects of the work environment that our personnel recognize as most valuable and distinctive of the Group: the "Employer Value Proposition Survey". Thanks to this project, which involved employees from around the world, a Net Promoter Score – an indicator measuring the employee satisfaction – was also analyzed, assessing the main attributes associated with the Enel brand in its position as an "employer of choice". Sustainability, innovation, safety at work and work-life balance are the main attributes that emerged, factors that also match the main preferences declared by people when they choose where they want to work.

Diversity in Enel

The inclusion of diversity and the valorization of people's multiple and unique talents are essential factors of Enel's approach for creating long-term sustainable value for all stakeholders.

Enel's commitment to promoting diversity and inclusion is a process that started in 2013 with the adoption of our Human Rights Policy, followed in 2015 by our global Diversity and Inclusion Policy, published in conjunction with Enel's adoption of the Women's Empowerment Principles (WEP) promoted by the UN Global Compact and UN Women and in line with the United Nations Sustainable Development Goals. In 2019, the Global Workplace Harassment Policy was published. It sets out the principle of respect for the integrity and dignity of the individual in the workplace and addresses the issue of sexual harassment and harassment connected with discrimination in the workplace. In 2020, these principles were delineated in the Statement against Harassment. Finally, with a focus on the inclusion of everyone and with a view to ensuring equal opportunities for access to information and digital systems, a global digital accessibility policy was issued in 2021.

Our approach to diversity and inclusion is based on the principles of non-discrimination, equal opportunities, dignity and inclusion of every person regardless of differences, and work-life balance. It is embodied in a comprehensive set of actions that promote the care and expression of the uniqueness of each person, an inclusive and prejudice-free organizational culture, and a coherent mix of skills, qualities and experiences that create value for people and the business.

Among the most important initiatives pursued in 2021 are dedicated actions to systematically impact the various aspects of the gender gap and the inclusion of disability, the specific listening and support services made available to people in the context of the pandemic emergency, projects dedicated to people with vulnerabilities, awareness-raising initiatives on LGBTQ+ issues and cultural diversity.
In recent years, an intense awareness-raising effort has helped spread and strengthen the culture of inclusion at every level and in every organizational context, using communication campaigns and dedicated global and local events. In 2021, two global awareness campaigns on workplace bias and harassment were launched for all employees.

The progress of D&I policies is monitored periodically through a global reporting process that measures the performance of an extensive set of KPIs on all dimensions for internal and external purposes. In particular, with regard to gender, Enel has set itself two public objectives: to ensure equal balance of the two genders in the initial stages of the selection processes and to increase the representation of women in senior and middle management. In 2021, women represented 52.1% of people involved in the selection process, an increase on 2020 (44%), while women accounted for 23.6% of senior managers (21.6% in 2020) and 31.4% of middle managers (30.4% in 2020).

With this in mind, a new performance target in the 2021 Long-Term Incentive Plan has been introduced, with a weight equal to 5% of the total, represented by the "percentage of women in management succession plans" at the end of 2023.
This represents an objective for all managers of Enel and/or its subsidiaries, including the General Manager (as well as Chief Executive Officer) of Enel, who hold top positions and/or positions of strategic interest for the Group. It also underscores the strong commitment of the Enel Group to ensuring equal representation of women in the areas that feed management succession plans and emphasizes the increasing attention being paid to the issue of gender equality.

As part of the Value for Disability project, the actions envisaged in the associated action plan continued with the issuance of a global policy on digital accessibility and numerous awareness-raising initiatives aimed at spreading a new approach to the inclusion of colleagues with disabilities and promoting their effective participation. In Italy,

the roll out of new services for people with chronic disease and the vulnerable also continues.

For the purposes of monitoring pay equality, in 2021 a 2% increase in the percentage of female managers (from 21.6% to 23.6%) produced a slight decrease in the Equal Remuneration Ratio (ERR), which slipped from 83.3% to 81.1%.
All the actions taken to valorize the presence of women in the Group continued, whether for those in top positions or otherwise, the effects of which will be fully appreciable in the medium/long term, taking due account of generational dynamics.
The following table demonstrates Enel's commitment to diversity and inclusion, showing the proportion of disabled personnel, the number of women in senior or middle management positions and the ratio of the average basic remuneration of women to that for men.

Diversity and inclusion

		2021	2020	Change	
Disabled personnel or personnel belonging the protected categories	%	**3.2**	**3.3**	**-0.1**	**-3.0%**
Women senior and middle managers	no.	**4,163**	**3,825**	**338**	**8.8%**
Ratio of base salary to remuneration					
Ratio of base salary women/men:	%	**104.8**	**108.1**	**-3.3**	**-3.1%**
- senior manager	%	84.6	86.7	-2.1	-2.4%
- middle manager	%	94.2	96.5	-2.3	-2.4%
- office staff	%	88.4	90.2	-1.8	-2.0%
- blue collar	%	111.2	77.0	34.2	44.4%
Ratio of base remuneration women/men:	%	**105.1**	**108.3**	**-3.2**	**-3.0%**
- senior manager	%	81.1	83.3	-2.2	-2.6%
- middle manager	%	93.2	95.7	-2.5	-2.6%
- office staff	%	88.4	90.3	-1.9	-2.1%
- blue collar	%	112.0	77.8	34.2	44.0%

Workplace health and safety

HIG
VChain

Enel considers employee health, safety and general well-being to be its most valuable asset, one to be preserved both at work and at home. We are therefore committed to developing and promoting a strong culture of safety that ensures a healthy work environment and protection for all those working with and for the Group. Safeguarding our own health and safety and that of the people with whom we interact is the responsibility of everyone who works for Enel. For this reason, as provided for in the Group "Stop Work Policy", everyone is required to promptly report and halt any situation of risk or unsafe behavior. The constant commitment of us all, the integration of safety both in corporate processes and training, the reporting and detailed analysis of all information, near misses, safety warnings, non-compliance, controls, rigor in the selection and management of contractors, the sharing of experience and best practices throughout the Group as well as benchmarking against the leading international players are all cornerstones of Enel's culture of safety. During 2021, the "Data Driven Safety" approach was further developed. It seeks to develop "selective prevention" safety indicators that help identify the country, technology and area at greatest risk of fatal events in order to direct prevention and protection interventions for internal employees and contractors.

The Group's approach to suppliers is to consider each of them as a partner with whom the key principles of safety and the environment are to be shared. These include the Zero Accidents goal and the importance of the Stop Work Policy, tools that make it possible to promptly report and halt any situation of risk that could harm people or the environment. At all stages, from qualification to contract award, the Group has adopted specific tools to monitor the management of Health, Safety and Environmental requirements. Accurate monitoring is associated with a continuous process of on-site inspections and consequence management, defined on the basis of the supplier's safety and environmental risk profile, with a view to improving performance.
In addition, during 2021 the Contractor Safety Partnership program continued. It is based on sharing Enel's core values for safety. In particular, the Safety Support process proposes lines of improvement and internal experience is made available to suppliers to support the training of contractor staff, while keeping the responsibilities of the contractor well separated from Enel.
Enel is committed to increasing safety and environmental skills both in terms of technical know-how and cultural approach, all with a view to promoting a new way of working that is safer for people and more sustainable for the envi-

ronment. To this end, in 2021 the SHE Factory unit expanded its effort in the production, distribution and provision of courses and training material for Enel staff and contractors.

The following table reports the main workplace safety indicators.

		2021	2020	Change	
Hours worked	millions of hours	**423.362**	**403.333**	**20.028**	**5.0%**
Enel	millions of hours	123.421	125.264	(1.843)	-1.5%
Contractors[1]	millions of hours	299.940	278.069	21.871	7.9%
Total injuries (TRI)	no.	**1,212**	**1,308**	**(96)**	**-7.3%**
Enel	no.	156	196	(40)	-20.4%
Contractors	no.	1,056	1,112	(56)	-5.0%
Injury frequency rate (TRI)[2]	i	**2.863**	**3.243**	**(0.380)**	**-11.7%**
Enel	i	1.264	1.565	(0.301)	-19.2%
Contractors	i	3.521	3.999	(0.478)	-12.0%
Fatal injuries	no.	**9**	**9**	**-**	**-**
Enel	no.	3	1	2	-
Contractors	no.	6	8	(2)	-25.0%
Fatal injury frequency rate	i	**0.021**	**0.022**	**(0.001)**	**-3.4%**
Enel	i	0.024	0.008	0.016	-
Contractors	i	0.020	0.029	(0.009)	-31.0%
"Life changing" injuries[3]	no.	**4**	**-**	**4**	**-**
Enel	no.	1	-	1	-
Contractors	no.	3	-	3	-
"Life changing" injury frequency rate	i	**0.009**	**-**	**0.009**	**-**
Enel	i	0.008	-	0.008	-
Contractors	i	0.010	-	0.010	-

(1) The 2020 figures reflect a more accurate calculation.
(2) This index is calculated as the ratio between the number of injuries (all injury events including those with three or fewer missed days of work) and hours worked/1,000,000.
(3) Injuries whose consequences caused permanent changes in the life of the individual (amputation of a limb, paralysis, neurological damage, etc.).

In 2021, the total recordable injury (TRI) declined by 7.3% compared with 2020. The decline was found for both Enel employees (-20.4%) and contractor employees (-5.0%).
In 2021, there were:

- 9 fatal accidents, of which 3 involving Enel Group employees (2 in Italy and 1 in Brazil), and 6 fatal accidents involving contractors (2 in Brazil, 2 in Chile, 1 in Italy and 1 in Spain);
- 4 "life changing" accidents, of which 1 involving an Enel employee in Brazil and 3 involving contractors (1 each in Brazil, Colombia and Spain).

The causes of these fatal accidents were mainly associated with electrical (7), mechanical (5) and chemical (1) incidents.

The Enel Group has established a structured health management system, based on prevention measures to develop a corporate culture that promotes psycho-physical health, organizational well-being and a balance between personal and professional life. With this in mind, the Group conducts global and local awareness campaigns to promote healthy lifestyles, sponsors screening programs aimed at preventing the onset of diseases and guarantees the provision of medical services. The Enel Group has a systematic and ongoing process for identifying and assessing work-related stress risks, in accordance with the Stress at Work Prevention and Well-being at Work Promotion policy, for the prevention, identification and management of stress in work situations, also providing recommendations aimed at promoting a culture of organizational well-being. In 2021, the Enel Group focused on strengthening the measures and programs targeting well-being issues, which are increasingly vital in ensuring not only the well-being of its workers in the context of a pandemic but also looking to the future and to new ways of working.

The Group also constantly monitors epidemiological and health developments in order to implement preventive and protective measures for the health of employees and those who work with the Group, both locally and globally. Since the outset of the COVID-19 emergency in February 2020, Enel has taken steps to protect the health of all workers and ensure the continuity of electricity supply to the communities in which it operates, primarily by setting up specific global and country task forces and, subsequently, establishing a

unit responsible for overseeing this process.
The purpose of this Pandemic Emergency Management unit is to monitor of emergencies, define strategy and global policies and their adoption in every area of the Group and direct, integrate and monitor all prevention, protection, safeguard and response actions intended to protect the health of its employees and contractors, also in relation to external health risk factors not strictly related to work.

Responsible relations with communities

Establishing solid and lasting relationships with local communities in the countries in which Enel operates is a fundamental pillar of the Group's strategy. This, together with devoting unswerving attention to social and environmental factors, has enabled Enel, on the one hand, to implement a new balanced model of equitable development that leaves no one behind and, on the other, to create long-term shared value for all stakeholders.
This model has been incorporated along the entire value chain: from proactive analysis of the needs of communities right from the development phases of new business to the establishment of sustainable worksites and plants, managing assets and plants to make them sustainable development platforms to the benefit of the territories in which they are located. A further evolution is the extension of this approach to the design, development and supply of energy services and products, as well as process innovation, leveraging new technologies and helping to build increasingly circular, inclusive and sustainable communities.
In line with the Sustainable Development Goals (SDGs), Enel makes a concrete contribution to the sustainable progress of the territories in which it operates. This commitment is fully integrated into our purpose and corporate values, from the expansion of infrastructure to education and vocational training programs, and projects to support cultural and economic activities. Specific initiatives have been designed to promote access to energy and rural and suburban electrification, addressing energy poverty and promoting social inclusion for the most vulnerable segments of the population, also using new technologies and circular economy approaches and adopting a strategy that fully incorporates sustainability into our business model and activities. Various initiatives have been developed globally for the protection of biodiversity, in line with the Group's decarbonization strategy.
There are two major challenges in particular: the equitable and sustainable energy transition and the post-pandemic recovery.

The energy transition represents an important accelerator of growth and modernization of industry, thanks to the potential it offers in terms of economic development, well-being, quality of life and equality. Far-sighted policies are necessary to seize these opportunities, ensuring a just and inclusive transition and taking particular account of the needs of the social categories most exposed to change. Enel is convinced that, in order to generate lasting profit, value must be shared with the entire environment in which it operates.
With the continuation of the COVID-19 pandemic, our commitment to support communities has also continued, with the activation of specific initiatives to sustain socio-economic recovery through the development of local marketplaces, facilitating access to credit and promoting inclusive business models to support the weaker segments of the population, with particular attention to people in physically, socially and economically vulnerable positions. Many digitalization projects have also been undertaken to support connectivity in rural areas, computer literacy, the participation of women in STEM fields, e-commerce platforms and online or offline solutions with a positive impact on local economies.
In 2021, Enel developed over 2,400 sustainability projects involving more than 7.5 million beneficiaries in the countries in which it operates. Projects to ensure access to affordable, reliable, sustainable and modern energy (SDG 7) have involved 13.2 million people to date,[19] those to foster the economic and social development of communities (SDG 8) have reached 3.7 million beneficiaries,[20] while initiatives to promote quality education (SDG 4) have benefited 3 million people.[21]

In order to identify the best ideas for each area, the process involves sharing with local communities and listening to stakeholders, leading to the identification of effective measures to respond to local needs in synergy with company objectives.

(19) Cumulative 2015-2021 figures for total number of SDG 7 beneficiaries to date.
(20) Cumulative 2015-2021 figures for total number of SDG 8 beneficiaries to date.
(21) Cumulative 2015-2021 figures for total number of SDG 4 beneficiaries to date.

The ideas that emerged from stakeholder engagement and constant dialogue with communities represent the basis for the construction of long-term partnerships with the active involvement of non-governmental organizations and startups, companies and institutions rooted in the territory. An approach that leads to the implementation of a wide range of projects in different areas, thanks in part to the activation of virtuous ecosystems such as the Open Innovability® platform, which is based on openness and sharing, facilitating and promoting the identification of innovative social ideas and solutions. In 2021, over 580 partnerships were active at an international level, fostered in part by a range of tools such as, for example, crowdsourcing platforms (openinnovability.com) and the Innovation Hub network.

Sustainable supply chain

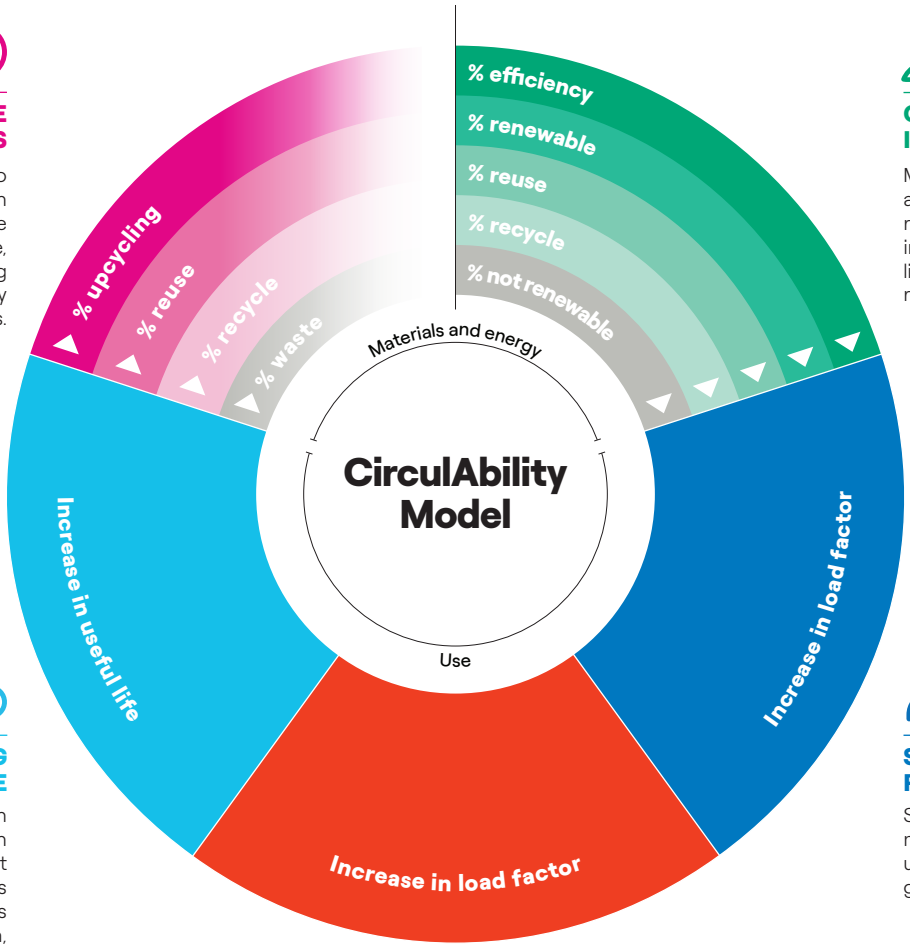
In addition to meeting certain quality standards, the services of our vendors must also go hand in hand with the adoption of best practices in terms of human rights and working conditions, health and safety and environmental and ethical responsibility. Our procurement procedures are designed to guarantee service quality in full respect of the principles of economy, effectiveness, timeliness, fairness and transparency. The procurement process plays a central role in value creation in its various forms (safety, savings, timeliness, quality, earnings, revenue, flexibility) as a result of ever-greater interaction and integration with the outside world and the different parts of the company organization. About 6,900 qualified suppliers had an active contract in place at the end of 2021.

Vendor management involves three essential stages, which integrate social, environmental and governance issues: the qualification system, the definition of general terms and conditions of contract, and the Supplier Performance Management (SPM) system in the evaluation process. Enel's global vendor qualification system (with about 14,000 active qualifications at December 31, 2021) enables us to accurately assess businesses that intend to participate in tender processes through the analysis of compliance with technical, financial, legal, environmental, health and safety, human and ethical rights and integrity requirements, representing a guarantee for the Company. As regards the tendering and bargaining process, Enel continued to introduce aspects related to sustainability in tendering processes, not only with the introduction of a specific "K for sustainability" factor, but also through the use of mandatory sustainability requirements that take account of the environmental, social and safety characteristics of suppliers. To facilitate the application and monitoring of these requirements, in 2021 the first version of the sustainability requirements library was implemented on the WeBUY purchasing portal, a coded list of sustainability actions that buyers can apply as mandatory requirements in the tender phase. In the early months of 2021, all the standards (Product Category Rules) necessary to obtain the "Environmental Product Declaration" were published. This certification seeks to quantify, certify and communicate the impacts generated during the entire life cycle of a supply relationship (in terms of CO_2 emissions, water consumption, impact on the soil, recycled material, etc.). This process enables us to obtain a sector benchmark and define improvement plans with the suppliers involved (more than 200 in 13 strategic product categories that account for some 50% of the Group's annual spending on supplies). Furthermore, specific contractual clauses regarding sustainability are also envisaged in all contracts for works, services and supplies, including respect for and protection of human rights and compliance with ethical and social obligations. The SPM system is designed to monitor vendor services in terms of the quality, timeliness and sustainability of contract execution.

We also continued working on those activities that enable the ever-greater integration of environmental, social and governance issues in the supply chain strategy, creating shared value with vendors. These include meetings and information initiatives with contractors on sustainability issues, with specific regard to safeguarding health and safety.

The circular economy

For Enel, the circular economy represents a strategic driver in rethinking the existing development model by combining innovation, competitiveness and sustainability in order to respond to today's great environmental and social challenges. The Group's vision is based on five pillars that act through three main levers: design (i.e., planning, materials used), methods of use (i.e., the extension of useful life, sharing, product as a service) and the closure of cycles (i.e., reuse, remanufacturing, recycling).



NEW LIFE CYCLES

All solutions designed to preserve the value of an asset at the end of its life cycle thanks to reuse, regeneration, upcycling or recycling, in synergy with other pillars.

CIRCULAR INPUTS

Model of production and use based in renewable inputs or inputs from previous life cycles (reuse and recycling).

EXTENDING USEFUL LIFE

Approach to the design and operation of an asset or product intended to extend its useful life, such as modular design, facilitated repair or predictive maintenance.

SHARING PLATFORMS

Systems for joint management by multiple users of products, goods or skills.

PRODUCT AS SERVICE

A business model in which the customer purchases a service for a specified period of time, while the company retains ownership of the product, maximizing usage and useful life.

For the result to be effectively transformative, the circular approach must inevitably embrace the entire value chain. For this reason, it has been implemented in all the Group's activities, acting both through the Business Lines, as regards technologies and business models, and through the countries, as regards cross-sectoral synergies, collaborations and ecosystems. Since 2018, a global project has been operational with suppliers to measure the circularity of what we purchase, reward the most virtuous and co-innovate to rethink assets and products together. The generation and distribution areas have been innovating in order to rethink the value chain of new installed assets, such as smart meters, photovoltaics and wind power, from a circular point of view and leveraging their assets during operations. The Global Energy and Commodity Management Business Line is supporting this transition by extending its skills to the ar-

eas of new materials and secondary raw materials. Enel X is marketing itself as an accelerator of the circularity of its customers, both by continuously measuring and improving its products and services and by providing measurement and consulting services to customers to increase their circularity.

Since the initial stages of adopting a circular approach, Enel has placed a strong focus on measuring the environmental and economic benefits of circularity, with the awareness that a model that exceeds and, ideally, eliminates the consumption of non-renewable resources must be measurable in order to be not only sustainable but also economically competitive. Since the 2020 Capital Markets Day, for example, the Group has introduced a new circularity indicator for generation assets, supplementing existing indicators on direct emissions. This additional indicator photographs the evolution over the years of the consumption of materials per MWh generated on a whole life basis, measuring the consumption of materials throughout the life cycle: from production to installation, to decommissioning of generation assets.

A business model based on circularity requires maximum collaboration between all key players: this is why Enel considers it essential to open lines of communication and collaboration with those who share this vision, involving supply chains and promoting common initiatives (including training) to safeguard natural resources and increase the competitiveness of a country.

Finally, in the belief that the transition to a circular economy will generate multiple economic, social and environmental benefits, we believe that Group finance can play a key role in accelerating this transition by providing financial assistance to companies and projects that implement circular business models, supporting the development of the new innovative technologies necessary to enable the functioning of new circular business models.

Significant events in 2021

Enel closes Unit I of Bocamina coal-fired plant three years ahead of date set in Chile's National Decarbonization Plan

On January 4, 2021, the Enel Group disconnected and ceased operations at Unit I of the Bocamina coal-fired power plant, which is located in the Chilean municipality of Coronel. The 128 MW Unit I was disconnected three years before the date set in Chile's National Decarbonization Plan. With this milestone, coupled with the closure of Tarapacá coal plant on December 31, 2019 and the expected closure of Enel's last coal facility in the country, Bocamina's Unit II, by May 2022, steady progress is being made towards the decarbonization of Enel's Chilean generation mix.

Moody's upgrades Enel's long-term rating to "Baa1"

On January 15, 2021, Moody's Investors Service (Moody's) announced that it had upgraded its long-term rating of Enel SpA to "Baa1" from the previous level of "Baa2". Among the rating drivers prompting the upgrade, Moody's cited:

- low earnings volatility driven by large scale and geographical diversification;
- stable earnings stemming from regulated networks and contracted generation, which account for 80% of the Group's EBITDA;
- solid financial profile, with funds from operations/net debt in excess of 20%.

Enel issues hybrid bonds

On February 25, 2021, the Board of Directors of Enel SpA authorized the issue, by December 31, 2021, of one or more non-convertible subordinated hybrid bonds, including perpetual bonds, for up to a maximum of €3 billion. The bonds are to be placed exclusively with European and non-European institutional investors, including through private placements. In execution of that resolution, on March 4, 2021 Enel issued a new perpetual hybrid bond of €2.25 billion.

Enel agrees the largest ever sustainability-linked revolving credit facility

On March 5, 2021, Enel and its Dutch subsidiary Enel Finance International NV (EFI) signed the largest ever sustainability-linked revolving credit facility in the amount of €10 billion, with a term of five years.
The facility, which will be used to meet the Group's financial requirements, is linked to a key performance indicator consisting of direct greenhouse gas emissions (i.e., Group Scope 1 CO_2 equivalent emissions from the production of electricity and heat), contributing to the achievement of the United Nations Sustainable Development Goal (SDG) 13 "Climate Action" and in line with the Group's Sustainability-Linked Financing Framework, for which Vigeo Eiris provided a second-party opinion. The facility replaces the previous €10 billion revolving credit line obtained by Enel and EFI in December 2017 and has a lower all-in cost than the earlier facility.

Voluntary partial public tender offer for the shares and American Depositary Shares of Enel Américas SA

As part of the process of corporate reorganization aimed at integrating the non-conventional renewable energy business of the Enel Group in Central and South America (excluding Chile) into the listed Chilean subsidiary Enel Américas SA, on March 15, 2021, Enel SpA, as previously announced to investors, launched a voluntary partial public tender offer for Enel Américas common stock and American Depositary Shares (ADSs) up to a maximum overall amount of 7,608,631,104 shares (including the shares represented by ADSs), equal to 10% of the company's outstanding share capital at that date (the Offer). The Offer was structured as a voluntary public tender offer in the United States and a voluntary public tender offer in Chile. The Offer period ran from March 15 to April 13, 2021. The Offer was conditional upon the effectiveness of the merger of EGP Américas SpA into Enel Américas SA, which occurred on April 1, 2021. The total outlay of 1,065.2 billion Chilean pesos (equal to around €1.3 billion, calculated at the exchange rate prevailing on April 15, 2021 of 847.87 Chilean pesos for 1 euro) was funded through internally generated cash flows and existing borrowing capacity. Following completion of the voluntary partial public tender offer and the merger of EGP Américas, Enel holds about 82.3% of Enel Américas' currently outstanding share capital.

Sale of 50% of Open Fiber

On April 30, 2021, the Board of Directors of Enel SpA resolved to initiate the procedures for the sale of 10% of the share capital of Open Fiber SpA to CDP Equity SpA (CDPE), subject to the simultaneous completion of the sale, examined and favorably evaluated by the Board of Directors of Enel at its meeting of December 17, 2020, of 40% of Open Fiber to Macquarie Asset Management as well as the payment to Open Fiber, in line with the commitments of the shareholders already envisaged in the relative current industrial plan, of a capital injection totaling up to €194 million, of which €97 million pertaining to Enel.

The contracts for the sale of the entire equity investment, equal to 50% of the share capital, in Open Fiber, of which 40% to Macquarie Asset Management and 10% to CDPE, were concluded on August 5, 2021. The contract for the sale to Macquarie Asset Management of 40% of the share capital of Open Fiber provided for a price of €2,120 million, including the transfer of 80% of the Enel portion of the shareholders' loan granted to Open Fiber, including accrued interest. The contract for the sale to CDPE of 10% of the share capital of Open Fiber provided in turn for a price of €530 million, including the transfer to CDPE of 20% of the Enel portion of the shareholders' loan granted to Open Fiber, including accrued interest. These contracts also provided for the payment to Enel of the earn-outs linked to future and uncertain events detailed in the press releases of December 17, 2020 and April 30, 2021.

On December 3, 2021, Enel SpA finalized the sale of its entire investment in Open Fiber SpA, equal to 50% of that company's share capital, to Macquarie Asset Management and CDPE, following satisfaction of all the conditions set out in the contracts agreed with them, 40% to Macquarie Asset Management for about €2,199 million and 10% to CDPE for about €534 million.

The total proceeds received by Enel therefore amounted to about €2,733 million, and resulted in the recognition of income at the Group level of around €1,763 million.

Enel updates its US commercial paper program under SDG 13, the first of its kind in the United States

On May 11, 2021, Enel, acting through its US subsidiary Enel Finance America LLC, updated its $3 billion commercial paper program established in 2019, expanding it to $5 billion and connecting it to the UN Sustainable Development Goal (SDG) 13 "Climate Action". In line with Enel's Sustainability-Linked Financing Framework, the program reflects the Enel Group's objectives for reducing direct greenhouse gas emissions for 2023 and 2030. The program is part of Enel's sustainable finance strategy, in line with the objective to achieve a share of sustainable finance sources as a proportion of the Group's total gross debt equal to 48% in 2023 and more than 70% in 2030.

Enel successfully places a triple-tranche €3.25 billion sustainability-linked bond on the eurobond market, also launching a tender offer for conventional bonds at the same time

On June 8, 2021, Enel Finance International NV (EFI) launched a triple-tranche sustainability-linked bond for institutional investors on the eurobond market totaling €3.25 billion. The bond is linked to the achievement of Enel's sustainable objective related to the reduction of direct greenhouse gas emissions (Scope 1), contributing to the United Nations Sustainable Development Goal (SDG) 13 "Climate Action" and in line with the Group's Sustainability-Linked Financing Framework. At the same time, EFI launched a non-binding voluntary tender offer for the repurchase of four outstanding series of conventional bonds, which was completed on June 15, 2021. Accordingly, the company will purchase in cash conventional euro-denominated bonds with a total nominal value of €1,069,426,000. The success of the transaction will make it possible to accelerate the Group's goals for increasing the ratio of sustainable finance sources as a proportion of the Group's total gross debt.

Enel Green Power starts commercial operation of South America's largest wind farm, Lagoa dos Ventos in Brazil

On June 10, 2021, the Enel Group's Brazilian renewable energy subsidiary Enel Green Power Brasil Participações Ltda began commercial operation of the 716 MW Lagoa dos Ventos wind farm, the largest wind facility currently in operation in South America and Enel Green Power's largest wind farm worldwide. The construction of the 716 MW facility involved an investment of around 3 billion Brazilian reals, equivalent to about €620 million. Enel is also investing around €360 million in a 396 MW wind project, which will bring the total capacity of Lagoa dos Ventos to about 1.1 GW.

Purchase of treasury shares serving the 2021 Long-Term Incentive Plan and completion of buyback program

On June 17, 2021, the Board of Directors of Enel SpA, implementing the authorization granted by the Shareholders' Meeting held on May 20, 2021, approved the launch of a share buyback program for 1.62 million shares (the

Program), equivalent to about 0.016% of Enel's share capital. The Program was introduced to serve the 2021 Long-Term Incentive Plan for the management of Enel and/or of its subsidiaries pursuant to Article 2359 of the Italian Civil Code (2021 LTI Plan) which was also approved by Enel's Shareholders' Meeting of May 20, 2021. In order to implement the Program, the Company appointed an authorized intermediary to make the purchases. In line with Enel's commitment to sustainable development, the purchase price of the shares acquired by the intermediary was linked to the achievement of the performance objective of the 2021 LTI Plan represented by the direct greenhouse gas emissions (Scope 1 GHG) per kWh equivalent produced by the Enel Group in 2023.
Over the course of the Program, a total of 1,620,000 Enel shares (equal to 0.015934% of share capital) were acquired at a volume-weighted average price of €7.8737 per share, for a total of €12,755,458.734. Considering the treasury shares already owned, as of December 31, 2021 Enel held 4,889,152 treasury shares, equal to 0.048090% of share capital.

First sustainability-linked EIB loan of €600 million to e-distribuzione

On July 1, 2021, e-distribuzione and the European Investment Bank (EIB) signed the first €300 million tranche of a €600 million sustainability-linked loan agreement. The transaction is the EIB's first sustainability-linked loan, linked to Enel's ability to achieve its target for direct greenhouse gas emissions (Scope 1), in line with the United Nations' Sustainable Development Goal (SDG) 13 "Climate Action" and with the Group's Sustainability-Linked Financing Framework.

Criminal proceeding against e-distribuzione concerning an accident – Italy

On July 1, 2021, e-distribuzione SpA was notified of a proceeding against a number of its employees and managers and e-distribuzione SpA itself pursuant to Legislative Decree 231/2001, initiated by the Public Prosecutor's Office of Taranto, following the accident that occurred on the night between June 27 and 28, 2021 in which an employee of a contractor was harmed. The proceeding is in an entirely initial phase and the identification of the persons under investigation suspects is provisional and has been done, in the investigation phase, to enable participation in the non-repeatable technical assessment ordered by the Public Prosecutor.

The December 15, 2021 report of the Public Prosecutor's technical expert has been filed and included in the case documentation.

Enel places a $4 billion multi-tranche sustainability-linked bond on the US and international markets, further accelerating the achievement of its sustainable finance targets

On July 8, 2021, Enel Finance International NV (EFI) placed a $4 billion multi-tranche sustainability-linked bond linked to the achievement of Enel's sustainability objective related to the reduction of direct greenhouse gas emissions (Scope 1), contributing to the United Nations Sustainable Development Goal (SDG) 13 "Climate Action", in line with the Group's Sustainability-Linked Financing Framework. The issue was intended to finance the redemption (which took place on July 20, 2021) of four conventional EFI bonds with an aggregate nominal value of $6 billion. The transaction is part of the Group's strategy to further accelerate the achievement of the Group's targets for sustainable finance sources as a proportion of the Group's total gross debt.

Enel signs an agreement with ERG to acquire 527 MW of hydro plants

On August 2, 2021, the subsidiary Enel Produzione SpA signed an agreement for the acquisition of the entire share capital of ERG Hydro Srl (wholly owned by ERG SpA), which holds a portfolio of hydroelectric plants with an installed capacity of 527 MW and has an enterprise value of €1,000 million, for €1,039 million.
On January 3, 2022, Enel Produzione SpA finalized the acquisition of the entire share capital of ERG Hydro Srl from ERG Power Generation SpA.
Enel Produzione paid around €1,039 million, to which was added at closing an initial price adjustment of around €226 million concerning the mark-to-market valuation of certain hedging derivatives of ERG Power Generation relating to part of the electricity to be generated in the future by ERG Hydro's plants. The sale agreement also envisages a further adjustment of the price in the coming months, which will mainly be based on changes in ERG Hydro's net working capital and net financial position, as well as water reserves in certain basins included in the sale. The plants owned by ERG Hydro, located in the Umbria, Lazio, and Marche regions, have an installed capacity of 527 MW and an average annual output of around 1.5 TWh.

Enel successfully places a €3.5 billion triple-tranche sustainability-linked bond on the eurobond market, while launching a tender offer for conventional bonds denominated in US dollars

On September 21, 2021, Enel Finance International NV (EFI) launched a €3.5 billion triple-tranche sustainability-linked bond for institutional investors on the eurobond market. The bond is linked to the achievement of Enel's sustainability objective related to the reduction of direct greenhouse gas emissions (Scope 1), contributing to the United Nations Sustainable Development Goal (SDG) 13 "Climate Action", in line with the Group's Sustainability-Linked Financing Framework. At the same time, EFI launched a non-binding voluntary tender offer for the partial repurchase of three series of outstanding conventional bonds, which was completed on October 4, 2021 in the overall amount of about $1.47 billion, thereby accelerating the achievement of the Group's targets for sustainable finance sources as a proportion of the Group's total gross debt.
On October 5, 2021, following the results at the Early Expiry Date of the Tender Offer launched on September 21, EFI repurchased and canceled conventional bonds in the total amount of $1.47 billion.

Enel unveils Gridspertise, the company dedicated to the digital transformation of power grids

On September 23, 2021, the Enel Group presented Gridspertise, wholly owned by Enel through the subsidiary Enel Global Infrastructure and Networks. The company will leverage Enel's skills in the testing, assessment and large-scale implementation of advanced technologies of the operation of smart grids around the world to provide DSOs with proven solutions.

Penalty proceedings initiated by the Energy Directorate General of the government of the Canary Islands - Spain

On October 6, 2021, the Directorate General of Energy of the government of the Canary Islands (Energy Directorate General) notified Edistribución Redes Digitales SLU (EDRD) of three resolutions initiating an equal number of disciplinary proceedings (ES.AE.LP 006/2019ES, AE.LP 007/2019ES and AE.LP 008/2019), respectively, for alleged violations consisting in the unjustified refusal or alteration of the permit for connection to a point on the grid and failure to comply with the operation and proper functioning obligations of a contact service for complaints and accidents. On October 29, 2021, EDRD filed written briefs in each proceeding. The penalties that could be imposed in the three proceedings amount to €11 million, €18 million and €28 million respectively.
On January 24, 2022, the Energy Directorate General notified EDRD of a new resolution, dated November 18, 2021, with which a further disciplinary procedure was being initiated for the alleged commission of five infringements classified as continuous and serious and of two infringements classified as very serious and not continuous, indicating a possible fine of up to €94 million. The alleged infringements again refer to applications for access and connection to the grid, the execution of connections, the processing of customer requests, the information provided, the systems implemented and delays in execution. At present, no penalties have been imposed.

Consent solicitation for hybrid bond holders

On October 28, 2021, Enel SpA launched a consent solicitation aimed at holders of a non-convertible subordinated hybrid bond issued by the Company in the amount of €900 million, seeking to align its terms and conditions with those of the non-convertible subordinated hybrid perpetual bonds issued by Enel in 2020 and 2021.
On December 9, 2021, the Noteholders' Meeting approved the proposed changes to the terms and conditions of the bond. More specifically, the approved changes establish, *inter alia*, that:

- the bond, initially issued with a specified long-term maturity date, will become due and payable and hence will have to be repaid by Enel only in the event of the winding up or liquidation of the Company;
- the events of default previously envisaged in the terms and conditions and additional documentation that govern the bond are eliminated.

Funac and ICMS tax relief - Brazil

With Law 20416 of February 5, 2019, the state of Goiás shortened from January 27, 2015 to April 24, 2012 the period of operation of the Funac fund (established with Law 17555 of January 20, 2012) and the tax benefit system (established with Law 19473 of November 3, 2016) that allowed Celg Distribuição SA (Celg-D) to obtain reimbursement of payments of certain amounts by offsetting against payment obligations in respect of the ICMS - *Imposto sobre Circulação de Mercadorias e Serviços* (tax on the circulation of goods and services).
On February 25, 2019, Celg-D appealed the provisions of Law 20416 before the Court of the state of Goiás, filing a writ of mandamus and an accompanying petition

for a precautionary suspension, which was denied on a preliminary basis on February 26, 2019. Celg-D appealed this ruling and the Court of the state of Goiás allowed the appeal on June 11, 2019. On October 1, 2019, the Court of the state of Goiás issued an order revoking the precautionary measure previously granted in favor of Celg-D and, accordingly, the effects of the law were restored as from that date. Celg-D filed an appeal against this decision, claiming that the right to guarantee tax credits has both a legal and contractual basis and that, therefore, the actions that the state of Goiás has taken in order to fully suspend the application of these laws are patently unfounded. On October 2, 2019, the appeal filed by Celg-D was denied. On November 21, 2019, Celg-D challenged this decision before the *Superior Tribunal de Justiça* (STJ). On February 27, 2020, the *Tribunal de Justiça* (TJ) declared inadmissible the appeal by Celg-D, which on May 5, 2020 appealed this decision before the STJ. These proceedings are under way. As part of the proceedings on the merits (writ of mandamus), on July 14, 2021, the Court of the state of Goiás raised a question of constitutional legitimacy before a specialized section of the same Court.
On October 5, 2021, the Public Prosecutor concluded that the question of constitutionality was inadmissible. On November 9, 2021, the specialized section of the TJ accepted the position of the Public Prosecutor and rejected the constitutionality issue, ordering the referral of the case to the trial judge.
It is important to note that the coverage of the Funac fund is provided for in the agreement for the acquisition of Celg-D by Enel Brasil SA.
On April 26, 2019, Law 20468 was promulgated. With the law, the state of Goiás fully revoked the tax relief referred to above. On May 5, 2019, Celg-D filed an ordinary petition and a request for a precautionary suspension against the state of Goiás to contest this law. On September 16, 2019, the Court of the state of Goiás denied the petition for precautionary relief, citing the absence of any danger in delay, a requirement for the granting of precautionary relief. On September 26, 2019, Celg-D filed an appeal (*agravo de instrumento*) before the Court of the state of Goiás against the decision denying the precautionary suspension, claiming that the repeal of the tax credit law is unconstitutional to the extent that these credits were established in accordance with applicable law and constitute acquired rights. On September 7, 2020, the state of Goiás submitted its reply to the precautionary petition filed with the appeal. With measure issued at the hearing of July 20, 2021, and subsequently confirmed on September 17, 2021, the Court of the state of Goiás denied the precautionary relief requested by Celg-D.
Moreover, the Brazilian association of electricity distribution companies (ABRADEE) had filed an action for a ruling on constitutionality with the Constitutional Court of Brazil (*Supremo Tribunal Federal*) with regard to Laws 20416 and 20468. This was denied on June 3, 2020 with an individual Decision by the judge-rapporteur for lack of formal requirements. On June 24, 2020, the ABRADEE filed an appeal (*agravo regimental*) against that decision. On September 21, 2020, the Supreme Court of Brazil, without going into the merits of the case, rejected ABRADEE's appeal for formal reasons and the proceeding was concluded. On October 15, 2020, ABRADEE filed an appeal against this decision. On March 8, 2021, the Brazilian Supreme Court denied ABRADEE's appeal and the decision became final on April 5, 2021.

Closure of La Spezia coal-fired plant

On December 2, 2021, Enel received final authorization from Italy's Ministry for the Ecological Transition for the definitive closure of the coal-fired plant at the "Eugenio Montale" thermoelectric power facility of La Spezia.

Hybrid bonds

On December 16, 2021, the Board of Directors of Enel SpA authorized Enel to issue, by December 31, 2022, one or more non-convertible subordinated hybrid bonds, including perpetual bonds, in the maximum amount of up to €3 billion. These bonds are to be placed exclusively with European and non-European institutional investors, including through private placements. The Board of Directors also revoked the previous resolution of February 25, 2021, concerning the issue of one or more bonds by the Company, for the portion not yet implemented, amounting to about €0.75 billion, without prejudice to all effects arising from issues already carried out.

Criminal proceedings connected with Pietrafitta plant – Italy

With regard to the Pietrafitta thermal generation plant, the Perugia Public Prosecutor had started an investigation involving a number of officers of Enel Produzione SpA, as well as certain third parties who are today owners of the land adjacent to the plant – formerly Enel's – on which ash was found.
The alleged offenses are as follows: failure to restore the site (Article 452-*terdecies* of the Italian Criminal Code) for a number of areas affected by the spillage of ash produced up to the 1980s by the Pietrafitta power plant and ash from other company plants, and other areas where contamination with polychlorinated biphenyls ("PCBs") was found associated with decommissioned mining equipment; environmental pollution (Article 452-bis of the Criminal Code) connected with the PCB contamina-

tion, with respect to which Enel Produzione SpA was also charged with administrative liability pursuant to Legislative Decree 231/2001.
In the summer of 2019, Enel Produzione SpA filed a petition for dismissal, which was accepted by the prosecutor for the crime of environmental pollution, with consequent dismissal of the charge pursuant to Legislative Decree 231/2001.
A number of environmental associations filed an objection to the dismissal, and on February 21, 2020 a hearing was held before the investigating magistrate, which ended with dismissal of the charges (May 28, 2020), which, in brief, accepted all of Enel's defenses and confirmed the dismissal of any other possible charges – even if not brought by the Prosecutor's Office – relating to the possible health effects caused by the presence of the ash.
Accordingly, the criminal proceedings are continuing with sole regard to the crime of failure to restore the site, with respect to which in December 2019 the Enel Produzione SpA employees presented an application for a stay of proceedings with probation, consisting in the implementation of a program agreed with the Prosecutor's Office for proportionate and fair restoration with respect to the complaints filed against the defendants. The probation hearing was held on October 29, 2020, when the investigating magistrate of the Court of Perugia granted the request for probation. The hearing was then postponed to February 18, 2021, when the program proposed by Enel Produzione was approved, setting a deadline of nine months for its execution.
At a hearing on December 16, 2021, the judge, after considerable discussion, verified the compliance of the program and dismissed the charges as a consequence of the positive outcome of the probationary activities.

EIB and Enel agree a €120 million sustainability-linked loan for the energy transition in Italy

On December 20, 2021, Enel and the European Investment Bank (EIB) agreed a sustainability-linked loan of €120 million to support the energy transition in Italy. The EIB loan to Enel Italia is part of the bank's sustainability-linked loan program connected with Enel's achievement of the objective of reducing direct greenhouse gas emissions (Scope 1), in line with the United Nations Sustainable Development Goal (SDG) 13 "Climate Action" and with the Group's Sustainability-Linked Financing Framework.

Enel renews partnership with Cinven in Ufinet Latam

On December 21, 2021, Enel SpA, acting through Enel X International Srl, a wholly-owned subsidiary of Enel X Srl, signed a new agreement with a holding company controlled by Sixth Cinven Fund and a holding company controlled by Seventh Cinven Fund – both funds managed by the international private equity company Cinven – for the indirect purchase, through a holding company, of about 79% of the capital of Ufinet Latam SLU by Sixth Cinven Fund for €1,320 million and the simultaneous sale of 80.5% of the company's capital to Seventh Cinven Fund for around €1,240 million, in order to renew the existing partnership in Ufinet. Enel X International will simultaneously receive some €140 million through the Ufinet's available reserves, a figure subject to potential adjustments at closing.
Under this agreement, Enel X International will therefore retain an indirect investment of 19.5% in Ufinet, while the Seventh Cinven Fund will hold the remaining 80.5%.

Hydroelectric concessions - Italy

Italian regulations governing large-scale hydroelectric concessions were most recently modified by the "Simplifications Decree" (Decree Law 135 of 2018 ratified with Law 12 of February 11, 2019), which introduced a series of innovations regarding the granting of such concessions upon their expiry and the valorization of the assets and works connected to them to be transferred to the new concession holder. This legislation also introduced a number of changes in the matter of concession fees, establishing a fixed and variable component of fees, as well as an obligation to provide free power to public bodies (220 kWh of power for each kW of average nominal capacity of the facilities covered by the concession). In implementation of this national law and under specific enabling authority, various regions (Lombardy, Piedmont, Emilia-Romagna, Friuli-Venezia Giulia, the Province of Trento, Calabria and Basilicata) enacted regional laws.
In the view of Enel Green Power Italy and Enel Produzione, both the national law and the regional implementing legislation violate Community principles and constitutional principles such as property rights, the principle of legal certainty, the principle of proportionality and legitimate expectations and the freedom of enterprise. In particular, the rules do not expressly provide for the transfer of the business unit from the outgoing to the successor concession holder, and also establish inadequate criteria for the valorization of the works to be transferred, which

threatens to create what is essentially a mechanism for expropriation, in violation of constitutional principles.

The provision for the payment of the new dual-component fee and the obligation to supply free electricity for the existing holders of current concessions entails the introduction in the concession relationships of an unexpected and unreasonable element of significant financial imbalance, in clear violation of the principle of reasonableness and proportionality of the fee that constitutional case law has established must be respected in the event that changes worsening the position of a party are introduced in the context of long-term relationships.
Enel Green Power Italy and Enel Produzione challenged the first implementing acts issued under the individual regional laws and the subsequent payment notices of fees and the monetization of free electricity supplies before the competent judicial authorities (Regional Administrative Court and Regional Water Resources Court) asking that they be declared void and raising the question of constitutional illegitimacy of both the national law and the regional laws. The Piedmont Regional Administrative Court with ruling no. 1085 of November 25, 2021, and the Lombardy Regional Administrative Court with ruling no. 2900 of December 23, 2021, in the cases brought by Enel Green Power Italy against the respective regions, deferred their jurisdiction in favor of the Superior Water Resources Court, before which Enel Green Power Italy will have to refile its dispute for the proceeding to continue.
The government challenged a number of the regional implementing laws before the Constitutional Court, claiming the violation of various constitutional principles.
Enel Green Power Italy participated in the aforementioned proceedings concerning constitutional legitimacy undertaken by the government before the Constitutional Court against the Province of Trento and the Regions of Lombardy, Piedmont and Basilicata.
The trade associations (Utilitalia and Elettricità Futura) also presented briefs in the context of the proceedings brought before the Constitutional Court by the government. In addition, other sector operators have proposed legal actions against the implementing measures issued under the individual regional laws, requesting that they be declared void.
With regard to the constitutionality proceeding before the Constitutional Court against the Regional Law of Lombardy, the Council of Ministers decided to abandon its appeal of Lombardy Regional Law 5/2020, "as the Lombardy Region, with a subsequent regional law, has amended the provisions involved in the challenge that enable us to consider the complaint of illegitimacy to have been superseded". However, these changes did not affect the constitutionality issues raised by Enel in its accompanying appeal. It is reasonable to believe that, following the formal acceptance by the Region of the government's withdrawal of its action, the Constitutional Court will declare the proceeding extinct, with the consequent forfeiture of Enel's action as well.

Enel joins forces with Intesa Sanpaolo to acquire Mooney and create a European fintech company

On December 23, 2021, Enel SpA, acting through its wholly-owned subsidiary Enel X Srl, and Intesa Sanpaolo SpA, acting through its subsidiary Banca 5 SpA, signed an agreement with Schumann Investments SA, a company controlled by the international private equity fund CVC Capital Partners Fund VI, to acquire 70% of Mooney Group SpA, a fintech company operating in proximity banking and payments. Specifically, Enel X will acquire 50% of Mooney's share capital, while Banca 5, which currently holds a 30% stake in Mooney, will increase its interest to 50%, putting the payments company under the joint control of both parties.
The agreement, based on an enterprise value for 100% of Mooney of €1,385 million, provides for Enel X to pay between €334 million and €361 million at closing. The price consists of €220 million for the equity and a variable component linked to a price adjustment mechanism at closing. At the same time, Intesa Sanpaolo will pay between €88 million and €94 million at closing. That price consists of €88 million for the equity and a variable component linked to a price adjustment mechanism at closing.

Enel X Italia and tax credit fraud – Italy

As one part of its Vivi Meglio business, Enel X Italia supplies energy efficiency devices to companies involved in the energy upgrading and/or seismic improvement of condominiums and/or individual dwellings.
In these activities, in conjunction with the service/product supply contract, Enel X Italia (as assignee) signs a framework agreement for the purchase of tax credits acquired by a company (as assignor) – under the provisions of the various types of building/energy upgrade incentive available under law (such as the superbonus 110%, the facades bonus, the ecobonus, the sismabonus or the renovation bonus) –for the redevelopment of buildings owned by third parties (customers), with whom Enel X Italia has no contractual relationship.
Beginning in October/November 2021, following requests

for information from the Finance Police (Guardia di Finanza) regarding the alleged fraudulent nature of certain tax credits, Enel X Italia performed an audit and found a number of irregularities in relation to some of the tax credits acquired, promptly reporting them to the Public Prosecutor's Office of Rome.
In light of the findings of the audits and under the provisions of the new regulations issued in November 2021 with the publication of Decree Law 157/2021 (the "Anti-fraud Decree") containing urgent measures to combat fraud in the sector of tax and economic benefits"), the purchase of tax credits was temporarily suspended before being resumed in December 2021 with the implementation of new oversight methods.
Between December 23, 2021 and January 31, 2022, as part of a number of investigations into alleged fraud in relation to legislation on energy redevelopment projects, three preventive seizure orders were notified to Enel X Italia (pursuant to Article 31 of the Code of Criminal Procedure), issued by the Public Prosecutors of the Courts of Rome and Naples, in relation to tax credits purchased by Enel X Italia from companies for some €45 million. The seizures involved the imposition of a block on the "Credit assignment platform" portal of the Revenue Agency and a corresponding reduction in the ceiling on offsetable tax credits in the tax account of the company and the associated assignees.
In consideration of the fact that at the time of the seizure these credits had in turn already been assigned by Enel X Italia to financial institutions, the precautionary measures were not imposed directly against the company, which however promptly informed the assignees of the seizures, inviting them to comply with the provisions of the judicial authorities. From the seizure orders notified it was possible to ascertain that other operators in the sector had also received such notices.

Regulatory and rate issues

The European regulatory framework

Sustainable finance (taxonomy)

The taxonomy is a classification system that establishes a list of eco-sustainable assets to guide institutional investors in making informed decisions and then redirect capital flows to those assets. The first delegated act establishing the technical screening criteria for around 60 economic activities, including the generation of electricity from photovoltaic, wind, hydroelectric and geothermal resources and distribution, was published by the European Commission in June 2021 and entered force in January 2022.
On December 31, 2021, the Commission sent Member States a draft complementary delegated act for consultation, setting out a number of conditions for fossil gas and nuclear power to be classified as transitional activities aligned with the taxonomy. Some activities in which Enel is engaged, such as retail and trading, are not covered by the taxonomy so far.

Proposed legislation in consultation with financial impacts in 2021

On July 14, 2021, the European Commission published the "Fit for 55" (FF55) package, which is a series of proposals that seek to reduce net emissions within the European Union by 55% by 2030 compared with their 1990 levels.

Renewable Energy Directive (RED II)

Among the proposed changes to current EU energy legislation, the revision of the Renewable Energy Directive plays a leading role, given that a much larger share of renewable energy sources in the energy mix of the Member States will also be necessary to achieve the new climate objectives. The European Commission proposal establishes a framework for the deployment of renewables in all sectors of the economy, with particular attention to sectors where progress has been slow (transport, buildings and industry). Among the key points of the revision is an increase in the minimum binding share of renewables in final energy consumption in the EU to 40% by 2030, effectively doubling the share of RES in the energy mix over the course of just one decade (2021-2030). This 40% target is significantly higher than that agreed in the previous revision of the directive in 2018 (32%) and is supported by higher EU and national targets, including: a new target of 49% for renewable energy used in European buildings; a mandatory minimum increase in RES in industry of 1.1% per year; the transformation into a binding target of the existing goal of increasing the use of RES in heating and cooling by 1.1% per year; the introduction of new minimum targets for the use of green hydrogen in industry and transport (50% and 2.6% per year respectively).
Finally, another noteworthy aspect of the European Commission proposal would be the creation of a new credit mechanism aimed at promoting the use of renewable electricity in transport and a commitment to remove barriers in the authorization process for new RES plants.

EU Emissions Trading System (ETS)

The European Commission is also proposing a reform of the EU ETS in order to strengthen it and increase its ambition in line with the EU climate commitments set out in the FF55 package. The proposed revision confirms the central role of the EU ETS as one of the main climate policy tools of the European Union, increasing the resilience of the market to economic shocks. A greater contribution to decarbonization is also requested from the sectors already covered by the EU ETS, while a proposal to extend the mechanism to new sectors (e.g., maritime, hydrogen production via electrolyzers) has also been put out for consultation, as has the possibility of creating a separate ETS market for the road transport and buildings sectors.
Although the EU ETS reform is still in consultation, its publication alone has had an impact on supply and demand in the ETS market, having changed the expectations of operators and therefore prices on the market itself.

Carbon Border Adjustment Mechanism (CBAM)

One of the most innovative elements the FF55 package, one that is likely to spark debate, is the CBAM, a tariff to be applied to imported goods produced in countries with lower environmental standards than those in the EU. The objective of the CBAM mechanism is to reduce the risk of carbon leakage. This is to ensure that imported products are treated no less favorably than domestic products manufactured in facilities subject to the EU ETS mechanism. As installations covered by the EU ETS are subject to a carbon price assessed on the basis of their actual emissions, imported products included in the CBAM scope should also be assessed on the basis of their actual greenhouse gas emissions. However, in order to enable companies to adapt to this system, the proposal envisages a transitional period without financial adjustment. This mechanism will be phased in and would initially apply only to a select number of goods at high risk of carbon leakage: iron and steel, cement, fertilizers, aluminum and electricity generation.

Energy efficiency and buildings

The proposed revision of the Energy Efficiency Directive aims to establish more ambitious binding European targets for 2030 (+36% compared with the previous +32.5%), in line with the objective of reducing greenhouse gases by 55% by 2030. The directive introduces a system for calculating the indicative contributions that each Member State must establish in order to achieve the EU target and, among the measures, proposes a doubling of the annual energy saving obligation for end uses. The public sector is called upon to make an even larger energy saving contribution, equal to 1.7% per year, in addition to the 3% renovation obligation for the public building stock. The directive imposes measures on the Member States designed to alleviate energy poverty, increasing energy efficiency measures for vulnerable customers through *ad hoc* financing.

In December 2021, the European Commission published the proposed revision of the directive on the energy performance of buildings, aimed at reducing their energy consumption in order to achieve zero emissions by 2050 for buildings as well. The measures seek in particular to increase the rate of renovation for buildings with the worst energy performance by introducing minimum performance standards and strengthening energy performance certificates. The targets also envisage the achievement of progressively higher standards starting from 2030 for the entire residential sector. In order to beef up measures for electric mobility as well, the changes envisage measures to increase charging points and pre-cabling in the residential sector.

Energy Taxation Directive (ETD)

The European Commission believes that Directive 2003/96/EC is now obsolete and does not adequately reflect the revised EU climate and energy policy. The proposed revision of Directive 2003/96/EC addresses two main areas of reform: the provision of a new structure for the tax rates and the broadening of the tax base with the abolition of some subsidies.

- The proposal delineates a new structure of minimum tax rates based on the actual energy content and environmental performance of fuels and electricity, rather than volume as is currently the case. The minimum rates will be expressed in €/GJ for each product, also in order to allow a direct comparison between fuels and between emerging uses of electricity. In particular, the proposal groups energy products and electricity into general categories, which are classified according to energy content and environmental performance: the new system will therefore ensure that the most polluting fuels are taxed at the highest rate. Member States will have to ensure that this ranking is replicated at the national level.
- Under this new structure, conventional fossil fuels (e.g., diesel and gasoline) and unsustainable biofuels will be subject to the higher minimum rate of €10.75/GJ when used as motor fuel and €0.9/GJ when used for heating.
- To take account of their potential role in supporting decarbonization in the medium term, despite being fossil based, fuels such as natural gas, LPG and non-renewable fuels of non-biological origin shall be subject to a minimum rate of €7.17/GJ when used as motor fuel and €0.6/GJ when used for heating for a transitional period of 10 years before being taxed at the same rate as conventional fossil fuels. In order to reflect the potential of sustainable but non-advanced biofuels in supporting decarbonization, they would be subject to tax at half the reference rate, i.e., a minimum of €5.38/GJ when used as motor fuel and €0.45/GJ when used for heating.
- The lowest minimum tax rate (€0.15/GJ) will apply to electricity (regardless of use), sustainable biofuels and biogas and renewable fuels of non-biological origin (such as, for example, renewable hydrogen). Low-carbon hydrogen and related fuels will also benefit from the same rate for a transitional period of 10 years. The rate applicable to this group is set significantly below the reference rate, as electricity and these fuels can significantly support the EU's clean energy transition towards achieving the EU Green Deal targets and, ultimately, climate neutrality by 2050.

Sustainable mobility

The main initiatives with a focus on the transport sector concern:

- a proposal to revise the regulation on CO_2 emission performance levels for new passenger cars and light commercial vehicles, requiring passenger car emissions to decrease by 55% and van emissions to fall by 50% by 2030 compared with 2021 levels and by 100% by 2035;
- a proposed revision of the alternative fuels infrastructure directive to give drivers access to a reliable network across Europe for recharging or refueling vehicles. The proposal requires Member States to increase charging capacity in line with zero-emission passenger car registrations and to install public, interoperable and user-friendly charging points at regular intervals along major European motorway corridors. In addition, objectives are set for the development of the infrastructure necessary to supply electricity to ships and airplanes while they are in ports and airports respectively;
- in addition to these measures, the European Commission's proposal for two new legislative initiatives, "ReFuelEU Aviation" and "FuelEU Maritime", targeted at reducing greenhouse gas emissions for aviation and maritime transport, setting increasingly stringent emission limits for ships and planes, and envisaging measures to promote renewable or low-carbon fuels.

To complement the measures contained in the "Fit for 55" package, in December 2021 the European Commission completed the issue of a new package of transport initiatives. The main proposals contained in the December package concern:

- a revision of the TEN-T regulation in which, among other aspects, the role of zero-emission transport and the related infrastructure is reinforced as one of the priorities for the completion of the European transport network and the structure of the TEN-T network is modified;
- the issue of the "EU Urban Mobility Framework" communication encouraging the transition towards zero-emission mobility at the local level (cities and regions), with the adoption of Sustainable Urban Mobility Plans (SUMPs) and Sustainable Urban Logistics Plans (SULPs), as well as facilitating access to and sharing of mobility data to support decision-making processes and establishing new funding programs for new projects (such as Horizon Europe 2021-2023).

At the end of 2021, the proposals in the first and second packages are being discussed both within the European Council and the European Parliament. Talks are expected to continue throughout much of 2022.

Decarbonization package for the hydrogen and gas market

On December 15, 2021, the European Commission published proposals to decarbonize the gas market through the uptake of renewable and low-carbon gases, including hydrogen.

In particular, the proposal sets out a new regulatory framework for the hydrogen sector, including infrastructure, and standards for the certification of low-carbon gases that ensure a 70% reduction in greenhouse gas emissions.

Among the salient points of the package are rules on vertical and horizontal unbundling and on third-party access in the hydrogen sector, with less stringent provisions until 2030 and exemptions for existing and new geographically confined hydrogen networks. The gas package provides for separate remuneration mechanisms for gas and hydrogen infrastructures, but allows financial transfers to develop the hydrogen network and tariff discounts. Finally, under the provisions of the gas package, 5% blending of hydrogen and natural gas should be accepted by TSOs at the border.

Digital technology

During 2021, in addition to the publication of the communication "European digital decade: digital targets for 2030", which illustrates the objectives and methods of Europe's digital transformation by 2030, the implementation activities for the European Green Deal and the strategies for data and artificial intelligence published by the European Commission in 2019 and 2020, respectively, guided the debate on the digitization and use of data. A number of legislative and non-legislative initiatives have been proposed with the aim of making Europe digitally sovereign and creating a fair and competitive digital economy. The proposed measures range from the concept of data sovereignty to the creation of a single market for data and initiatives involving artificial intelligence and cyber security.

The main proposals regarded:

- the artificial intelligence regulation, published in April 2021, as the world's first attempt to govern artificial intelligence (AI). The European Commission proposes an *ex-ante* list of "AI" products considered to be high risk, such as the safety components of critical infrastructures, which must undergo testing before obtaining certification;
- a proposed EU Data Act governing data access and interoperability aimed at establishing a platform for each country (interoperable with the others) in which consumers can easily share energy data with third parties;

- a proposed Digital Services Act, which would establish a common set of obligations and responsibilities of intermediaries within the single market regarding the offer of cross-border digital services, while ensuring a high level of protection for all users, regardless of where they reside in the EU.

Furthermore, during the course of 2021 discussion resumed on a proposal to revise the e-privacy regulation, published by the European Commission in 2017. Negotiations between institutions began in February 2021 and are still ongoing.

Batteries

In December 2020, the European Commission presented a proposal to revise the regulation on batteries and waste batteries, which would replace the current directive. The proposal pursues three objectives: to enhance the operation of the internal market (including products, processes, waste batteries and recycled materials) by ensuring a level playing field through a common set of rules; to promote the circular economy; and to reduce environmental and social impacts at all stages of the battery life cycle. Key elements of the proposal include mandatory requirements for all batteries placed on the EU market, requirements for end-of-life management of batteries, as well as new collection targets for portable waste batteries and requirements to facilitate the reuse of industrial vehicle and electric vehicle batteries as stationary storage batteries. Throughout 2021, both the European Council and the European Parliament continued the analysis of the proposal: once their positions have been finalized, informal negotiations (trilogues) will begin on reaching an agreement.

State aid

Revision of State aid guidelines

On January 7, 2021, the response to the public consultation on the State aid guidelines for climate, environment and energy (CEEAG) was published.
On June 7, the European Commission published a draft revision of the CEEAG, which was issued for a final public consultation lasting until August 2. The CEEAG are of considerable importance for the energy sector and for the Enel Group, as they will guide investment support for decarbonization in the coming years. The draft text includes a new section dedicated to aid for the reduction of greenhouse gas emissions, including aid for the production of renewable and low-carbon energy, aid for energy efficiency, including high-efficiency cogeneration, aid for hydrogen, aid for storage and batteries and aid for the reduction or prevention of emissions from industrial processes. An entire chapter has been dedicated to sustainable mobility, which governs aid for electric mobility and charging infrastructure, including the maritime sector. Energy efficiency measures for buildings are also regulated, including batteries and charging of electric vehicles. The proposed rules also officially recognize that financing for natural or legal monopoly power grids does not represent State aid. Finally, aid to nuclear technologies and fossil fuels are excluded from the scope of the guidelines. The document prepared and issued on August 2 incorporated the new proposals of the European Commission, underscoring the need to explicitly include all types of storage, including stand-alone systems, among the technologies allowed in the section dedicated to aid for the reduction of greenhouse gas emissions. This suggestion was successfully incorporated in the final text of the guidelines published on December 21, 2021, which entered force on January 1, 2022.

On October 6, the European Commission published the draft revision of the General Block Exemption Regulation (GBER) with important changes to the sections relating to climate, environmental protection and energy, including an update of the notification thresholds. The GBER defines specific categories of State aid that, under certain conditions, are compatible with the Treaty on the Functioning of the European Union (TFEU) and exempts these categories from the obligation of prior notification to the Commission and its approval. The draft regulation proposes to expand the scope for Member States to finance different types of green projects, such as those to reduce CO_2 emissions, sustainable mobility and charging infrastructure. It also introduces new green conditions that large energy-intensive businesses must meet to receive aid in the form of reduced tax rates, as well as provisions on storage, hydrogen and building renovation projects that improve their energy performance and renewable energy communities. At the same time, the European Commission launched a public consultation ending on December 8, the date by which the contribution of the Enel Group was submitted. The document prepared commented positively on the revision of the GBER but called for a more ambitious commitment to storage, proposing to include all types and suggesting that Member States be given flexibility for measures to support the electrification of the system.

On November 25, the European Commission adopted the revised rules on State aid in favor of major important projects of common European interest (IPCEI), which are to enter force from January 1, 2022. The communication sets out the criteria for the Commission's evaluation of the aid that Member States grant to cross-border IPCEIs that remedy market failures and enable cutting-edge innovations in key sectors and investments in technologies and infrastructures, with positive spillovers for the entire EU economy.

On December 2 for Italy and December 20 for Romania, the European Commission approved the map for granting regional aid from January 1, 2022 to December 31, 2027 within the framework of the revised regional aid guidelines.

Cases of State aid

In June, the European Commission approved State aid schemes financed by the Recovery and Resilience Facility (RRF) for a number of Member States. Italy's €191.5 billion recovery and resilience plan (of which €68.9 billion in grants and €122.6 billion in loans) will allocate 37% of total spending to support measures for climate objectives, including large-scale restructuring investments aimed at improving the energy efficiency of buildings, interventions to promote the use of renewable energy sources, including hydrogen, and the reduction of greenhouse gas emissions from transport, with investments in sustainable urban mobility. Plans were also approved for Spain (€69.5 billion), Greece (€30.5 billion) and Romania (€14.2 billion).

On July 9, the European Commission approved Italian plans to partially compensate energy-intensive businesses for higher electricity prices resulting from indirect costs of emissions allowances under the EU Emissions Trading System (ETS). The scheme will cover the indirect costs of emissions incurred in the 2020-2030 period, with a provisional budget of about €1.49 billion.

On November 27, the European Commission approved a €2.27 billion Greek aid scheme to support renewable electricity generation and high-efficiency cogeneration.

On December 9, the European Commission approved a €3 billion scheme under the Spanish RRF to support research, development, innovation, environmental protection and energy efficiency in the automotive industry value chain.

On December 21, the European Commission approved a €1.4 billion scheme for the development of renewable energy in the non-interconnected islands of Greece, in particular for hybrid power plants that generate and store both solar and wind power.

Regulatory framework by Business Line

Thermal Generation and Trading

Italy

Generation and the wholesale market

For 2021, the Brindisi Sud, Sulcis, Portoferraio and Assemini plants were declared eligible for the cost reimbursement scheme. The Sulcis, Portoferraio and Assemini plants were declared eligible for the cost reimbursement scheme for 2022.

The Porto Empedocle plant is eligible for long-term cost reimbursement until 2025, while plants located on the smaller islands are automatically eligible for cost reimbursement for all years in which they are declared essential, including 2021 and 2022. Admission to the cost reimbursement scheme guarantees coverage of the operating costs of the aforementioned plants, including a return on capital invested. Generation cost reimbursement, net of plant revenue, is granted by the Regulatory Authority for Energy, Networks and the Environment (ARERA) with measures authorizing payments on account and a final balance payment based on applications submitted by operators.

For 2021 and 2022, the remainder of essential capacity was contracted under alternative contracts which provide for the obligation, on the Ancillary Services Market (ASM), to offer to go up/down to prices no higher/lower than the values identified using methods established by ARERA for a fixed premium.

With Resolution no. 43/2021/R/eel ARERA rejected the requests submitted by Enel Produzione for the recalculation of the notional revenue for the costs of compliance with the ETS for the Brindisi Sud plant for years from 2017 to 2020, with a consequent reduction in the reimbursements due to the plant for those years. With the subsequent Resolution no. 67/2021/R/eel ARERA redetermined the payment on account for the Brindisi reimbursement valid for 2019 in order to align the calculation criteria of the notional revenue with Resolution no. 43/2021/R/eel. In April 2021, Enel Produzione filed an appeal against Resolution no. 43/2021/R/eel before the Lombardy Regional Administrative Court, for which the ruling is currently pending. In December 2021, a supplementary appeal was filed against Resolution no. 476/2021/R/eel, which applied the same criteria as those adopted in Resolution no. 43/2021/R/eel to determine the payment on account for the Brindisi Sud plant reimbursement for 2020.

On June 28, 2019, the Minister for Economic Development issued a decree approving the definitive rules governing the capacity remuneration mechanism (the capacity market). On November 6 and November 28, 2019 two auctions were held with delivery in 2022 and 2023 respectively: Enel was awarded capacity for both years. A number of operators and a sectoral trade association contested the decree and the results of the two auctions before the Lombardy Regional Administrative Court. Two operators also challenged the European Commission decision approving the Italian mechanism before the EU Court, for which the ruling is currently pending. In April 2021, the Lombardy Regional Administrative Court suspended its ruling pending a ruling of the EU court, having found grounds to request a preliminary finding concerning those proceedings.

ARERA has confirmed the transitional capacity payment mechanism for 2020 and 2021 in order to ensure continuity with the new capacity market, which will produce a financial impact starting from 2022.

With the Decree of the Minister for the Ecological Transition of October 28, 2021, the new capacity market regulation was approved. It will apply to auctions with delivery from 2024. In execution of the decree, Terna has launched the auction procedures for 2024, which will take place on February 21, 2022. Pursuant to the decree, the results of the 2024 auction will be used as the basis for assessing whether to hold an auction for the 2025 delivery year.

Legislative Decree 210 of 8 November 2021 transposing Directive (EU) 2019/944 on common rules for the internal market for electricity provided for the establishment of a forward mechanism for Terna to use competitive tenders to procure new electricity storage systems to support the integration of renewables and grid security.

The amount of capacity to be procured will be determined on the basis of a development program for new storage systems defined on the basis of a proposal developed by Terna in coordination with distributors.

The procured storage capacity will be made available to market operators through a centralized platform managed by the Energy Markets Operator (EMO).

The procurement mechanism will be approved by the Minister for the Ecological Transition on the basis of a proposal formulated by the grid operator drawn up in accordance with criteria established by ARERA. Imple-

mentation of the measure is subject to approval by the European Commission.
At the end of November 2021, Legislative Decree 199/2021 implementing Directive 2018/2001 on the promotion of the use of energy from renewable sources was published in the Gazzetta Ufficiale. The decree also contains provisions on the configuration of self-consumption and renewable energy communities, which are already governed in Italy by the experimental regulations introduced with Law 8/2020 (ratifying Decree Law 162/2019, the "Milleproroghe" omnibus extension act) and subsequent implementation measures (ARERA Resolution no. 318/2020/R/eel and Ministerial Decree of September 16, 2020 of the Ministry for Economic Development). Legislative Decree 199/2021 establishes that within 90 days of the date of entry into force of the decree ARERA shall adopt one or more measures specifying the implementation rules and, within 180 days, the Ministry for the Ecological Transition shall update the incentive mechanisms for renewable resource plants included in the collective self-consumption arrangements or renewable energy communities referred to in the experimental regulations. The latter shall continue to apply pending the issue of these measures.

Iberia

Urgent measures to mitigate the impact of rising natural gas prices on the retail gas and electricity markets, consumer protection and the introduction of transparency in the wholesale and retail electricity and natural gas markets

On September 16, 2021, Royal Decree Law (RDL) 17/2021 of September 14 containing urgent measures to mitigate the impact of the increase in natural gas prices on the retail gas and electricity markets came into force. The legislation requires a reduction in the remuneration received for electricity generated by non-emitting plants that are in peninsular areas and do not receive regulated remuneration. This reduction is a function of the monthly gas price and will be in effect until March 31, 2022.
RDL 23/2021 of October 26, 2021, containing urgent measures in the field of energy for the protection of consumers and the introduction of transparency in the wholesale and retail markets for electricity and natural gas, clarified that the power generated by the plants concerned already sold using forward hedging instruments with a fixed price will be excluded.

Renewable energy auctions

January 20, 2021 saw the first renewable energy auction held as part of the new remuneration scheme envisaged under Royal Decree 960/2020, based on the provisions of Order TED/1161/2020. A total of 2,993 MW were awarded, of which 1,995 MW of photovoltaic power and 998 MW of wind power at an average price of €24.73/MWh.
The second renewable energy auction took place on October 19, 2021, held under the economic regime for renewable energy. A total of 3,124 MW were awarded, of which 2,258 MW of wind power and 866 MW of photovoltaic power at an average price of €30.59/MWh.
On December 30, 2021, the procedure for adjudicating the third auction, scheduled for April 6, 2022, began for 500 MW of solar thermoelectric, biomass, photovoltaic and other technologies, and a further 140 MW for small-scale photovoltaic projects with local participation.

Proposal for a ministerial decree on the price of natural gas in the Canary Islands and Melilla

In November 2021, work began on a proposal for an order approving the price of natural gas for the generation of electricity in the Canary Islands and Melilla. It establishes the reference unit values of the remuneration scheme and addresses a number of technical issues. The order will allow the use of natural gas in the Non-Peninsular Territories of the Canary Islands and Melilla and sets the price to be paid for the generation units of these territories for the use of this fuel.

Order to revise fuel prices in Non-Peninsular Territories (NPT)

Order TEC/1260/2019 of December 26, 2019 revised the technical and financial parameters for the remuneration of generation units in the electrical systems of the Non-Peninsular Territories (NPT) for the second regulatory period (2020-2025). With regard to fuel prices, the order established that within three months the prices of energy products and logistics would be revised with a ministerial order with effect from January 1, 2020. On August 7, 2020, Order TED/776/2020 of August 4 was published in Spain's Official Journal, revising these prices. On November 16, 2021 the Supreme Court issued ruling no. 1337/2021 on the appeal lodged by Endesa against this order, requesting the publication of a new ministerial order by the government (Ministry for the Ecological Transition and the Demographic Challenge) to regulate fuel auctions.

Proposed capacity market ordinance

In April 2021, the Ministry for the Ecological Transition and the Demographic Challenge (MITECO) began the preparation of a proposal for an order creating a capacity market in the peninsular electrical system. The proposal provides for an auction system ("pay as bid") that will be used to auction the fixed power requirements (MW) identified in a demand coverage analysis performed by the system operator, Red Eléctrica de España SAU (REE). The auction system is open to existing and new genera-

tion, storage and demand management facilities, setting certain requirements regarding the maximum CO_2 emission rights of participating plants.
The draft order also governs aspects relating to the various types of auction envisaged, the rights and obligations of the capacity service providers, including their remuneration and the penalties applicable in the event of non-compliance by the providers.

Royal Decree Law 12/2021 of June 24 adopting urgent measures in the field of energy taxation

On June 25, 2021, the Royal Decree Law 12/2021 of June 24 was published in Spain's Official Journal. It adopted urgent measures in tax matters in order to reduce the impact of the increase in the price of electricity on customers. In particular, the legislation contains the following measures:

- a reduction of value added tax from 21% to 10%, effective until 31 December 2021, for the supply of electricity with contracted power equal to or less than 10 kW, provided that the arithmetic average price of the daily market of the last calendar month preceding the last day of the billing period exceeds €45/MWh, and in any case for the beneficiaries of the Social Bonus who are seriously vulnerable or at risk of social exclusion. This VAT reduction was subsequently extended until April 30, 2022 with Royal Decree Law 29/2021 of December 21, which adopts urgent measures in the energy field for the promotion of electric mobility, self-consumption and the expansion of renewable energy;
- a temporary suspension of the tax on the value of electricity generation during the 3rd Quarter of 2021, which was extended until December 31, 2021 with Royal Decree 17/2021 of September 14 and then until March 31, 2022 with Royal Decree Law 29/2021.

The royal decree law also establishes that if a surplus of income is generated by the electricity sector in 2020, it will be used in its entirety to cover the temporary imbalances in the 2021 tax year.

Royal Decree Law 29/2021 of December 21 adopting urgent measures in the energy field for the promotion of electric mobility, self-consumption and the expansion of renewable energy

On December 22, 2021, Royal Decree Law 29/2021 was published in Spain's Official Journal. It adopts urgent measures in the energy field for the promotion of electric mobility, self-consumption and the expansion of renewable energy. Among other provisions, the legislation envisages the following measures:

- with regard to taxation, the reduction of the special excise duty on electricity and value added tax is extended until April 30, 2022, as noted above, and the suspension of the tax on the value of electricity generation is extended until March 31, 2022;
- a number of changes are introduced in the rules governing access and connection permits, extending the deadlines provided for in Royal Decree Law 23/2021 in order to facilitate the development of projects and allowing the voluntary restitution of access and connection permits obtained or in force before the entry into force of this royal decree law, with the return of guarantees.

Europe

Russia

Electricity and capacity markets

Government Decree 1977 of December 1, 2020 provided for an indexation rate of 11.4% for regulated capacity rates for generators that begin selling capacity through long-term capacity auctions (KOM) from January 1, 2021 after the termination of the long-term capacity supply contract period (DPM).
The Federal Antitrust Service defined the regulated rates for 2021 (Order 1227/20 of December 17, 2020). More specifically, the rates for the 1st Half of 2021 were not changed from their level in the 2nd Half of 2020. Conversely, the rates for Enel Russia plants in the 2nd Half of 2021 were modified as follows: KGRES: electricity +2.9%, capacity +4.4%; NGRES: electricity +2.5%, capacity +28%; SGRES: electricity +1.8%, capacity +3.4%
The Federal Antitrust Service has set regulated rates for 2022, with an increase of 3% compared with the 2nd Half of 2021.

Latin America

Chile

Rate revision – Introduction of the temporary electricity price stabilization mechanism

On November 2, 2019, Law 21.185 of the Ministry of Energy was published, introducing a temporary electricity price stabilization mechanism for customers subject to rate regulation. Consequently, the prices to be applied to regulated customers in the 2nd Half of 2019 were lowered to those applied in the 1st Half of 2019 (Decree 20T/2018) and were defined as "stabilized prices for regulated customers" (PEC).
Between January 1, 2021 and the expiry of this mechanism, the prices to be applied will be those set every six months on the basis of Article 158 of the Electricity Law and may not exceed the level of the PECs noted above adjusted for consumer price inflation.
Any differences between the amount invoiced by applying the stabilization mechanism and the theoretical

amount that could be invoiced considering the price that would have been applied in accordance with the contractual terms and conditions agreed with the various electricity distribution companies will be accounted for as receivables for invoices to be issued to generation companies up to a maximum of $1,350 million until 2023. These differences will be recognized in US dollars and will not accrue interest until the end of 2025. Any imbalances in favor of the generation companies must be recovered no later than December 31, 2027.

Argentina

Rate revision – New resolutions

The generation companies sell the energy they produce and their capacity on the market at a price set by the market regulator, CAMMESA, which is also responsible for any subsequent rate adjustments or discounting.

The latest rate adjustment establishing new remuneration for generation companies was established with Resolution no. 440 published on May 21, 2021, which resulted in an increase of 29%. This rate adjustment was applied retroactively starting from February 2021, when the rates established with Resolution no. 31 of 2020 were applied.

On November 2, 2021, Resolution no. 1.037/21 was published, establishing the application of another tax in addition to the provisions of Resolution no. 440 for invoices issued by generation companies that export energy produced using thermal and hydro power plant technologies to neighboring interconnected countries for all services performed in the period between September 1, 2021 and February 28, 2022.

The revenue raised collected by CAMMESA with this new tax will be allocated to a stabilization fund for the wholesale electricity market, whose ultimate purpose will be to finance new energy infrastructure and which will be allocated on the basis of a decision of the Energy Secretariat.

Enel Green Power

Italy

The Ministerial Decree of July 4, 2019 provided for competitive procedures based on Dutch auctions (selection of projects on the basis of price) and registers (selection of projects on the basis of an environmental criterion), depending on the installed capacity and by technology groups, including photovoltaic systems. In particular, up to October 2021, seven procedures will be held with:

- Dutch auctions for plants with a capacity of more than 1 MW;
- registers for plants with a capacity of less than 1 MW.

Unlike previous decrees, the Ministerial Decree of July 4, 2019 provides for a new method for supporting renewable sources through two-way contracts for differences under which the successful tenderer returns any positive differences between the zonal price and the auction price.

At September 30, 2021 the indicative annual cumulative cost was around €2.7 billion, compared with a ceiling of €5.8 billion for termination of the incentive mechanism.

On November 30, 2021, Legislative Decree 199 of November 8, 2021 transposing Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (the RED II Decree) was published in the Gazzetta Ufficiale.

The decree provides that capacity not assigned in the auction procedures referred to in the Ministerial Decree of July 4, 2019 shall be put up for auction in subsequent procedures in 2022, until the publication of the new auction schedule for the next five years.

In addition, the measure confirmed the same Dutch auction mechanisms for plants with a capacity greater than 1 MW, providing for an exception for plants with a capacity greater than 10 MW, which will be able to use the mechanism even though they have not completed the authorization process.

Plants with a capacity of less than 1 MW, on the other hand, will have direct access to incentives, with the exception of innovative technology plants, which will be able to access the subsidies through specific tenders.

Iberia

In the 1st Half of 2021, the preparation of all the regulations for access and connection to the grids for the new generation of renewables was completed. In December 2021, Royal Decree 1183/2020 on access and connection to grids was published. In January 2021, Circular 1/2021 of the Access and Competition Commission was approved and in May 2021 the detailed specifications for access to the grid were established with the Resolution of the National Commission for Markets and Competition. Until July 1, 2021 no requests for access and connection to the grids can be made for new renewable generation projects (a situation that has continued since July 2020). Starting on July 1, applications may be submitted in accordance with the new rules. In general, the

new technical criteria will open up a significant volume of grid access capacity. Effective measures are being incorporated to curb grid access speculation. The legislation provides for the possibility of launching calls for tenders to grant grid access capacity at both the Just Transition nodes and the rest of the network nodes, with variations depending on circumstances.

On January 26, 2021, auctions for 3,000 MW of renewables generation capacity took place, governed by the Resolution of December 10, 2020, of the State Secretariat for Energy. Enel Green Power España was awarded 50 MW of photovoltaic solar capacity. In total, 2,036 MW of photovoltaic capacity and 998 MW of wind capacity were auctioned.

In June 2021, work began on a bill reducing the remuneration of non-GHG emitting generation plants placed in service before the entry into force of the Law 1/2005 (ETS) in proportion to the increased revenue obtained from the incorporation into the wholesale electricity market price of the value of emission allowances for marginal technologies.

In November 2021, a ministerial order was published to govern the basis for the Access Capacity Contest in the Fair Transition Hub of Teruel organized in response to the closure of a large coal-fired power plant owned by Endesa.
In the auction, for which proposal must be submitted in January 2022, 1,200 MW of grid access capacity will be awarded to the best proposals for renewables generation and storage projects with a high degree of technical maturity and environmental and socio-economic impact.

On September 14, 2021, the Council of Ministers approved a royal decree law containing reform measures for the electricity system to reduce the increase in electricity bills for consumers. The main feature of the legislation is a temporary reduction in revenue from generation in consideration of the increase in the cost of gas from entry into force of the measure until March 31, 2022.
In October 2021, Royal Decree 23/2021 clarified various aspects of this reduction, including the exclusion from the reduction mechanism of power produced by generation plants covered by hedging instruments that meet certain characteristics. Each month, producers must make a responsible statement certifying the existence of these contracts. Most of the power generated by Endesa is sold under forward contracts.

On October 19, 2021, a second auction was held under the new remuneration scheme for renewables established with Order TED/1161/2020. The auction concluded with a weighted average price of €31.65/MWh for photovoltaic power and €30.18/MWh for wind power.

Europe

Greece

Following approval by the European Commission, the Minister of Energy extended the remuneration mechanism for interruptibility services until September 30, 2021. Interruptibility is a demand response service in which willing industrial consumers will interrupt their consumption when required in exchange for a fee fixed by auction. The scheme is financed by all generators operating on the mainland, including EGPH, through the transfer of a percentage of their revenue. The percentage applied differs depending on the generation technology used: wind = 1.8% (previously 2%), small hydro = 0.8% (previously 1%), PV = 3.6% (no change).

The decision of the Regulatory Authority for Energy (RAE) no. 988/2021 published in December 2020 set the UOCC contribution for 2022 at €0.581/MWh (in 2021 it was €0.325/MWh). This rate applies to monthly revenue from electricity generation for all renewable and cogeneration units in operation and serves to cover the operating and investment costs of DAPEEP, the Greek operator responsible for managing renewable generation incentives and the issue of guarantees of origin.

Romania

Law 259/2021 approved a series of measures to protect consumers and businesses, with the introduction of a claw-back mechanism on the revenue of renewable and low carbon energy generators in consideration of the high price of power. For the period November 2021 - March 2022, sales from renewable electricity, hydroelectric and nuclear power at prices above €90/MWh will be taxed in arrears at 80%.

Latin America

Colombia

Energy-transition law

On July 10, 2021, Law 2099 was promulgated. It seeks to modernize current legislation and establishes specific provisions for the energy transition in order to boost the promotion, development and use of non-conventional sources of energy, partly with a view to accelerating the country's economic recovery process and strengthening companies supplying electricity and gas. The law establishes tax benefits for investments in non-conventional sources of energy, efficient energy management, the development of hydrogen, the development of infrastructure projects to improve the electricity supply service, electric mobility and the smart measurement of consumption.

North America

United States

Renewables incentives

In June 2021, the United States Department of the Treasury amended the administrative guidelines for section 45 of the Production Tax Credit (PTC) for investments in wind plants and for section 48 of the Investment Tax Credit (ITC) for investments in solar plants, giving projects additional time to be put into service on the condition that they meet the "continuity requirements" within the "continuity safe harbor" mechanism. The guidelines also clarified how to meet the continuity requirements.
Specifically, the guidelines:

- extend the period for entering service to six years for plants that started construction in 2016, 2017, 2018 or 2019;
- extend the period for entering service to five years for plants that started construction in 2020; and
- provide taxpayers who do not rely on the continuity safe harbor to demonstrate continuity using the "continuous efforts" standard rather than the more restrictive "continuous construction" standard, regardless of whether the project has begun construction.

Forced labor in the solar supply chain

In June 2021, US customs authorities responded to reports by issuing a "withhold release order" (WRO) on silicon-based products manufactured by the company Hoshine Silicon Industry Co. Ltd (Hoshine) and its subsidiaries, since they have been accused of exploiting their workforce. The WRO restricts the import into the United States of polysilicon products made by Hoshine.
The effect on the US solar industry was the halt of shipments of photovoltaic modules by US customs, resulting in a delay in the delivery of solar equipment to end users, including Enel.
All photovoltaic equipment manufacturers had to produce clear documentation of their supply chain to meet US customs requirements. The documentation had to prove the specific origin of metallurgical grade silicon in imported photovoltaic products and demonstrate the absence of any Hoshine product in any part of the mining or manufacturing process.
Enel's Code of Ethics and corporate procedures do not permit the exploitation of workers by any Group supplier or subcontractor. Nevertheless, Enel is strengthening its controls, reviewing its supply chain and monitoring the implementation of the WRO by customs officials.
In a separate but connected development, in December 2021, President Biden signed the Uyghur Forced Labor Prevention Act (UFLPA). UFLPA requires US customs authorities to apply a presumption that goods "mined, produced, or manufactured in whole or in part" in the Xinjiang Uyghur Autonomous Region are made with forced labor and, therefore, are prohibited from being imported into United States.
Goods covered by this presumption shall not be allowed to enter unless the importer proves that it has:

- fully complied with government guidelines and regulations;
- responded fully and substantially to all US customs inquiries; and
- determined "with clear and convincing evidence" that the goods were not produced using forced labor.

Polysilicon is one of the three industries on which application of the WRO is focused, and this focus extends to photovoltaic equipment that could contain raw materials mined in the Xinjiang Uyghur Autonomous Region.
Implementation of the law will be guided by an administrative regulation process under way since February 2022, which is expected to be completed by June 2022.

As stated in Enel's Human Rights Policy, the Group condemns any violation of human rights and imposes the same standard on its partners and suppliers. The Code of Ethics and Enel's corporate procedures therefore do not permit the exploitation of workers by any supplier or subcontractor of the Group.

More specifically, all companies that intend to participate in an Enel Group tender and, therefore, who wish to be-

come part of the Company's group of qualified suppliers, must recognize the company policies, in particular those relating to the management of their business in compliance with internationally recognized human rights, including the prohibition on the use of forced labor. This requirement is included in the contracts that suppliers sign.
In addition, Enel's supplier qualification system ensures the careful selection and evaluation of companies wishing to participate in procurement procedures. The system evaluates compliance with technical, financial, legal, environmental, health and safety, human rights and ethical integrity requirements in order to guarantee the quality and reliability of the contracts awarded.

In addition to the regular supplier qualification process, Enel conducts factory assessments, focused on evaluating and monitoring the quality, production, risk management and logistics of each plant. Since 2021, Enel has implemented a chapter on supply chain sustainability, which addresses the key aspects of forced labor and ethical practices.
The "In Broad Daylight: Uyghur Forced Labor and Global Solar Supply Chains" report includes four suppliers with whom Enel has contractual relationships in the list of companies allegedly exposed to forced labor through their supply chains. Accordingly, the Group intensified its human rights controls:

- requiring suppliers to provide detailed traceability information on their supply chain;
- requesting in-person visits to the sites of suppliers and sub-suppliers in order to verify compliance with the terms and conditions contained in their contracts with Enel;
- sharing best practices in relation to the content of the ethical codes (or similar documents) of Enel's suppliers.

As of February 2022, no evidence has been found that Enel's suppliers and subcontractors produce goods and materials in conditions that do not respect human rights.

Enel has also adopted an ecosystem approach, working together with other utilities, suppliers and sector associations, to promote international industry statements aimed at guaranteeing full respect for human rights. In this context and in a global effort to ensure that the solar industry supply chain is free from forced labor, Enel Green Power North America, based in the United States, has signed the Solar Industry Forced Labor Prevention Pledge and has undertaken to support the development of a supply chain traceability protocol by the Solar Energy Industries Association. In Europe, Enel Green Power has also signed SolarPower Europe's public declaration on forced labor in the Xinjiang region of China.

Bipartisan Infrastructure Law

In November 2021, President Biden signed a $1 trillion Bipartisan Infrastructure Law, unlocking funds for new spending on roads, bridges, aqueducts, broadband and other projects in fiscal years 2022-2026.
The new law also contains provisions to incentivize the expansion of the country's electricity grid and support existing and new clean energy technologies. It also contains provisions to support existing nuclear power plants and hydroelectric plants, clean up abandoned mining lands and facilitate access to critical minerals needed for clean energy production. Of potential interest to Enel, the bipartisan infrastructure law includes the following provisions:

- EV charger infrastructure: the United States Department of Energy (DOE) and the United States Department of Transportation (DOT), through the Federal Highway Administration, will spend $5 billion on the National EV Formula Program to create a national network of EV chargers along interstate highways. The funds will be split over five years between the states. The plan is geared towards fostering confidence in electric vehicles by ensuring that drivers always have a place to recharge. The two departments will also work with states to spend $2.5 billion over five years on alternative fuel infrastructure subsidies;
- electric buses: the DOT, through the Federal Transit Administration, will spend $5.3 billion over five years in grants to transportation agencies for the Low or No Emission Vehicle Program. The program supports transport agencies in purchasing or leasing low- or zero-emission buses and other vehicles using technologies such as batteries;
- electric school buses: the US Environmental Protection Agency, through the Clean School Bus Program, will spend $5 billion over five years in the form of grants and discounts to states or local government agencies, as well as contractors. Eligible contractors include for-profit or non-profit entities that have the ability to sell clean school buses, zero-emission buses, charging or refueling facilities, or other equipment needed to charge, power or maintain clean/zero-emission school buses, or arrange funding for that sale;
- second life of EV batteries for grid services: the DOE intends to award grants for research, development and demonstration projects seeking to give a second life to EV batteries that have been used to power electric vehicles, as well as for technologies and processes for the final recycling and disposal of EV batteries;
- demand response: the law sets a new standard for considering investment in demand response to expand the reach of the federal energy management program to include demand response in state energy conservation plans;

- improve the grid: the DOE is authorized to allocate $5 billion to cooperation agreements or grants to strengthen and improve grid resilience and reliability, as well as an additional $3 billion for the existing Smart Grid Investment Matching Grant Program;
- transmission policy: the law provides $2.5 billion in loans and/or direct funding to private transmission developers to provide financial stability for proposed transmission projects. The DOE can make its network available to the private individual, make loans or enter into public-private partnerships.

Political action

In May 2021, the state of Texas enacted a law in response to an extreme cold weather event that occurred in February 2021. The legislation ordered the Public Utility Commission (PUC) to develop and implement rules in the natural gas and electricity sectors to meet the energy needs of the electricity system during extreme weather events and periods of low renewable energy production.
Legislation was approved to securitize most of the liabilities deriving from the February storm, reducing the total amount for which market operators would be liable for (thus reducing Enel's liability).
Legislation was also passed to restrict companies from entering into agreements with foreign-owned companies from China, Iran, North Korea and Russia if those agreements provide the latter with direct or remote access to the Texas power grid.

In August 2021, the state of Illinois enacted a law to raise the state's Renewable Portfolio Standard (RPS) targets, provide incentives for electric vehicles and e-buses, and create new energy storage and network modernization programs.
Illinois will switch to 100% clean energy by 2050, with interim targets of 50% by 2040 and 40% by 2030. The legislation translates into the closure of private coal plants of over 25 MW by 2030. Publicly owned coal/natural gas plants will close by 2045. By 2030, Illinois will have 1 million electric vehicles on the road, with $10 million available annually to convert state and local fleets.
There are also policies to create goals for battery storage systems (BESS).
Project work contracts will be required for all new industrial-scale solar and wind projects, and the renewable energy industry is required to report on diversity and inclusion goals as of April 2022.

In July 2021, the Missouri legislature approved a change in the tax assessment of wind farms that increased the tax exposure for assets that have been operating in the state for more than 5 years from 35% of the estimated value to 37.5%.

New Jersey has implemented an industrial-scale solar renewable energy incentive program that is administered by the state's Bureau of Public Utilities. Additionally, in July 2021, the New Jersey legislature passed a law that will allow solar development on agricultural land, enabling the state to meet its solar development goals.

Connecticut passed a law in June 2021 that sets a battery power storage target of 1 GW by 2030.

Colorado and Nevada both passed laws in June 2021 that require utilities in each state to join a regional transmission organization by 2030.

Canada

Canada announced a reinforced climate plan called "A Healthy Environment and a Healthy Economy" at the United Nations Climate Change Conference (COP26) in November 2021 in order to achieve the Paris Agreement's strengthened goal of reducing emissions by 40-45% from 2005 levels by 2030. The Canadian Net-Zero Emissions Accountability Act, which became law on June 29, 2021, enshrines Canada's commitment to achieving net-zero emissions by 2050. The law ensures transparency and accountability as the government works to achieve its goals.

The Minister of Environment and Climate Change will establish the country's emissions reduction plan for 2030 by the end of March 2022.
The law requires public participation and independent advice to guide the Canadian government's efforts. As part of the plan, the government launched the $8 billion Net-Zero Accelerator Fund to help large polluters reduce their emissions.

In August 2021, the government launched a five-year $2.19 billion fund to help transportation service providers move away from fossil fuel engines and switch to zero-emission vehicles. The Zero Emission Transit Fund is part of the federal government's $11.9 billion investment in public transportation and adds to Canada Infrastructure Bank's planned $1.19 billion investment in zero-emission buses through its three-year growth plan. This fund seeks to support public transport and school bus operators to plan the switchover to electric vehicles, supporting the purchase of 5,000 zero-emission buses and building support infrastructure, including charging stations. Municipalities, school districts and private partnerships will be able to work with the government to exploit potential opportunities.

During the federal election in September 2021, the Liberal Party (currently in office) pledged to double Canada's existing clean energy capacity to reach its net-zero emissions target by 2050. The Canadian Infrastructure Bank is injecting $5 billion to advance clean energy generation, transmission and storage and have pledged to invest an additional $1 billion over the next four years to support renewable energy and grid modernization projects. While the federal government has no direct responsibility for Canada's power grids (they are under provincial jurisdiction), the government has committed itself to:

- introduce a Clean Electricity Standard to achieve a 100% net-zero emissions electricity system by 2035;
- develop additional investment tax credits for a range of renewable energy and battery storage solutions to accelerate the deployment of clean energy into the grid;
- create a Pan-Canadian Grid Council in partnership with provinces, territories, indigenous peoples, the private sector, labor organizations and civil society:
  - the Grid Council will work to establish national standards, best practices and incentives to promote investment in infrastructure, smart grids, grid integration and innovation in the electricity sector, with the aim of making Canada the world's most reliable, affordable and carbon-free electricity producer;
  - the Grid Council will promote the most cost-effective approaches to planning and developing the electricity system in Canada, while promoting competitiveness to sell more clean Canadian power to the United States.

Africa, Asia and Oceania

South Africa

The state-owned utility Eskom has started transmission unbundling with the creation in December of the National Transmission Company South Africa (NTCSA), which is expected to be operational in 2022. Unbundling will facilitate competition in the power generation sector and improve access to the grid on a non-discriminatory basis.

India

In 2021, the government granted independent power producers (IPPs) an extension of two and a half months to commission renewable energy plants due to the COVID emergency, provided that the IPPs did not request further extensions or increases in the rates under their power purchase agreements (PPA). The Government subsequently eased this requirement by allowing IPPs to request further extensions based on the conditions set out in their PPAs. Enel Green Power India took advantage of the extension for the 285 MW Coral Project.

The Ministry of Energy has introduced two rules that strengthen the "must-run" status for renewable projects, safeguarding IPPs against arbitrary curtailment and ensuring rapid recovery in the event of a change in law.
To promote renewable energy projects, the government had waived transmission rates for renewable projects that sold electricity produced through long-term PPAs. The government then expanded the scope of this derogation by also allowing the cancellation of transmission rates for projects with short-term sales contracts and on power exchanges. The non-applicability of transmission rates represents an advantage for our projects.

South Korea

The main scheme to support the development of renewables in Korea is the Renewable Portfolio Standard (RPS), which obliges conventional generators with a capacity of more than 500 MW to procure a certain amount of electricity from renewable sources annually. This share will gradually rise from 2% in 2012 to 25% by 2030. In 2021 the share was 9%.
Compliance with the RPS (the percentage of electricity generated from renewables) can be achieved by building renewable plants or by purchasing green certificates (RECs). The number of RECs that a RES generator can sell for each MWh produced depends on the so-called "multiplier" which differs depending on the energy source. The multiplier values were updated in August 2021: the very advantageous multiplier (x4) for BESS+RES was abolished, while that for onshore wind was increased from x1 to x1.2; solar PV is still less than 1 (x0.8).

Another important regulatory reform in 2021 was the introduction of a series of tools to facilitate the procurement of renewable energy by companies participating in the RE100 initiative, with the (voluntary) objective of using 100% of green energy to drive their businesses. Among the most interesting tools for Enel Green Power is the REC trading platform, which allows the direct exchange of RECs between generators and companies. However, Third Party PPAs and Direct PPAs can also represent new and potentially attractive routes to market by allowing the purchase and sale of renewable electricity between end users and generators without going through the energy market.

Infrastructure and Networks

Italy

Rates for the fifth regulatory period (2016-2023) are governed by ARERA Resolution no. 654/2015/R/eel. This period lasts eight years and is divided into two sub-periods of four years each (NPR1 for 2016-2019 and NPR2 for 2020-2023).
With regard to the NPR2 period, ARERA published Resolution no. 568/2019/R/eel, with which it updated rates for distribution and metering services in force in the 2020-2023 period, publishing the new integrated texts (TIT 2020-2023 and TIME 2020-2023).
With Resolution no. 639/2018/R/com, ARERA set the value of the WACC for distribution and metering activities, valid for the 2019-2021 period, at 5.9%.
The method for determining the WACC for the 2022-2027 period was updated with Resolution 614/2021/R/com, establishing a value of 5.2% for electricity distribution and metering. The regulation provides for an update of the value for 2025-2027, as well as the possibility of annual updating (in 2023 and 2024) should certain financial indicators lead to a change in the WACC of at least 0.5%.

As for distribution and metering rates, ARERA approved both the definitive reference rates for 2020, calculated by taking into account the actual balance sheet data for 2019 (Resolution no. 131/2021/R/eel), and the provisional reference rates for 2021 on the basis of the preliminary balance sheet data for 2020 (Resolution no. 159/2021/R/eel). The definitive reference rates for 2021 are expected to be published in 2022.

As regards service quality, ARERA, with Resolution no. 646/2015/R/eel as amended, established output-based regulation for electricity distribution and metering services, including the principles for regulation for 2016-2023 (TIQE 2016-2023). With Resolution no. 566/2019/R/eel, ARERA completed the update of the TIQE for the 2020-2023 semi-period, proposing tools to bridge gaps in quality of service still existing between the various areas of the country, taking account of the time needed to implement interventions on the grid as well as the effects of climate change.
With Resolutions nos. 212/2021/R/eel and 537/2021/R/eel, ARERA specified the bonuses for resilience interventions completed by e-distribuzione in 2019 and 2020 eligible for the bonus-penalty mechanism envisaged under the provisions of Resolution no. 668/2019/R/eel, which introduced an incentive mechanism for investments to increase the resilience of distribution grids in terms of resistance to loads deriving from extreme weather events.
With regard to relations between distributors and traders, on January 1, 2021 the new version of the Electricity Transport Grid Code came into force with Resolution no. 261/2020/R/eel, which due to the reduction in the time required to terminate transport contracts due to the default of sellers, reduced the credit exposure of distributors. Consequently, the value of guarantees that all sellers must give to distributors to cover the transport service provided was reduced (passing from a level of coverage ranging from 3 to 5 months of the trader's turnover to a new range between 2 and 4 months).

Energy efficiency - White certificates

The decree of the Ministry for Ecological Transition of May 21, 2021 amended the ministerial decree of January 11, 2017 as already amended by the decree of the Ministry for Economic Development of May 10, 2018. The measure set the national quantitative targets for electricity and gas distribution companies for the years 2021-2024 and also reduced the objectives for 2020 by 60%. The decree also updated the methods for distribution companies to meet the obligation and for reimbursing the related costs.

Iberia

Methodology for calculating rates and electrical system charges

On March 18, 2021, Royal Decree 148/2021 of March 9, 2021 was published in Spain's Official Journal, which establishes the methodology for calculating electricity system charges. Furthermore, on March 28, Circular 3/2021 of March 17 of the National Markets and Competition Commission (CNMC) was published, amending Circular 3/2020 of 15 January, which had established the methodology for calculating electricity transmission and distribution rates. The new rates for access to the transmission and distribution grid, as well as the new charges for the electricity system, entered into force on June 1, 2021, by way of the Resolution of March 18, 2021 of the CNMC, which established the access rates for the electricity transmission and distribution grids applicable from June 1, 2021, and Order TED/371/2021 of April 19, which established the rates for the electricity system and capacity payments applicable from June 1, 2021.

On September 15, 2021, Royal Decree Law 17/2021 of September 14 was published, containing urgent measures to mitigate the impact of the rise in natural gas prices in the gas and electricity retail markets. It reduced charges for the electricity system by about 96% from September 16, 2021 to December 31, 2021 compared with those in effect from June 1, 2021.

Methodology for calculating charges for the gas system

On December 30, 2020, Royal Decree 1184/2020 of December 29 was published, establishing the methodology for calculating gas system charges. It entered into force on October 1, 2021. On September 29, 2021, Order TED/1023/2021 of September 27 was published, establishing charges for the gas system for the period between October 1, 2021 and September 30, 2022. The amount to be recovered for charges for this period is €26.9 million.

Electricity rates for 2021

On December 29, 2020, Order TEC/1271/2020 of December 22 was published in Spain's Official Journal, establishing various costs for the electricity system for 2021 and extending the electricity access rates until the rates tariffs set by the National Markets and Competition Commission (CNMC) come into force.

Similarly, on March 23, 2021, the Resolution of March 18, 2021 of the CNMC was published in Spain's Official Journal, approving the access rates for the transmission and distribution grids to be applied starting from June 1, 2021.

On April 22, 2021, Order TED/371/2021 of April 19, 2021 was published in Spain's Official Journal, establishing electricity system charges applicable from June 1, 2021.

Finally, Royal Decree Law 17/2021 of September 14 reduced electricity rates by about 96% in the period from its entry into force until December 31 2021.

Electricity rates for 2022

On December 22, 2021, the Resolution of December 16, 2021 of the National Markets and Competition Commission (CNMC) was published in Spain's Official Journal, establishing the access rates for the electricity transmission and distribution grids applicable from January 1, 2022, which represent an average reduction of 5.4% compared with their values at June 1, 2021.

On December 30, Order TED/1484/2021 of December 28 was published in Spain's Official Journal, setting the electricity system rates to be applied from January 1, 2022 and establishing various regulated costs of the electricity system for 2022. The new charges for 2022 represent an average reduction of about 31% compared with the charges approved on June 1, 2021.

Natural gas rates for 2021

Circular 6/2020 of July 22 of the National Markets and Competition Commission (CNMC) approved the methodology for calculating rates for transport, local networks and natural gas regasification. In addition, it established that this Commission must set access rates for regasification plants and, if necessary, the billing deadlines for the period of operation of the transport and distribution rates applicable from October 1, 2020.

On December 29, 2020, the Resolution of December 21 of the Directorate General for Energy Policy and Mines was published, establishing the natural gas last resort rate (TUR) to be applied from January 1, 2021, with an average increase of 4.6% and 6.3% for last resort rate 1 (TUR 1) and last resort rate 2 (TUR 2), respectively, due to the increase in the cost of the commodity. These values remained in force throughout the 1st Half of 2021 as the necessary condition for any change (a variance of +/-2% in the cost of the commodity) was not met.

On June 30, 2021, the Resolution of June 24, 2021 of the Directorate General for Energy Policy and Mines was published, establishing the natural gas last resort rate (TUR) to be applied starting from July 1, 2021, with a consequent increase of 2.9% and 3.9% for last resort rate 1 (TUR 1) and last resort rate 2 (TUR 2), respectively, due to the increase in the cost of the commodity.

Finally, on September 29, 2021, the Resolution of September 26, 2021 of the Directorate General for Energy Policy and Mines was published, which approves the natural gas last resort rate (TUR) to be applied from October 1, 2021, which in compliance with Royal Decree Law 17/2021 of September 14 translated into an increase of 0.9%, 4.6% and 11.2% for last resort rate 1 (TUR 1), last resort rate 2 (TUR 2) and last resort rate 3 (TUR 3), respectively.

Natural gas rates for 2022

On December 27, the Resolution of December 22, 2021 of the Directorate General for Energy Policy and Mines was published, establishing the last resort rate for natural gas to be applied in the 1st Quarter of 2022. Taking account of the provisions of Royal Decree Law 17/2021 of September 14, it translated into an increase of about 5.4%, 6.8% and 7.5% for last resort rate 1 (TUR 1), last resort rate 2 (TUR 2) and last resort rate 3 (TUR 3), respectively.

Proposed remuneration for distribution activities from 2017 to 2019

During November 2021, work began on preparing a proposed order approving the incentive or penalty for the reduction of losses in the electricity distribution grid for 2016, the modification of base remuneration for 2016 for several distribution companies and the modification of the remuneration for electricity distribution companies for 2017, 2018 and 2019.

Direct subsidies to electricity distribution companies

On December 22, 2021, Royal Decree 1125/2021 was published in Spain's Official Journal, promoting the digitization of distribution grids and charging infrastructure on public roads with support from European funds under the Recovery, Transformation and Resilience Plan.

The aid will amount to €525 million for 2021-2023, which

will be allocated among distributors based on their share of distribution remuneration. Distribution companies must present these projects, which they will co-finance at 50%, in their annual investment plans, together with supplementary information concerning the impact on employment, the industrial value chain and the penetration of renewables, as well as digital programs to improve customer service quality.

Legislation establishing the National Fund for the Sustainability of the Electricity System (FNSSE)

On June 1, 2021, the Council of Ministers approved a bill establishing the National Fund for the Sustainability of the Electricity System, which is awaiting approval by the Congress of Deputies. It is intended to divide the cost of policies to promote renewable energy, high-efficiency cogeneration and energy recovery from waste among the various energy vectors.

The FNSSE, which will be implemented gradually over a 5-year period, will be financed with contributions from operators in the various energy sectors, taxes deriving from Law 15/2012, the proceeds of auctions of CO_2 emission rights and, up to a limit of 10% of the annual value of the Fund, with funding from the general State budget or with EU funds.

Europe

Romania

In Romania, electricity distributors (DSOs) purchase electricity on wholesale markets to cover grid losses. The price recognized *ex-ante* by the regulator for such purchases in 2021 was largely exceeded by the closing prices on the wholesale electricity markets, with a serious impact on the cash flows of the DSOs. The rate mechanism provides for the recovery of grid losses: the difference with purchase costs for the year t is recouped through distribution rates for the year t+2, but the circumstances generated pressure on the 2021 balance sheets of the DSOs, with a negative impact on working capital.

Latin America

Chile

CNE Resolution no. 176/2020 - Exclusive activity

On June 9, 2020, CNE Resolution no. 176 was published. It establishes the substance of the obligation for exclusive operation and separate accounts in the provision of public electricity distribution services in conformity with Law 21.194.

Under the provisions of the resolution, companies holding concessions for the public electricity distribution service operating in the Chilean national electricity system will have to set up as companies exclusively engaged in distribution activities and will only be able to exercise economic activities involved in the provision of the public distribution service, in compliance with applicable legislation. The rules established in the resolution shall apply from January 1, 2021. Where a company is unable to comply by that date for legitimate reasons, subject to notifying the CNE the application of the resolution may be postponed, but in any case not later than January 1, 2022.

Law 21.249 - Exceptional measures supporting end users of health, electricity and gas services

On August 8, Law 21.249 was approved, introducing exceptional measures supporting the most vulnerable customers, measures that, in large part, Enel Distribución Chile was already implementing voluntarily. The measures include a moratorium on the interruption of supply due to arrears and make it possible to pay electricity bill arrears in installments for customers defined as vulnerable. These measures were extended and strengthened with Law 21.340 until December 31, 2021 or the end of the state of emergency declared in response to the COVID-19 pandemic.

"Average bare price"

On March 20, 2021, the Ministry of Energy published the average "bare price" to be applied starting from July 1, 2020, while on May 20, 2021 the Ministry of Energy also published the average bare price to be applied starting from January 1, 2021. Considering the price stabilization mechanism established with Law 21.185, the publication of this decree had no effect on end-user rates.

"Short-term bare price"

On December 3, 2020, the Ministry of Energy published Decree 12T/2020, setting the "bare price" for the supply of electricity with effect from October 1, 2020.
On March 22, 2021, the Ministry of Energy published Decree 3T/2021, setting the "bare price" for the supply of electricity with effect from April 1, 2021.

Determination of 2020-2024 distribution rate

The price determination process for the 2020-2024 period is still under way. For the moment, the rates continue to be applied in accordance with the methodology in force for the 2016-2020 period.

Argentina

Rate revisions

Until a revision of the definitive full rate is approved, the regulator ENRE is entitled to set provisional rate adjustments in order to ensure stability in the provision of services.

On March 21, 2021, Resolution ENRE no. 79/2021 established new transitional rates, which were subsequently increased by 9% with Resolution no. 106 of April 30, 2021, pending completion of the renegotiation of the full rate.

Resolutions ENRE no. 263 and no. 266/2021 approved new rates to be applied starting from August 1, 2021. They only adjusted the seasonal stabilized price for large customers (with consumption of more than 300 kWh per month) as required by Resolution 748/21 of the Secretariat of Energy. The average rate was increased from $5.020 to $5.176/kWh (+3.1%).

Brazil

Rate revision for Enel Distribuição Ceará

The latest full rate revisions approved for each Brazilian distribution company belonging to the Enel Group date back to 2018 (for Enel Distribuição Rio de Janeiro and Enel Distribuição Goiás) and 2019 (for Enel Distribuição Ceará and Enel Distribuição São Paulo). The next rate reviews are scheduled for 2023.

The latest rate adjustments are summarized below:

		Average increase	
Company	Rate adjustment date	High voltage	Low voltage
Enel Distribuição Rio de Janeiro	March 2021	+10.38%	+4.63%
Enel Distribuição Ceará	April 2021	+10.21%	+8.54%
Enel Distribuição São Paulo	June 2021	+3.67%	+11.38%
Enel Distribuição Goiás	October 2021	+14.21%	+17.32%

Colombia

The Energy and Gas Regulation Commission (CREG) determines the remuneration methodology for the distribution grid. Distribution rates are set every five years and updated monthly based on the producer price index.

Rate revisions

With Resolution no. 122 of 2020, the Energy and Gas Regulation Commission (CREG) set the distribution rates for Codensa for the period 2018-2023.

In June 2021, with Resolution no. 068 of 2021, CREG approved the update of the Codensa investment plan.

Peru

In Peru, the process for determining distribution rates takes place every four years and is referred to as the "Setting the Aggregate Distribution Value" (VAD). Exceptionally, the last rate cycle set a duration of five years. Therefore, in 2018 the process of determining the VAD was completed for the years 2018-2022.

The Peruvian regulations use a "model company" approach. In each rate process, the investment and operating costs necessary to meet the demand for electricity in the concession area are set and will be incorporated in the rate paid to the distributor. The VAD is determined individually for each distribution company with more than 50,000 customers.

End-user Markets

Italy

The current regulatory framework governing the process of eliminating regulated prices in the electricity sector (Law 124/2017 – the Competition Act – as most recently amended by Decree Law 152/2021 implementing the NRRP, ratified with Law 233/2021) provides for a staggered postponement of the removal of price protection: to January 1, 2021 for small businesses, to January 1, 2023 for micro-enterprises and to January 2024 for domestic customers. As regards the gas sector, the elimination of price protections is scheduled to occur on January 1, 2023 for domestic customers and condominiums.
With regard to the end of price safeguards for small firms in the electricity sector (January 1, 2021), the Ministry for Economic Development issued a decree implementing the Competition Act on December 31, 2020, delegating the Regulatory Authority for Energy, Networks and the Environment (ARERA) to define the measures governing the transition to the free market based on certain criteria and guidelines. With Resolution no. 491/2020/R/eel, ARERA established a last resort service ("gradual safeguards service") for small businesses without a supplier, to be assigned by auction on a territorial basis for a period of three years. A ceiling of 35% was set for the market share that can be assigned to each supplier.
In March 2021, Enel Energia and Servizio Elettrico Nazionale (together with Enel Italia) appealed the ministerial decree before the Lazio Regional Administrative Court, contesting the imposition of the antitrust cap at 35% and the lack of provisions (e.g., a social clause) for the reimbursement of the residual costs of Servizio Elettrico Nazionale following the loss of customers. With regard to the latter point, in March 2021, Servizio Elettrico Nazionale and Enel Italia also challenged Resolution no. 491/2020/R/eel with an appeal before the Lombardy Regional Administrative Court. At the moment, no hearing has yet been set for these appeals.

With ruling no. 18/2021, the Lombardy Regional Administrative Court granted the appeals filed by Servizio Elettrico Nazionale and Enel Energia, voiding Resolution no. 279/2017/R/com. The resolution had established an incentive mechanism to increase the use of electronic invoices with customers on the regulated markets and made the compensation for the seller of the differential between the discount granted to customers and the avoided cost conditional upon reaching certain thresholds. With Resolution no. 477/2021/R/com, ARERA consequently also amended, with effect from 2022, the rules governing the recovery of amounts relating to previous years.

Electricity
With Resolution no. 604/2020/R/eel, ARERA updated for 2021 the rate component covering the marketing costs of the operators of the enhanced protection service (RCV) and the levels of the PCV fee, which represents the reference price for sellers on the free market.
With Resolution no. 402/2021/R/eel, the updating of the RCV and the PCV for 2022 was postponed to the 1st Quarter of 2022, with effect from April 1, 2022, taking account of the need to cover the costs incurred by operators from January 2022 in the upcoming determinations.

With ruling no. 565 of March 27, 2020, the Lombardy Regional Administrative Court partially voided Resolution no. 119/2019/R/eel, with which ARERA had introduced changes to the compensation mechanism for the amounts not collected by operators of the enhanced protection service in respect of fraudulent withdrawals of power. In particular, the Regional Administrative Court voided the part of the resolution in which it provided for a reduction in the amounts subject to reimbursement for amounts invoiced in the period prior to its entry into force (April 2, 2019). With Resolution no. 240/2020/R/eel, ARERA amended the rules in compliance with the provisions of the Regional Administrative Court.

With Resolution no. 32/2021/R/eel, ARERA established a mechanism to reimburse arrears relating to the general system charges paid by the sales companies on the free and safeguard markets to distribution companies but not collected from end users (for the safeguard market, this only applies to customers that can be disconnected). For customers who cannot be disconnected on the safeguard market, the mechanism for reimbursing non-recoverable charges is governed by Article 44 of the TIV (Integrated Sales Code).

Gas
With Resolution no. 401/2021/R/gas, ARERA postponed the update of the QVD component to the 1st Quarter of 2022, with effect from April 1, 2022, taking account of the need to cover the costs incurred by operators starting from January 2022. This decision was prompted by the need for further evaluation of the ongoing evolution of the structure of the retail markets as well as by the need to align the remuneration methods of the various regulated entities.

In Articles 31-*quinquies* and 37.1 letter b) of the TIVG (Integrated Gas Sales Code), ARERA regulates specific mechanisms for the reimbursement of arrears for providers of the last resort service and the default service on distribution grids.

Iberia

Energy efficiency

Law 18/2014 of October 15, which approves urgent measures for growth, competitiveness and efficiency, created the National Energy Efficiency Fund to achieve energy efficiency objectives.

Order TED/275/2021 of March 18 established a contribution of €27.7 million to the National Energy Efficiency Fund for Endesa, corresponding to the obligation for 2021.

In December 2021, the Ministry for the Ecological Transition and the Demographic Challenge started preparation of a proposed order setting the contribution to the National Energy Efficiency Fund for 2022, establishing the amount proposed for Endesa at €26 million.

Consumer protection measures: Social Bonus

On October 16, Order TED/1124/2021 of October 8 was published in Spain's Official Journal, establishing the distribution of the 2021 obligation for funding the Social Bonus, with Endesa's share being set at 34.72%. In October, the National Competition and Markets Commission (CNMC) began hearings on its proposal to distribute the funding of the Social Bonus for 2022, with the percentage proposed for Endesa set at 33.50%.

On October 27, 2021, Royal Decree Law 23/2021 of October 26 containing urgent measures in the field of energy for the protection of consumers and the introduction of transparency in the wholesale and retail electricity and natural gas markets was published in Spain's Official Journal. The main consumer protection provisions in the decree are:

- discounts through the Social Bonus mechanism have been increased from 25% to 60% for vulnerable customers and from 40% to 70% for severely vulnerable customers for the period from October 27, 2021 to March 31, 2022. Subsequently, Royal Decree 29/2021 of December 22, extended this measure until April 30, 2022;
- the State budget contribution to the Social Bonus mechanism for heating was increased by €100 million to a total of €203 million, with the minimum benefit rising from €25 to €35 in 2021.

Similarly, Royal Decree Law 21/2021 of 26 October was published, extending the social protection measures to address situations of social and economic vulnerability. Note that the "COVID vulnerable" Social Bonus category has been extended, representing a 25% discount on the PVPC rate for unemployed workers, those in wage supplementation programs (ERTE) and businesses with reduced working hours due to COVID precautions, until February 28, 2022.

Consumer protection measures: electricity supply guarantee

On September 15, 2021, Royal Decree 17/2021 of September 14 containing urgent measures to mitigate the impact of the rise in natural gas prices in retail gas and electricity markets was published in Spain's Official Journal, establishing a minimum essential supply for vulnerable customers (recipients of the electricity Social Bonus) in arrears with their utility bills and extending the payment period by six months (beyond the existing four months), during which supplies cannot be interrupted and power will be reduced to 3.5 kW only for customers with a larger supply.

Similarly, Royal Decree Law 21/2021 of October 26 extended the moratorium on interruption of supplies of electricity and gas to vulnerable domestic customers (recipients of the Social Bonus) until February 28, 2022.

Consumer protection measures: tax measures

On June 25, 2021, Royal Decree Law 12/2021 of June 24 was published in Spain's Official Journal, adopting urgent measures in the field of energy taxation and electricity generation and on the management of regulatory fees and rates for water use. Specifically, the royal decree law reduced VAT from 21% to 10% on the electricity bills of consumers with low voltage service and contracted power up to 10 kW until December 31, 2021, provided

that the average monthly price on the wholesale market in the previous month is greater than €45/MWh. For consumers benefitting from the Social Bonus program, 10% VAT will apply regardless of the wholesale market price.

Royal Decree 17/2021 of September 14 containing urgent measures to mitigate the impact of the increase in natural gas prices on the retail gas and electricity markets reduced the electricity tax from 5.1% to 0.5% from September 15, 2021 to December 31, 2021.
Both measures were extended until April 30, 2022 with Royal Decree 29/2021 of December 22.

Europe

Romania

As from January 1, 2021, Romania began implementation of the provisions of Regulation (EU) 2019/943 on the elimination of regulated prices for end users.
In the 2nd Half of 2021, the Romanian authorities adopted specific legislation (Government Emergency Order 118/2021, Law 259/2021, Government Emergency Order 130/2021) establishing a combination of price-capping and offsets.

Latin America

Free market

In all Latin American countries, distribution companies can supply electricity to their customers on the regulated market. However, they can also apply free market conditions if customers exceed certain limits.
The limits for the free market by country are as follows:

Country	kW threshold
Argentina	>30 kW
Brazil	>1,000 kW or >500 kW(1)
Colombia	>100 kW or 55 MWh-month
Costa Rica	Not applicable(2)
Guatemala	>100 kW
Panama	>100 kW
Peru	>200 kW(3)

(1) The >500 kW threshold applies if the electricity consumed was generated using renewable sources, which are subsidized by the government through a discount on rates.
(2) The concept of free-market customer does not apply in Costa Rica.
(3) D.S. 018-2016-EM establishes that:
- the installed power supply of customers who can choose between the regulated market and the free market (those with a power supply of between 200 and 2,500 kW) is measured for each point of supply;
- customers whose power supply exceeds 2,500 kW for each point of supply are free-market customers.

5. Outlook

Enel is the largest private-sector renewables company in the world

Investing in Enel means investing in a decarbonized business model that leaves no one behind.

Enel is the largest private-sector electricity distribution company in the world

Enel´s grids, which are the most highly digitalized in the world, will be the foundation of the energy transition.

Enel had the largest customer base among private-sector companies

The electrification of energy consumption will enable Enel to create value for itself and for its customers.

A simple, predictable and attractive dividend policy

Enel retains a dividend policy based on a fixed and increasing dividend until 2024.

Outlook for operations

The progressive roll-out of COVID-19 vaccines in 2021 created the conditions for strong growth at a global level. In this environment, the Group experienced a sound recovery in operating indicators in terms of generation, distribution and sales to end users of electricity. In particular, the Enel Group accelerated the construction of new renewables capacity during the year, with over 5 GW of new installed capacity worldwide, representing the absolute record for the Group, with an increase of more than 2 GW on the new capacity installed in 2020.

At the same time, macroeconomic conditions were sharply influenced by strong growth in the prices of commodities, such as gas and coal, which have a direct impact on the price of electricity. This prompted the authorities of some European countries to intervene in an attempt to calm the increase in electricity prices for consumers, with measures that in some cases penalized companies operating in electricity generation and sales.

In this context, the geographical diversification of the Group, its integrated business model along the entire value chain, a sound financial structure and a high degree of digitalization have enabled Enel to display considerable resilience, which is reflected in our performance and financial position.

In November 2021, the Group presented its new Strategic Plan, also providing a vision of the evolution of the business in this decade.

More specifically, the Strategic Plan focuses on four strategic lines of action.

- **Allocate capital to support the supply of decarbonized electricity.**
  Between 2021 and 2030, the Enel Group plans to mobilize investments totaling €210 billion, of which €170 billion invested directly by the Group (an increase of 6% compared with the previous Plan) and €40 billion catalyzed by third parties.
  With these investments, the Enel Group expects to achieve total renewables capacity of about 154 GW by 2030, tripling the Group's renewables portfolio compared with 2020, as well as increasing the grid's customer base by 12 million and promoting the electrification of energy consumption, increasing the volume of electricity sold by almost 30% while at the same time focusing on the development of beyond-commodity services, such as public electric mobility or behind-the-meter storage, in collaboration with partners.

- **Enable the electrification of customer energy demand.**
  The Group's strategic actions will seek to increase value for customers in the business-to-consumer (B2C), business-to-business (B2B) and business-to-government (B2G) segments, increasing the level of electrification of these customers while simultaneously improving the services we deliver. In "Tier 1" countries, it is expected that this targeted strategy, combined with investments in the basic asset, will increase the Group's integrated margin by to 2.6 times between 2021 and 2030, with the support of a unified platform capable of managing the world's largest customer base among private operators.

- **Leverage the creation of value throughout the value chain.**
  In order to enhance the strategy of focusing on customers through the use of platforms, in 2021 the Group created the Global Customer Operations Business Line, which is responsible for defining the commercial strategy and for directing the allocation of capital towards customer needs, leveraging electrification while achieving excellent service levels.
  The refocusing of the Group will go hand in hand with the simplification and rebalancing of its portfolio, through:
  - a focus on "Tier 1" countries;
  - using resources made available from the disposal of assets that no longer support the Group's strategy; and
  - mergers and acquisitions designed to improve positioning, acquire skills or generate synergies.

- **Achieve sustainable Net-Zero objectives in advance.**
  The Group has moved its "Net-Zero" commitment forward by 10 years, from 2050 to 2040, for all emissions along the value chain. The Group plans to abandon thermal generation by 2040, replacing it with new renewables capacity and hybridize renewables with storage solutions. Furthermore, we expect that by 2040 the electricity sold by the Group will be generated entirely from renewables and, by the same year, the Group will exit the retail gas sales business.

As a result of the strategic lines of action described above, between 2020 and 2030 the Group's ordinary EBITDA is expected to increase at a compound annual growth rate of 5-6%, with the ordinary profit of the Group expected to increase at a compound annual rate of 6-7%.

With regard to the period covered by the 2022-2024 Plan, in 2024 the Group's ordinary EBITDA is forecast to reach €21-21.6 billion, compared with €19.2 billion in 2021.
The Group's ordinary profit is expected to rise to €6.7-6.9 billion in 2024, compared with €5.6 billion in 2021.
Enel's dividend policy for the 2022-2024 period remains simple, predictable and attractive. Shareholders should receive a fixed dividend per share (DPS) that is expected to increase by 13% between 2021 and 2024, reaching €0.43 per share.

The following developments are expected in 2022:

- an acceleration of investments in renewable energy, especially in Iberia and North America, to support industrial growth and as part of the Group's decarbonization policies;
- an increase in investments in distribution grids, especially in Italy, with the aim of further improving service quality and increasing the flexibility and resilience of the grid;
- an increase in investments dedicated to the electrification of consumption, with the aim of leveraging the growth of the customer base, and to achieving continuous efficiency gains, supported by the development of global business platforms.

Based on the foregoing, the financial targets on which the Group's 2022-2024 Plan is based are reported below.

Financial targets				
	2021	**2022**	**2023**	**2024**
Profit growth				
Ordinary EBITDA (€ billions)	19.2	19-19.6	20-20.6	21-21.6
Ordinary profit (€ billions)	5.6	5.6-5.8	6.1-6.3	6.7-6.9
Value creation				
Dividend per share (€)	0.38	0.40	0.43	0.43

Other information

Non-EU subsidiaries

At the date of approval by the Board of Directors of the financial statements of Enel SpA for 2021 – March 17, 2022 – the Enel Group meets the "conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries" (hereinafter "non-EU subsidiaries") established by CONSOB with Article 15 of the Markets Regulation (approved with Resolution no. 20249 of December 28, 2017).

Specifically, we report that:

- in application of the materiality criteria for the purposes of consolidation referred to in Article 15, paragraph 2, of the CONSOB Markets Regulation, 44 non-EU subsidiaries of the Enel Group have been identified to which the rules in question apply on the basis of the consolidated accounts of the Enel Group at December 31, 2020;
- they are: 1) Almeyda Solar SpA (a Chilean company merged into Enel Green Power Chile SA on January 1, 2021); 2) Ampla Energia e Serviços SA (a Brazilian company belonging to Enel Américas SA); 3) Aurora Wind Project LLC (a United States company belonging to Enel North America Inc.); 4) Celg Distribuição SA - Celg D (a Brazilian company belonging to Enel Américas SA); 5) Cimarron Bend Wind Holdings I LLC (a United States company belonging to Enel North America Inc.); 6) Codensa SA ESP (a Colombian company merged into Emgesa SA ESP on March 1, 2022); 7) Companhia Energética do Ceará - Coelce (a Brazilian company belonging to Enel Américas SA); 8) Dolores Wind SA de Cv (a Mexican company belonging to Enel Green Power SpA); 9) EGPNA Preferred Wind Holdings LLC (a United States company belonging to Enel North America Inc.); 10) Eletropaulo Metropolitana Eletricidade de São Paulo SA (a Brazilian company belonging to Enel Américas SA); 11) Emgesa SA ESP (a Colombian company belonging to Enel Américas SA, renamed Enel Colombia SA ESP on March 1, 2022); 12) Empresa Distribuidora Sur SA - Edesur (an Argentine company belonging to Enel Américas SA); 13) Enel Américas SA (a Chilean company directly controlled by Enel SpA); 14) Enel Brasil SA (a Brazilian company belonging to Enel Américas SA); 15) Enel Chile SA (a Chilean company directly controlled by Enel SpA); 16) Enel Distribución Chile SA (a Chilean company belonging to Enel Chile SA); 17) Enel Distribución Perú SAA (a Peruvian company belonging to Enel Américas SA); 18) Enel Finance America LLC (a United States company belonging to Enel North America Inc.); 19) Enel Fortuna SA (a Panamanian company belonging to Enel Américas SA); 20) Enel Generación Chile SA (a Chilean company belonging to Enel Chile SA); 21) Enel Generación Perú SAA (a Peruvian company belonging to Enel Américas SA); 22) Enel Green Power Brasil Participações Ltda (a Brazilian company merged into Enel Brasil SA on November 4, 2021); 23) Enel Green Power Cachoeira Dourada SA (a Brazilian company belonging to Enel Américas SA); 24) Enel Green Power Chile SA (a Chilean company belonging to Enel Chile); 25) Enel Green Power Diamond Vista Wind Project LLC (a United States company belonging to Enel North America Inc.); 26) Enel Green Power México S de RL de Cv (a Mexican company belonging to Enel Green Power SpA); 27) Enel Green Power North America Inc. (a United States company belonging to Enel North America Inc.); 28) Enel Green Power Perú SAC (a Peruvian company belonging to Enel Américas SA); 29) Enel Green Power Rattlesnake Creek Wind Project LLC (a United States company belonging to Enel North America Inc.); 30) Enel Green Power RSA (Pty) Ltd (a South African company belonging to Enel Green Power SpA); 31) Enel Green Power RSA 2 (RF) (Pty) Ltd (a South African company belonging to Enel Green Power SpA); 32) Enel Kansas LLC (a United States company belonging to Enel North America Inc.); 33) Enel North America Inc. (a United States company directly controlled by Enel SpA); 34) Enel Perú SAC (a Peruvian company belonging to Enel Américas SA); 35) Enel Rinnovabile SA de Cv (a Mexican company belonging to Enel Green Power SpA); 36) Enel Russia PJSC (a Russian company directly controlled by Enel SpA); 37) Enel X North America Inc. (a United States company belonging to Enel North America Inc.); 38) Geotérmica del Norte SA (a Chilean company belonging to Enel Chile SA); 39) High Lonesome Wind Power LLC (a United States company belonging to Enel North America Inc.); 40) Red Dirt Wind Project LLC (a United States company belonging to Enel North America Inc.); 41) Rock Creek Wind Project LLC (a United States company belonging to Enel North America Inc.); 42) Thunder Ranch Wind Project LLC (a United States company belonging to Enel North America Inc.); 43) Tradewind Energy Inc. (a United States company belonging to Enel North America Inc.); 44) White Cloud Wind Project LLC (a United States company belonging to Enel North America Inc.);

- the balance sheet and income statement of the above companies included in the reporting package used for the purpose of preparing the 2021 consolidated financial statements of the Enel Group will be made available to the public by Enel SpA (pursuant to Article 15, paragraph 1a) of the Markets Regulation) at least 15 days prior to the day scheduled for the Ordinary Shareholders' Meeting called to approve the 2021 financial statements of Enel SpA together with the summary statements showing the essential data of the latest annual financial statements of subsidiaries and associated companies (pursuant to the applicable provisions of Article 77, paragraph 2-bis, of the CONSOB Issuers Regulation approved with Resolution no. 11971 of May 14, 1999);
- the articles of association and composition and powers of the control bodies from all the above subsidiaries have been obtained by Enel SpA and are available in updated form to CONSOB where the latter should request such information for supervisory purposes (pursuant to Article 15, paragraph 1b) of the Markets Regulation);
- Enel SpA has verified that the above subsidiaries:
  - provide the auditor of the Parent, Enel SpA, with information necessary to perform annual and interim audits of Enel SpA (pursuant to Article 15, paragraph 1 (letter c-i) of the Markets Regulation);
  - use an administrative and accounting system appropriate for regular reporting to the management and auditor of the Parent, Enel SpA, of income statement, balance sheet and financial data necessary for preparation of the consolidated financial statements (pursuant to Article 15, paragraph 1 (letter c-ii) of the Markets Regulation).

Disclosures on financial instruments

The disclosures on financial instruments required by Article 2428, paragraph 2, no. 6-bis of the Italian Civil Code are reported in the following notes to the consolidated financial statements: 46 "Financial instruments by category", 47 "Risk management", 49 "Derivatives and hedge accounting" and 50 "Assets and liabilities measured at fair value".

Atypical or unusual operations

Pursuant to the CONSOB Notice of July 28, 2006, the Group did not carry out any atypical or unusual operations in 2021.
Such operations include transactions whose significance, size, nature of the counterparties, subject matter, method for calculating the transfer price or timing could give rise to doubts concerning the propriety and/or completeness of disclosure, conflicts of interest, preservation of company assets or protection of non-controlling shareholders.

Subsequent events

Significant events following the close of the year are discussed in note 57 "Events after the reporting period" to the consolidated financial statements.

Transactions with related parties

For more information on transactions with related parties, please see note 52 "Related parties" to the consolidated financial statements.

Reconciliation of equity and profit of Enel SpA and the corresponding consolidated figures

Pursuant to CONSOB Notice no. DEM/6064293 of July 28, 2006, the following table provides a reconciliation of Group profit for the year and equity with the corresponding figures for the Parent.

Millions of euro	Income statement	Equity	Income statement	Equity
	at Dec. 31, 2021		at Dec. 31, 2020	
Separate financial statements - Enel SpA	**4,762**	**34,967**	**2,326**	**30,743**
Carrying amount of and impairment losses on consolidated equity investments	(8,947)	(104,958)	687	(85,641)
Equity and profit (calculated using the same accounting policies) of the consolidated companies and groups and those accounted for using the equity method, net of non-controlling interests	13,089	94,975	4,091	78,099
Translation reserve	-	(8,125)	-	(7,046)
Goodwill	-	13,821	(274)	13,779
Intercompany dividends	(5,805)	-	(4,146)	-
Elimination of unrealized intercompany profits, net of tax effects and other minor adjustments	90	(1,027)	(74)	(1,609)
TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT	**3,189**	**29,653**	**2,610**	**28,325**
NON-CONTROLLING INTERESTS	**668**	**12,689**	**1,012**	**14,032**
CONSOLIDATED FINANCIAL STATEMENTS	**3,857**	**42,342**	**3,622**	**42,357**

6. Consolidated financial statements

Sale of Open Fiber

As part of the "Stewardship" business model, Open Fiber was sold in 2021, with the recognition of a capital gain of €1,763 million.

Energy transition

The Group continued the energy transition process by increasing its investment in new renewable generation capacity and digitalization.

Impact of climate change

In its valuation processes, the Group has taken account of the long-term impacts of climate change.


09:41
smart home
preferences
lights
power
heating
locks
doors

Consolidated financial statements

Consolidated Income Statement

Millions of euro	Notes	2021		2020	
			of which with related parties		*of which with related parties*
Revenue					
Revenue from sales and services[1] [2]	10.a	84,104	*7,010*	63,642	*4,038*
Other income	10.b	3,902	*6*	2,362	*10*
	[Subtotal]	**88,006**		**66,004**	
Costs					
Electricity, gas and fuel[1]	11.a	49,093	*13,826*	26,026	*5,385*
Services and other materials[1]	11.b	19,609	*3,152*	18,366	*2,958*
Personnel expenses	11.c	5,281		4,793	
Net impairment losses/(reversals) on trade receivables and other receivables	11.d	1,196		1,285	
Depreciation, amortization and other impairment losses	11.e	8,691		7,163	
Other operating costs	11.f	2,095	*218*	2,202	*202*
Capitalized costs	11.g	(3,117)		(2,385)	
	[Subtotal]	**82,848**		**57,450**	
Net results from commodity contracts[1]	12	**2,522**	*24*	**(99)**	*1*
Operating profit[2]		**7,680**		**8,455**	
Financial income from derivatives	13	2,718		1,315	
Other financial income[2]	14	1,882	*138*	2,676	*62*
Financial expense from derivatives	13	1,257		2,256	
Other financial expense	14	6,114	*32*	4,485	*71*
Net income/(expense) from hyperinflation		20		57	
Share of profit/(loss) of equity-accounted investments	15	571		(299)	
Pre-tax profit		**5,500**		**5,463**	
Income taxes	16	1,643		1,841	
Profit from continuing operations		**3,857**		**3,622**	
Profit/(Loss) from discontinued operations		**-**		**-**	
Profit for the year (owners of the Parent and non-controlling interests)		**3,857**		**3,622**	
Attributable to owners of the Parent		3,189		2,610	
Attributable to non-controlling interests		668		1,012	
Earnings per share					
Basic earnings per share					
Basic earnings per share		*0.31*		*0.26*	
Basic earnings per share from continuing operations		*0.31*		*0.26*	
Basic earnings/(loss) per share from discontinued operations		*-*		*-*	
Diluted earnings per share					
Diluted earnings per share		*0.31*		*0.26*	
Diluted earnings per share from continuing operations		*0.31*		*0.26*	
Diluted earnings/(loss) per share from discontinued operations		*-*		*-*	

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.

(2) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

Statement of Consolidated Comprehensive Income

Millions of euro	Notes	2021	2020
Profit for the year		**3,857**	**3,622**
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss (net of taxes)			
Effective portion of change in the fair value of cash flow hedges		(725)	(268)
Change in the fair value of hedging costs		195	(99)
Share of the other comprehensive expense of equity-accounted investments		(645)	(9)
Change in the fair value of financial assets at FVOCI		11	(1)
Change in translation reserve		(90)	(4,510)
Other comprehensive income/(expense) that may not be subsequently reclassified to profit or loss (net of taxes)			
Remeasurement of net liabilities/(assets) for defined benefit plans		30	(353)
Change in the fair value of equity investments in other companies		-	(21)
Total other comprehensive income/(expense) for the year	36	**(1,224)**	**(5,261)**
Comprehensive income/(expense) for the year		**2,633**	**(1,639)**
Attributable to:			
- owners of the Parent		2,562	(1,028)
- non-controlling interests		71	(611)

Statement of Consolidated Financial Position

Millions of euro	Notes				
ASSETS		**at Dec. 31, 2021**		**at Dec. 31, 2020**	
			of which with related parties		*of which with related parties*
Non-current assets					
Property, plant and equipment	18	84,572		78,718	
Investment property	21	91		103	
Intangible assets	22	18,070		17,668	
Goodwill	23	13,821		13,779	
Deferred tax assets	24	11,034		8,578	
Equity-accounted investments	25	704		861	
Non-current financial derivative assets	26	2,772	*14*	1,236	*21*
Non-current contract assets	27	530		304	
Other non-current financial assets	28	5,704	*1,120*	5,159	*1,144*
Other non-current assets	30	3,268	*119*	2,494	
	[Total]	**140,566**		**128,900**	
Current assets					
Inventories	32	3,109		2,401	
Trade receivables	33	16,076	*1,321*	12,046	*863*
Current contract assets	27	121		176	
Tax assets		530		446	
Current financial derivative assets	26	22,791	*32*	3,471	
Other current financial assets	29	8,645	*157*	5,113	*190*
Other current assets	31	5,002	*123*	3,578	*164*
Cash and cash equivalents	34	8,858		5,906	
	[Total]	**65,132**		**33,137**	
Assets classified as held for sale	35	**1,242**		**1,416**	
TOTAL ASSETS		**206,940**		**163,453**	

Millions of euro	Notes				
LIABILITIES AND EQUITY		**at Dec. 31, 2021**		**at Dec. 31, 2020**	
			of which with related parties		*of which with related parties*
Equity attributable to owners of the Parent					
Share capital		10,167		10,167	
Treasury share reserve		(36)		(3)	
Other reserves		1,721		(39)	
Retained earnings		17,801		18,200	
	[Total]	**29,653**		**28,325**	
Non-controlling interests		**12,689**		**14,032**	
Total equity	36	**42,342**		**42,357**	
Non-current liabilities					
Long-term borrowings	37	54,500	*880*	49,519	*984*
Employee benefits	38	2,724		2,964	
Provisions for risks and charges (non-current portion)	39	7,197		5,774	
Deferred tax liabilities	24	9,259		7,797	
Non-current financial derivative liabilities	26	3,339	*1*	3,606	
Non-current contract liabilities	27	6,214	*194*	6,191	*161*
Other non-current financial liabilities	40	120		-	
Other non-current liabilities	41	4,525		3,458	
	[Total]	**87,878**		**79,309**	
Current liabilities					
Short-term borrowings	37	13,306	*6*	6,345	*21*
Current portion of long-term borrowings	37	4,031	*109*	3,168	*108*
Provisions for risks and charges (current portion)	39	1,126		1,057	
Trade payables	43	16,959	*4,082*	12,859	*2,205*
Income tax liabilities		712		471	
Current financial derivative liabilities	26	24,607		3,531	
Current contract liabilities	27	1,433	*12*	1,275	*16*
Other current financial liabilities	44	625		622	
Other current liabilities	42	12,959	*80*	11,651	*37*
	[Total]	**75,758**		**40,979**	
Liabilities included in disposal groups classified as held for sale	35	**962**		**808**	
Total liabilities		**164,598**		**121,096**	
TOTAL LIABILITIES AND EQUITY		**206,940**		**163,453**	

Statement of Changes in Consolidated Equity (note 36)

Millions of euro	Share capital and reserves attributable to owners of the Parent							
	Share capital	Share premium reserve	Treasury share reserve	Reserve for equity instruments - perpetual hybrid bonds	Legal reserve	Other reserves	Translation reserve	Hedging reserve
At December 31, 2019	**10,167**	**7,487**	**(1)**	**-**	**2,034**	**2,262**	**(3,802)**	**(1,610)**
Distribution of dividends	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(11)	(2)	-	-	-	-	-
Equity instruments - perpetual hybrid bonds	-	-	-	2,386	-	-	-	-
Reserve for share-based payments (LTI bonus)	-	-	-	-	-	6	-	-
Reclassification for curtailment of defined benefit plans (IAS 19) following signing of the 5th Endesa Collective Bargaining Agreement	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Monetary restatement (IAS 29)	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	(257)	(13)
Comprehensive income/ (expense) for the year	-	-	-	-	-	-	(2,987)	(294)
of which:								
- other comprehensive income/(expense)	-	-	-	-	-	-	*(2,987)*	*(294)*
- profit/(loss) for the year	-	-	-	-	-	-	-	-
At December 31, 2020	**10,167**	**7,476**	**(3)**	**2,386**	**2,034**	**2,268**	**(7,046)**	**(1,917)**
Distribution of dividends	-	-	-	-	-	-	-	-
Coupons paid to holders of hybrid bonds	-	-	-	-	-	-	-	-
Reclassifications	-	20	(20)	-	-	-	-	-
Purchase of treasury shares	-	-	(13)	-	-	36	-	-
Reserve for share-based payments (LTI bonus)	-	-	-	-	-	9	-	-
Equity instruments - perpetual hybrid bonds	-	-	-	3,181	-	-	-	-
Monetary restatement (IAS 29)	-	-	-	-	-	-	-	-
Change in the consolidation scope	-	-	-	-	-	-	-	(10)
Transactions in non-controlling interests	-	-	-	-	-	-	(1,234)	18
Comprehensive income/ (expense) for the year	-	-	-	-	-	-	155	(359)
of which:								
- other comprehensive income/ (expense)	-	-	-	-	-	-	*155*	*(359)*
- profit/(loss) for the year	-	-	-	-	-	-	-	-
At December 31, 2021	**10,167**	**7,496**	**(36)**	**5,567**	**2,034**	**2,313**	**(8,125)**	**(2,268)**

Hedging costs reserve	Reserve from measurement of financial instruments at FVOCI	Reserve from equity-accounted investments	Actuarial reserve	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
(147)	**21**	**(119)**	**(1,043)**	**(2,381)**	**(1,572)**	**19,081**	**30,377**	**16,561**	**46,938**
–	–	–	–	–	–	(3,487)	**(3,487)**	**(1,356)**	**(4,843)**
–	–	–	–	–	–	–	**(13)**	**–**	**(13)**
–	–	–	–	–	–	–	**2,386**	**–**	**2,386**
–	–	–	–	–	–	–	**6**	**–**	**6**
–	–	–	106	–	–	(106)	**–**	**–**	**–**
–	–	–	–	–	–	(1)	**(1)**	**–**	**(1)**
–	–	–	–	–	–	105	**105**	**147**	**252**
–	–	–	(28)	–	280	(2)	**(20)**	**(709)**	**(729)**
(95)	(22)	(9)	(231)	–	–	2,610	**(1,028)**	**(611)**	**(1,639)**
(95)	*(22)*	*(9)*	*(231)*	–	–	–	***(3,638)***	***(1,623)***	***(5,261)***
–	–	–	–	–	–	*2,610*	***2,610***	***1,012***	***3,622***
(242)	**(1)**	**(128)**	**(1,196)**	**(2,381)**	**(1,292)**	**18,200**	**28,325**	**14,032**	**42,357**
–	–	–	–	–	–	(3,791)	**(3,791)**	**(1,266)**	**(5,057)**
–	–	–	–	–	–	(71)	**(71)**	**–**	**(71)**
–	–	–	–	–	–	–	**–**	**–**	**–**
–	–	–	–	–	–	(36)	**(13)**	**–**	**(13)**
–	–	–	–	–	–	–	**9**	**–**	**9**
–	–	–	–	–	–	–	**3,181**	**–**	**3,181**
–	–	–	–	–	–	318	**318**	**225**	**543**
–	–	55	–	–	–	–	**45**	**31**	**76**
–	–	–	(140)	3	449	(8)	**(912)**	**(404)**	**(1,316)**
203	11	(648)	11	–	–	3,189	**2,562**	**71**	**2,633**
203	*11*	*(648)*	*11*	–	–	–	***(627)***	***(597)***	***(1,224)***
–	–	–	–	–	–	*3,189*	***3,189***	***668***	***3,857***
(39)	**10**	**(721)**	**(1,325)**	**(2,378)**	**(843)**	**17,801**	**29,653**	**12,689**	**42,342**

Consolidated Statement of Cash Flows

Millions of euro	Notes	2021		2020	
			of which with related parties		*of which with related parties*
Pre-tax profit		**5,500**		**5,463**	
Adjustments for:					
Net impairment losses/(reversals) on trade receivables and other receivables	11.d	1,196		1,285	
Depreciation, amortization and other impairment losses	11.e	8,691		7,163	
Net financial (income)/expense[1]	13-14	2,751		2,693	
Net (gains)/losses from equity-accounted investments	15	(571)		299	
Changes in net working capital:		(1,097)		(1,654)	
- inventories	32	(649)		(8)	
- trade receivables	33	(4,951)	*(458)*	(1,350)	*33*
- trade payables	43	4,357	*1,877*	698	*(86)*
- other contract assets	27	56		(15)	
- other contract liabilities	27	75	*(4)*	(142)	
- other assets/liabilities[1]		15	*31*	(837)	*34*
Accruals to provisions		1,578		834	
Utilization of provisions		(1,300)		(1,202)	
Interest income and other financial income collected	13-14	1,653	*138*	1,705	*62*
Interest expense and other financial expense paid	13-14	(4,411)	*(32)*	(3,690)	*(71)*
Net (income)/expense from measurement of commodities		(304)		188	
Income taxes paid	16	(1,846)		(1,575)	
Net capital gains		(1,771)		(1)	
Cash flows from operating activities (A)		**10,069**		**11,508**	
Investments in property, plant and equipment	18-21	(10,545)		(8,330)	
Investments in intangible assets	22	(1,656)		(1,218)	
Investments in non-current contract assets		(907)		(649)	
Investments in entities (or business units) less cash and cash equivalents acquired	8	(283)		(33)	
Disposals of entities (or business units) less cash and cash equivalents sold	8	61		154	
(Increase)/Decrease in other investing activities		2,455		(41)	
Cash flows used in investing activities (B)		**(10,875)**		**(10,117)**	
New long-term borrowings	46.3	15,895		3,924	
Repayments of borrowings	46.3	(11,321)	*(118)*	(1,950)	*(104)*
Other changes in net financial debt		3,339		(712)	*(176)*
Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests		(1,295)		(1,067)	
Issues/(Redemptions) of hybrid bonds		2,213		588	
Sale/(Purchase) of treasury shares		(13)		(13)	
Dividends and interim dividends paid		(4,970)		(4,742)	
Coupons paid to holders of hybrid bonds		(71)		-	
Cash flows from/(used in) financing activities (C)		**3,777**		**(3,972)**	
Impact of exchange rate fluctuations on cash and cash equivalents (D)		**17**		**(497)**	
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)		**2,988**		**(3,078)**	
Cash and cash equivalents at the beginning of the year[2]		6,002		9,080	
Cash and cash equivalents at the end of the year[3]		8,990		6,002	

(1) For comparative purposes only, in 2020 the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 was reclassified from financial income to revenue. The latter classification did not have an impact on cash flows from operating activities.

(2) Of which cash and cash equivalents equal to €5,906 million at January 1, 2021 (€9,029 million at January 1, 2020), short-term securities equal to €67 million at January 1, 2021 (€51 million at January 1, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €29 million at January 1, 2021.

(3) Of which cash and cash equivalents equal to €8,858 million at December 31, 2021 (€5,906 million at December 31, 2020), short-term securities equal to €88 million at December 31, 2021 (€67 million at December 31, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €44 million at December 31, 2021 (€29 million at December 31, 2020).

Notes to the consolidated financial statements

Basis of presentation

1. Form and content of the consolidated financial statements

Enel SpA has its registered office in Viale Regina Margherita 137, Rome, Italy, and since 1999 has been listed on the Milan stock exchange.
There were no changes in the company name in 2021.
Enel is an energy multinational and is one of the world's leading integrated operators in the electricity and gas industries, with a special focus on Europe and Latin America.
The consolidated financial statements as at and for the year ended December 31, 2021 comprise the financial statements of Enel SpA, its subsidiaries and Group holdings in associates and joint ventures, as well as the Group's share of the assets, liabilities, costs and revenue of joint operations ("the Group").
A list of the subsidiaries, associates, joint operations and joint ventures included in the consolidation scope is attached.
These consolidated financial statements were approved and authorized for publication by the Board of Directors on March 17, 2022.
These consolidated financial statements have been audited by KPMG SpA.

Basis of presentation

The consolidated financial statements as at and for the year ended December 31, 2021 have been prepared in accordance with international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRSIC) and the Standing Interpretations Committee (SIC), recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the year. All of these standards and interpretations are hereinafter referred to as the "IFRS-EU".
The consolidated financial statements have also been prepared in conformity with measures issued in implementation of Article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The consolidated financial statements consist of the consolidated income statement, the statement of consolidated comprehensive income, the statement of consolidated financial position, the statement of consolidated changes in equity and the consolidated statement of cash flows and the related notes.
The assets and liabilities recognized in the statement of consolidated financial position are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities included in disposal groups held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Group.
The consolidated income statement classifies costs on the basis of their nature, with separate reporting of profit from continuing operations and profit/(loss) from discontinued operations attributable to owners of the Parent and to non-controlling interests.
The consolidated statement of cash flows is prepared using the indirect method, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations.
In particular, although the Group does not diverge from the provisions of IAS 7 in the classification of items:

- cash flows from operating activities report cash flows from core operations, interest on loans granted and obtained and dividends received from associates or joint ventures;
- investing activities comprise investments in property, plant and equipment and intangible assets and disposals of such assets and contract assets related to service concession arrangements. They include, also, the effects of business combinations in which the Group acquires or loses control of companies, as well as other minor investments;
- cash flows from financing activities include cash flows generated by liability management transactions and leases, dividends and interim dividends paid to owners of the Parent and non-controlling interests and the ef-

fects of transactions in non-controlling interests that do not change the status of control of the companies involved;
- a separate item is used to report the impact of exchange rates on cash and cash equivalents and their impact on profit or loss is eliminated in full in order to neutralize the effect on cash flows from operating activities.

For more information on cash flows as reported in the statement of cash flows, please see the note on "Cash flows" in the Report on Operations.

The consolidated financial statements have been prepared on a going concern basis using the cost method, with the exception of items measured at fair value in accordance with IFRS, as explained in the measurement bases applied to each individual item, and of non-current assets and disposal groups classified as held for sale, which are measured at the lower of their carrying amount and fair value less costs to sell.

The consolidated financial statements are presented in euro, the functional currency of the Parent Enel SpA. All figures are shown in millions of euro unless stated otherwise.

The consolidated income statement, the statement of consolidated financial position and the consolidated statement of cash flows report transactions with related parties, the definition of which is given in note 2.2 "Significant accounting policies".

The consolidated financial statements provide comparative information in respect of the previous year.

2. Accounting policies

2.1 Use of estimates and management judgment

Preparing the consolidated financial statements under IFRS-EU requires management to take decisions and make estimates and assumptions that may impact the carrying amounts of revenue, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the reporting date. The estimates and management's judgments are based on previous experience and other factors considered reasonable in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. The actual results may therefore differ from these estimates. The estimates and assumptions are periodically revised and the effects of any changes are reflected through profit or loss if they only involve that period. If the revision involves both the current and future periods, the change is recognized in the period in which the revision is made and in the related future periods.

In order to enhance understanding of the consolidated financial statements, the following sections examine the main items affected by the use of estimates and the cases that reflect management judgments to a significant degree, underscoring the main assumptions used by management in measuring these items in compliance with the IFRS-EU. The critical element of such valuations is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.

Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results.

The information included in the consolidated financial statements is selected on the basis of a materiality analysis carried out in accordance with the requirements of Practice Statement 2 "Making Materiality Judgments", issued by the International Accounting Standards Board (IASB), and on the basis of investor expectations.[22] In addition, as regards the impact of COVID-19, the continuing instability connected with the pandemic creates uncertainty in forecasts for future developments in the macroeconomic, financial and business environment in which the Group operates, which is reflected in the assessments and the estimates produced by management regarding the carrying amounts of the assets and liabilities affected by greater volatility. Please see note 6 "COVID-19 disclosures" for details on the areas of the financial statements most affected by the COVID-19 pandemic, drawing on the information available at December 31, 2021 and considering the constantly evolving scenario.

With regard to the effects of climate change issues, the Group believes that climate change represents an implicit element in the application of the methodologies and models used to perform estimates in the valuation and/or measurement of certain accounting items. Furthermore, the Group has also taken account of the impact of climate change in the significant judgments made by management. In this regard, the main items included in the consolidated financial statements at December 31, 2021 affected by management's use of estimates and judgments refer to the impairment of non-financial assets, obligations connected with the energy transition, including those for decommissioning and site restoration of certain generation plants, and the impairment of inventories of a number of coal-fired plants. For further details on these items, see note 18 "Property, plant and equipment", note 23 "Goodwill", note 32 "Inventories" and note 39 "Provisions for risks and charges".

(22) "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Use of estimates

Revenue from contracts with customers

Revenue from supply of electricity and gas to end users is recognized at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic (and pertaining to the year) meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the period but not yet invoiced that is equal to the difference between the amount of electricity and gas delivered to the distribution network and that invoiced in the period, taking account of any network losses. Revenue between the date of the last meter reading and the year-end is based on estimates of the daily consumption of individual customers, primarily determined on their historical information, adjusted to reflect the climate factors or other matters that may affect the estimated consumption.

For more details on such revenue, see note 10.a "Revenue from sales and services".

Impairment of non-financial assets

When the carrying amount of property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and investments in associates/joint ventures exceeds its recoverable amount, which is the higher of the fair value less costs to sell and the value in use, the assets are impaired.

Impairment tests are carried out in accordance with the provisions of IAS 36, as described in greater detail in note 23 "Goodwill".

In order to determine the recoverable amount, the Group generally adopts the value in use criterion. Value in use is based on the estimated future cash flows generated by the asset, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and of the specific risks of the asset.

Future cash flows used to determine value in use are based on the most recent Business Plan, approved by the management, containing forecasts for volumes, revenue, operating costs and investments. These projections cover the next three years. For subsequent years, account is taken of:

- assumptions concerning the long-term evolution of the main variables considered in the calculation of cash flows, as well as the average residual useful life of the assets or the duration of the concessions, based on the specific characteristics of the businesses;
- a long-term growth rate equal to the long-term growth of electricity demand and/or inflation (depending on the country and business) that does not in any case exceed the average long-term growth rate of the market involved.

The recoverable amount is sensitive to the estimates and assumptions used in the calculation of cash flows and the discount rates applied. Nevertheless, possible changes in the underlying assumptions on which the calculation of such amounts is based could generate different recoverable amounts. The analysis of each group of non-financial assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

In the current scenario, the analysis of impairment indicators has become even more important as an attempt was also made to assess whether the impact of the COVID-19 pandemic could reduce the carrying amount of certain non-financial assets as at December 31, 2021. For this reason, the Group has carefully considered the effects of the COVID-19 pandemic in determining the existence of impairment indicators for non-financial assets.

Furthermore, in line with its business model and in the context of the acceleration of the decarbonization of the generation mix and driving the energy-transition process, the Group has also carefully assessed whether climate change issues have affected the reasonable and supportable assumption used to estimate expected cash flows. In this regard, where necessary, the Group has also taken account of the long-term impact of climate change, in particular by considering in the estimation of the terminal value a long-term growth rate in line with the change in electricity demand determined using energy models for each country.

Information on the main assumptions used to estimate the recoverable amount of assets with reference to the impacts relating to climate change, as well as information on changes in these assumptions, is provided in note 23 "Goodwill".

Expected credit losses on financial assets

At the end of each reporting period, the Group recognizes a loss allowance for expected credit losses on trade receivables and other financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets in scope.

Loss allowances for financial assets are based on assumptions about risk of default and on the measurement of expected credit losses. Management uses judgment in making these assumptions and selecting the inputs for the impairment calculation, based on the Group's past experience, current market conditions as well as forward-looking estimates at the end of each reporting period.

The expected credit loss (i.e., ECL) – determined considering probability of default (PD), loss given default (LGD), and exposure at default (EAD) – is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (including all shortfalls) discounted at the original effective interest rate (EIR).

In particular, for trade receivables, contract assets and lease receivables, including those with a significant financial component, the Group applies the simplified ap-

proach, determining expected credit losses over a period corresponding to the entire life of the asset, generally equal to 12 months.
Based on the specific reference market and the regulatory context of the sector, as well as expectations of recovery after 90 days, for such assets, the Group mainly applies a default definition of 180 days past due to determine expected credit losses, as this is considered an effective indication of a significant increase in credit risk. Accordingly, financial assets that are more than 90 days past due are generally not considered to be in default, except for some specific regulated markets.
For trade receivables and contract assets the Group mainly applies a collective approach based on grouping trade receivables and contract assets into specific clusters, taking into account the specific regulatory and business context. Only if the trade receivables are deemed to be individually significant by management and there is specific information about any significant increase in credit risk, does the Group apply an analytical approach.
In case of individual assessment, PD is mainly obtained from an external provider.
Conversely, for collective assessment, trade receivables are grouped based on shared credit risk characteristics and past due information, considering a specific definition of default.

Based on each business and local regulatory framework as well as differences in customer portfolios also in terms of risk, default rates and recovery expectations, specific clusters are defined.
The contract assets are considered to have substantially the same risk characteristics as the trade receivables for the same types of contracts.

In order to measure the ECL for trade receivables on a collective basis, as well as for contract assets, the Group considers the following assumptions related to ECL parameters:

- PD, assumed as to be the average default rate, is calculated on a cluster basis and taking into consideration minimum 24 month historical data;
- LGD is a function of the default bucket's recovery rates, discounted at the EIR; and
- EAD is estimated as the carrying exposure at the reporting date net of cash deposits, including invoices issued but not expired and invoices to be issued.

Based on specific management evaluations, the forward-looking adjustment can be applied considering qualitative and quantitative information in order to reflect possible future events and macroeconomic scenarios, which may affect the risk of the portfolio or the financial instrument.

For additional details on the key assumptions and inputs used please see note 46 "Financial instruments by category".

Depreciable amount of certain elements of Italian hydroelectric plants subsequent to enactment of Law 134/2012

Law 134 of August 7, 2012 containing "urgent measures for growth" (published in the Gazzetta Ufficiale of August 11, 2012), introduced a sweeping overhaul of the rules governing hydroelectric concessions. Among its various provisions, the law establishes that five years before the expiration of a major hydroelectric water diversion concession and in cases of lapse, relinquishment or revocation, where there is no prevailing public interest for a different use of the water, incompatible with its use for hydroelectric generation, the competent public entity shall organize a public call for tenders for the award for consideration of the concession for a period ranging from 20 to a maximum of 30 years.
In order to ensure operational continuity, the law also governs the methods of transferring ownership of the business unit necessary to operate the concession, including all legal relationships relating to the concession, from the outgoing concession holder to the new concession holder, in exchange for payment of a price to be determined in negotiations between the departing concession holder and the grantor agency, taking due account of the following elements:

- for intake and governing works, penstocks and outflow channels, which under the consolidated law governing waters and electrical plants are to be relinquished free of charge (Article 25 of Royal Decree 1775 of December 11, 1933), the revalued cost less government grants related to assets, also revalued, received by the concession holder for the construction of such works, depreciated for ordinary wear and tear;
- for other property, plant and equipment, the market value, meaning replacement value, reduced by estimated depreciation for ordinary wear and tear.

While acknowledging that the new regulations introduce important changes as to the transfer of ownership of the business unit with regard to the operation of the hydroelectric concession, the practical application of these principles faces difficulties, given the uncertainties that do not permit the formulation of a reliable estimate of the value that can be recovered at the end of existing concessions (residual value).
Accordingly, management has decided it could not produce a reasonable and reliable estimate of residual value.
The fact that the legislation requires the new concession holder to make a payment to the departing concession holder prompted management to review the depreciation schedules for assets classified as to be relinquished free of charge prior to Law 134/2012 (until the year ended on December 31, 2011, given that the assets were to be relin-

quished free of charge, the depreciation period was equal to the closest date between the term of the concession and the end of the useful life of the individual asset), calculating depreciation no longer over the term of the concession but, if longer, over the useful life of the individual assets. If additional information becomes available to enable the calculation of residual value, the carrying amounts of the assets involved will be adjusted prospectively.

Determining the fair value of financial instruments

The fair value of financial instruments is determined on the basis of prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximize the use of observable market inputs. In rare circumstances where this is not possible, the inputs are estimated by management taking due account of the characteristics of the instruments being measured.

For more information on financial instruments measured at fair value, please see note 50 "Assets and liabilities measured at fair value".

In accordance with IFRS 13, the Group includes a measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the corresponding amount of counterparty risk, using the method discussed in note 50 "Assets and liabilities measured at fair value".

Changes in the assumptions made in estimating the input data could have an impact on the fair value recognized for those instruments, especially in current conditions where markets are volatile and the economic outlook is highly uncertain and subject to rapid change.

Development expenditure

In order to determine the recoverability of development expenditure, the recoverable amount is estimated making assumptions regarding any further cash outflow that is expected to be incurred before the asset is ready for use or sale, the discount rates to be applied and the expected period of benefits.

Pensions and other post-employment benefits

Some of the Group's employees participate in pension plans offering benefits based on their wage history and years of service. Certain employees are also eligible for other post-employment benefit schemes.

The expenses and liabilities of such plans are calculated on the basis of estimates carried out by consulting actuaries, who use a combination of statistical and actuarial elements in their calculations, including statistical data on past years and forecasts of future costs. Other components of the estimation that are considered include mortality and retirement rates as well as assumptions concerning future developments in discount rates, the rate of wage increases, the inflation rate and trends in healthcare cost.

These estimates can differ significantly from actual developments owing to changes in economic and market conditions, increases or decreases in retirement rates and the lifespan of participants, as well as changes in the effective cost of healthcare.

Such differences can have a substantial impact on the quantification of pension costs and other related expenses.

With regard to the COVID-19 pandemic, the Group has carefully analyzed the possible impacts of the economic crisis generated by the emergency on the actuarial assumptions used in the measurement of the actuarial liabilities and assets serving the plans.

For more details on the main actuarial assumptions adopted, please see note 38.

Provisions for risks and charges

For more details on provisions for risks and charges, please see note 39 "Provisions for risks and charges".

Note 55 "Contingent assets and liabilities" also provides information regarding the most significant contingent assets and liabilities for the Group at year end.

Litigation

The Group is involved in various civil, administrative and tax disputes connected with the normal pursuit of its activities that could give rise to significant liabilities. It is not always objectively possible to predict the outcome of these disputes. The assessment of the risks associated with this litigation is based on complex factors whose very nature requires recourse to management judgments, even when taking account of the contribution of external advisors assisting the Group, about whether to classify them as contingent liabilities or liabilities.

Provisions have been recognized to cover all significant liabilities for cases in which legal counsel feels an adverse outcome is likely and a reasonable estimate of the amount of the expense can be made.

Obligations associated with generation plants, including decommissioning and site restoration

Generation activities may entail obligations for the operator with regard to future interventions that will have to be performed following the end of the operating life of the plant.

Such interventions may involve the decommissioning of plants and site restoration, or other obligations linked to the type of generation technology involved. The nature of such obligations may also have a major impact on the accounting treatment used for them.

In the case of nuclear power plants, where the costs regard both decommissioning and the storage of waste fuel and other radioactive materials, the estimation of the future cost is a critical process, given that the costs will

be incurred over a very long span of time, estimated at up to 100 years.
The obligation, based on financial and engineering assumptions, is calculated by discounting the expected future cash flows that the Group considers it will have to pay to meet the obligations it has assumed.
The discount rate used to determine the present value of the liability is the pre-tax risk-free rate and is based on the economic parameters of the country in which the plant is located.
That liability is quantified by management on the basis of the technology existing at the measurement date and is reviewed each year, taking account of developments in storage, decommissioning and site restoration technology, as well as the ongoing evolution of the legislative framework governing health and environmental protection.
Subsequently, the value of the obligation is adjusted to reflect the passage of time and any changes in estimates.

Onerous contracts

In order to identify an onerous contract, the Group estimates the non-discretionary costs necessary to fulfil the obligations assumed (including any penalties) under the contract and the economic benefits that are presumed to be obtained from the contract.

Leases

When the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate (IBR) at the lease commencement date to calculate the present value of the lease payments. This is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. When no observable inputs are available, the Group estimates the IBR making assumptions to reflect the terms and conditions of the lease and certain lessee-specific estimates.
One of the most significant judgments for the Group in adopting IFRS 16 is determining this IBR necessary to calculate the present value of the lease payments required to be paid to the lessor. The Group approach to determine an IBR is based on the assessment of the following three key components:

- the risk free rate, that consider the currency flows of the lease payments, the economic environment where the lease contract has been negotiated and also the lease term;
- the credit spread adjustment, in order to calculate an IBR that is specific for the lessee considering any underlying Parent or other guarantee;
- the lease related adjustments, in order to reflect into the IBR calculation the fact that the discount rate is directly linked to the type of the underlying asset, rather than being a general incremental borrowing rate. In particular, the risk of default is mitigated for the lessors as they have the right to reclaim the underlying asset itself.

For more information on lease liabilities, please see note 46 "Financial instruments by category".

Income tax

Recovery of deferred tax assets

At December 31, 2021, the consolidated financial statements report deferred tax assets in respect of tax losses or tax credits usable in subsequent years and income components whose deductibility is deferred in an amount whose future recovery is considered by management to be highly probable.
The recoverability of such assets is subject to the achievement of future profits sufficient to absorb such tax losses and to use the benefits of the other deferred tax assets.
Significant management judgment is required to assess the probability of recovering deferred tax assets, considering all negative and positive evidence, and to determine the amount that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and the tax rates applicable at the date of reversal. However, where the Group should become aware that it is unable to recover all or part of recognized tax assets in future years, the consequent adjustment would be taken to profit or loss in the year in which this circumstance arises.
The recoverability of deferred tax assets is reviewed at the end of each period. Deferred tax assets not recognized are reassessed at each reporting date in order to verify the conditions for their recognition.
Where required, the Group monitored the recovery times of deferred tax assets as well as those relating to the reversal of deductible temporary differences, if any, as a result of the greater uncertainty caused by the COVID-19 pandemic.
For more detail in deferred tax assets recognized or not recognized, please see note 24 "Deferred tax assets and liabilities".

Management judgment

Identification of cash generating units (CGUs)

For impairment testing, if the recoverable amount cannot be determined for an individual asset, the Group identifies the smallest group of assets that generate largely independent cash inflows. The smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets is a CGU. Identifying such CGUs involves management judgments regarding the specific nature of the assets and the business involved (geographical segment, business segment, regulatory framework, etc.) and the evidence that the cash inflows of the group of assets are largely independent of those associated with other assets (or groups of assets).

The assets of each CGU are also identified on the basis of the manner in which management manages and monitors those assets within the business model adopted. In particular, the number and scope of the CGUs are updated systematically to reflect the impact of new business combinations and reorganizations carried out by the Group, and to take account of external factors that could influence the ability of assets to generate independent cash inflows.

In particular, if certain specific identified assets owned by the Group are impacted by adverse economic or operating conditions that undermine their capacity to contribute to the generation of cash flows, they can be isolated from the rest of the assets of the CGU, undergo separate analysis of their recoverability and be impaired where necessary.

The CGUs identified by management to which the goodwill recognized in these consolidated financial statements has been allocated and the criteria used to identify the CGUs are indicated in note 23 "Goodwill".

Determining the useful life of non-financial assets

In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Group considers not only the future economic benefits – contained in the assets – obtained through their use, but also many other factors, such as physical wear and tear, the technical, commercial or other obsolescence of the product or service produced with the asset, legal or similar limits (e.g., safety, environmental or other restrictions) on the use of the asset, if the useful life of the asset depends on the useful life of other assets.

Furthermore, in estimating the useful lives of the assets concerned, the Group has taken account of its commitment under the Paris Agreement. For more information on this issue, please see note 18 "Property, plant and equipment".

Determination of the existence of control

Under the provisions of IFRS 10, control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is defined as the current ability to direct the relevant activities of the investee based on existing substantive rights.

The existence of control does not depend solely on ownership of a majority investment, but rather it arises from substantive rights that each investor holds over the investee. Consequently, management must use its judgment in assessing whether specific situations determine substantive rights that give the Group the power to direct the relevant activities of the investee in order to affect its returns.

For the purpose of assessing control, management analyzes all facts and circumstances including any agreements with other investors, rights arising from other contractual arrangements and potential voting rights (call options, warrants, put options granted to non-controlling shareholders, etc.). These other facts and circumstances could be especially significant in such assessment when the Group holds less than a majority of voting rights, or similar rights, in the investee.

Following such analysis of the existence of control, in application of IFRS 10 the Group consolidated certain companies (Emgesa and Codensa) on a line-by-line basis even though it did not hold more than half of the voting rights, determining that the requirements for *de facto* control existed.

Furthermore, even if it holds more than half of the voting rights in another entity, the Group considers all the relevant facts and circumstances in assessing whether it controls the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements considered in verifying the existence of control.

Determination of the existence of joint control and of the type of joint arrangement

Under the provisions of IFRS 11, a joint arrangement is an agreement where two or more parties have joint control. Joint control exists only when the decisions over the relevant activities require the unanimous consent of the parties that share joint control.

A joint arrangement can be configured as a joint venture or a joint operation. Joint ventures are joint arrangements whereby the parties that have joint control have rights to the net assets of the arrangement. Conversely, joint operations are joint arrangements whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement.

In order to determine the existence of the joint control and the type of joint arrangement, management must apply judgment and assess its rights and obligations arising from the arrangement. For this purpose, the management considers the structure and legal form of the arrangement, the

terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.
Following that analysis, the Group has considered its interest in Asociación Nuclear Ascó-Vandellós II as a joint operation.
The Group re-assesses whether or not it has joint control if facts and circumstances indicate that changes have occurred in one or more of the elements considered in verifying the existence of joint control and the type of the joint arrangement.
For more information on the Group's investments in joint ventures, please see note 25 "Equity-accounted investments".

Determination of the existence of significant influence over an associate

Associates are those in which the Group exercises significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not exercise control or joint control over those policies. In general, it is presumed that the Group has a significant influence when it has an ownership interest of 20% or more.
In order to determine the existence of significant influence, management must apply judgment and consider all facts and circumstances.
The Group re-assesses whether or not it has significant influence if facts and circumstances indicate that there are changes to one or more of the elements considered in verifying the existence of significant influence.
For more information on the Group's equity investments in associates, please see note 25 "Equity-accounted investments".

Application of "IFRIC 12 – Service concession arrangements" to concessions

IFRIC 12 applies to "public-to-private" service concession arrangements, which can be defined as contracts under which the operator is obligated to provide public services, i.e., give access to major economic and social services for a certain period of time, on behalf of a public entity (the grantor). In these contracts, the grantor conveys to an operator the right to manage the infrastructure used to provide services.
More specifically, IFRIC 12 gives guidance on the accounting by operators for "public-to-private" service concession arrangements in the event that:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

In assessing the applicability of these requirements for the Group, as operator, management carefully analyzed existing concessions.
On the basis of that analysis, the provisions of IFRIC 12 are applicable to some of the infrastructure of a number of companies that operate primarily in Brazil.
Further details about the infrastructure used in the service concession arrangements in the scope of IFRIC 12 are provided in note 19 "Infrastructure within the scope of 'IFRIC 12 - Service concession arrangements'".

Revenue from contracts with customers

In the process of applying IFRS 15, the Group has made the following judgments (further details about the most significant effect on the Group's revenue are provided in note 10.a "Revenue from sales and services").
Furthermore, during the year, the Group carefully monitored the effects of the uncertainties linked to the COVID-19 pandemic on the recognition of its revenue, in particular as regards the main areas affected by significant judgments.

Identification of the contract

The Group carefully analyzes the contractual terms and conditions on a jurisdictional level in order to determine when a contract exists and the terms of that contract's enforceability so as to apply IFRS 15 only to such contracts.

Identification and satisfaction of performance obligations

When a contract includes multiple promised goods or services, in order to assess if they should be accounted for separately or as a group, the Group considers both the individual characteristics of goods/services and the nature of the promise within the context of the contract, also evaluating all the facts and circumstances relating to the specific contract under the relevant legal and regulatory framework.
To evaluate when a performance obligation is satisfied, the Group evaluates when the control of the goods or services is transferred to the customer, assessed primarily from the perspective of the customer.

Determination of the transaction price

The Group considers all relevant facts and circumstances in determining whether a contract includes variable consideration (i.e., consideration that may vary or depends upon the occurrence or non-occurrence of a future event). In estimating variable consideration, the Group uses the method that better predicts the consideration to which it will be entitled, applying it consistently throughout the contract and for similar contracts, also considering all available information, and updating such estimates until the uncertainly is resolved. The Group includes the estimated variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative revenue recognized will not occur when the uncertainty is resolved.

Principal versus agent assessment

The Group considers that it is an agent in some contracts in which it is not primarily responsible for fulfilling the contract and therefore it does not control goods or services before they are being transferred to customers. For example, the Group acts as an agent in some contracts for electricity/gas network connection services and other related activities depending on local legal and regulatory framework.

Allocation of transaction price

For contracts that have more than one performance obligation (e.g., "bundled" sale contracts), the Group generally allocates the transaction price to each performance obligation in proportion to its stand-alone selling price. The Group determines stand-alone selling prices considering all information and using observable prices when they are available in the market or, if not, using an estimation method that maximizes the use of observable inputs and applying it consistently to similar arrangements.

If the Group evaluates that a contract includes an option for additional goods or services (e.g., customer loyalty programs or renewal options) that represents a material right, it allocates the transaction price to this option since the option gives rise to an additional performance obligation.

Contract costs

The Group assesses recoverability of the incremental costs of obtaining a contract either on a contract-by-contract basis, or for a group of contracts if those costs are associated with the group of contracts.

The Group supports the recoverability of such costs on the basis of its experience with other similar transactions and evaluating various factors, including potential renewals, amendments and follow-on contracts with the same customer.

The Group amortizes such costs over the average customer term. In order to determine this expected period of benefit from the contract, the Group considers its past experience (e.g., "churn rate"), the predictive evidence from similar contracts and available information about the market.

Classification and measurement of financial assets

At initial recognition, in order to classify financial assets as financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, management assesses both the contractual cash flow characteristics of the instrument and the business model for managing financial assets in order to generate cash flows.

In order to evaluate the contractual cash flow characteristics of the instrument, management performs the SPPI test at an instrument level, in order to determine if it gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, performing specific assessment on the contractual clauses of the financial instruments, as well as quantitative analysis, if required.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For more details, please see note 46 "Financial instruments by category".

Hedge accounting

Hedge accounting is applied to derivatives in order to reflect into the financial statements the effect of risk management strategies.

Accordingly, at the inception of the transaction the Group documents the hedge relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy. The Group also assesses, both at hedge inception and on an ongoing basis, whether hedging instruments are highly effective in offsetting changes in the fair values or cash flows of hedged items.

On the basis of management's judgment, the effectiveness assessment based on the existence of an economic relationship between the hedging instruments and the hedged items, the dominance of credit risk in the changes in fair value and the hedge ratio, as well as the measurement of the ineffectiveness, is evaluated through a qualitative assessment or a quantitative computation, depending on the specific facts and circumstances and on the characteristics of the hedged items and the hedging instruments.

For cash flow hedges of forecast transactions designated as hedged items, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that affect profit or loss.

Furthermore, during the year, the Group carefully monitored the possible effects of the uncertainties linked to the COVID-19 pandemic on its hedge relationships.

For additional details on the key assumptions about effectiveness assessment and ineffectiveness measurement, please refer to note 49.1 "Derivatives and hedge accounting".

Leases

The complexity of the assessment of the lease contracts, and also their long-term expiring date, requires considerable professional judgments for application of IFRS 16. In particular, this regards:

- the application of the definition of a lease to the cases typical of the sectors in which the Group operates;
- the identification of the non-lease component in the lease;
- the evaluation of any renewable and termination options included in the lease in order to determine the term of leases, also considering the probability of their exercise and any significant leasehold improvements on

the underlying asset, taking due consideration of recent interpretations issued by the IFRS Interpretations Committee;
- the identification of any variable lease payments that depend on an index or a rate to determine whether the changes of the latter impact the future lease payments and also the amount of the right-of-use asset;
- the estimate of the discount rate to calculate the present value of the lease payments; further details on assumptions about this rate are provided in the paragraph "Use of estimates".

For more information on leases, please see note 20 "Leases".

Uncertainty over income tax treatments

The Group determines whether to consider each uncertain income tax treatment separately or together with one or more other uncertain tax treatments as well as whether to reflect the effect of uncertainty by using the most likely amount or the expected value method, based on which approach better predicts the resolution of the uncertainty for each uncertain tax treatments, taking account of local tax regulations.

The Group makes significant use of professional judgment in identifying uncertainties about income tax treatments and reviews the judgments and estimates made in the event of a change in facts and circumstances that could change its assessment of the acceptability of a specific tax treatment or the estimate of the effects of uncertainty, or both.

For more information on income taxes, please see note 16 "Income taxes".

2.2 Significant accounting policies

Related parties

Related parties are mainly those that share the same parent with Enel SpA, the companies that directly or indirectly are controlled by Enel SpA, the associates or joint ventures (including their subsidiaries) of Enel SpA, or the associates or joint ventures (including their subsidiaries) of any Group company. Related parties also include entities that operate post-employment benefit plans for employees of Enel SpA or its associates (specifically, the FOPEN and FONDENEL pension funds), as well as the members of the boards of statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Enel SpA and its subsidiaries. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include directors (whether executive or not).

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity, regardless of the nature of the formal relationship between them, when it is exposed, or has rights, to variable returns deriving from its involvement and has the ability, through the exercise of its power over the investee, to affect its returns.

The figures of the subsidiaries are consolidated on a full line-by-line basis as from the date control is acquired until such control ceases.

Consolidation procedures

The financial statements of subsidiaries used to prepare the consolidated financial statements were prepared at December 31, 2021 in accordance with the accounting policies adopted by the Group.

If a subsidiary uses different accounting policies from those adopted in preparing the consolidated financial statements for similar transactions and facts in similar circumstances, appropriate adjustments are made to ensure conformity with Group accounting policies.

Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in or excluded from the consolidated financial statements, respectively, from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss for the year and the other comprehensive income are attributed to owners of the Parent and non-controlling interests, even if this results in a loss for non-controlling interests.

All intercompany assets and liabilities, equity items, revenue, expenses and cash flows relating to transactions between entities of the Group are eliminated in full.

Changes in ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions, with the carrying amounts of the controlling and non-controlling interests adjusted to reflect changes in their interests in the subsidiary. Any difference between the amount to which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized in consolidated equity.

When the Group ceases to have control over a subsidiary, any interest retained in the entity is remeasured to its fair value, recognized through profit or loss, at the date when control is lost, recognizing any gain or loss from the loss of control through profit or loss. In addition, any amounts previously recognized in other comprehensive income in respect of the former subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in decisions concerning the financial and operating policies of the investee without having control or joint control over the investee.
A joint venture is a joint arrangement over which the Group exercises joint control and has rights to the net assets of the arrangement. Joint control is the sharing of control of an arrangement, whereby decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are accounted for using the equity method.
Under the equity method, these investments are initially recognized at cost and any goodwill arising from the difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities at the acquisition date is included in the carrying amount of the investment.
After the acquisition date, their carrying amount is adjusted to recognize changes in the Group's share of profit or loss of the associate or joint venture in Group profit or loss. Adjustments to the carrying amount may also be necessary following changes in the Group's share in the associate or joint venture as a result of changes in the other comprehensive income of the investee. The Group's share of these changes is recognized in the Group's other comprehensive income.
Dividends received from joint ventures and associates reduce the carrying amount of the investments.
Gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associate or joint venture.
The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.
After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in an associate or joint venture. If there is objective evidence of a loss of value, the entire carrying amount of the investment undergoes impairment testing pursuant to IAS 36 as a single asset. For more information on impairment, please see the section "Impairment of non-financial assets" in note 2.1 "Use of estimates and management judgment".
If the investment ceases to be an associate or a joint venture, the Group recognizes any retained investment at its fair value, through profit or loss. Any amounts previously recognized in other comprehensive income in respect of the former associate or joint venture are accounted for as if the Group had directly disposed of the related assets or liabilities.
If the ownership interest in an associate or a joint venture is reduced, but the Group continues to exercise a significant influence or joint control, the Group continues to apply the equity method and the share of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction is accounted for as if the Group had directly disposed of the related assets or liabilities.
When a portion of an investment in an associate or joint venture meets the criteria to be classified as held for sale, any retained portion of an investment in the associate or joint venture that has not been classified as held for sale is accounted for using the equity method until disposal of the portion classified as held for sale takes place.
Joint operations are joint arrangements whereby the Group, which holds joint control, has rights to the assets and obligations for the liabilities relating to the arrangement. For each joint operation, the Group recognized assets, liabilities, costs and revenue on the basis of the provisions of the arrangement rather than the interest held.
Where there is an increase in the interest in a joint arrangement that meets the definition of a business:

- if the Group acquires control, and had rights over the assets and obligations for the liabilities of the joint arrangement immediately before the acquisition date, then the transaction represents a business combination achieved in stages. Consequently, the Group applies the requirements for a business combination achieved in stages, including the remeasurement of the interest it held previously in the joint operation at its fair value at the acquisition date;
- if the Group obtains joint control (i.e., it already had an interest in a joint operation without holding joint control), the interest previously held in the joint operation shall not be remeasured.

For more information on the Group's investments in associates and joint ventures, please see note 25 "Equity-accounted investments".

Translation of foreign currency items

Transactions in currencies other than the functional currency are initially recognized at the spot exchange rate prevailing on the date of the transaction.
Monetary assets and liabilities denominated in a foreign currency other than the functional currency are subsequently translated using the closing exchange rate (i.e., the spot exchange rate prevailing at the reporting date).
Non-monetary assets and liabilities denominated in foreign currency that are recognized at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities in foreign currency measured at fair value are translated using the exchange rate at the date the fair value was determined.
Any exchange differences are recognized through profit or loss.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration in foreign currency paid or received, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability associated with the advance consideration.
If there are multiple advance payments or receipts, the Group determines the transaction date for each payment or receipt of advance consideration.

Translation of financial statements denominated in a foreign currency

For the purposes of the consolidated financial statements, all revenue, expenses, assets and liabilities are stated in euro, which is the presentation currency of the Parent.
In order to prepare the consolidated financial statements, the financial statements of consolidated companies with functional currencies other than the presentation currency used in the consolidated financial statements are translated into euros by applying the closing exchange rate to the assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period to the income statement items on the condition it approximates the exchange rates prevailing at the date of the respective transactions.
Any resulting exchange gains or losses are recognized as a separate component of equity in a special reserve. The gains and losses are recognized proportionately in the income statement on the disposal (partial or total) of the subsidiary.
When the functional currency of a consolidated company is the currency of a hyperinflationary economy, the Group restates the financial statements in accordance with IAS 29 before applying the specific conversion method set out below.
In order to consider the impact of hyperinflation on the local currency exchange rate, the financial position and performance (i.e., assets, liabilities, equity items, revenue and expenses) of a company whose functional currency is the currency of a hyperinflationary economy are translated into the Group's presentation currency (the euro) using the exchange rate prevailing at the reporting date, except for comparative amounts presented in the previous year's financial statements which are not adjusted for subsequent changes in the price level or subsequent changes in exchange rates.

Business combinations

Business combinations initiated before January 1, 2010 and completed within that financial year are recognized on the basis of IFRS 3 (2004).
Such business combinations were recognized using the purchase method, where the purchase cost is equal to the fair value at the date of the exchange of the assets acquired and the liabilities incurred or assumed, plus costs directly attributable to the acquisition. This cost was allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values. Any positive difference between the cost of the acquisition and the fair value of the net assets acquired attributable to owners of the Parent was recognized as goodwill. If the difference is negative, it is recognized through profit or loss.
The carrying amount of non-controlling interests was determined in proportion to the interest held by non-controlling shareholders in the net assets. In the case of business combinations achieved in stages, at the acquisition date, any adjustment to the fair value of the net assets acquired previously was recognized in equity; the amount of goodwill was determined for each transaction separately based on the fair values of the acquiree's net assets at the date of each exchange transaction.

Business combinations carried out as from January 1, 2010 are recognized on the basis of IFRS 3 (2008), which is referred to as IFRS 3 (Revised) hereafter.
More specifically, business combinations are recognized using the acquisition method, where the acquisition cost (the consideration transferred) is equal to the fair value at the acquisition date of the assets acquired and the liabilities incurred or assumed, as well as any equity instruments issued by the acquirer. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.
Costs directly attributable to the acquisition are recognized through profit or loss.
The consideration transferred is allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values as at the acquisition date. The excess of the consideration transferred, measured at fair value as at the acquisition date, the amount of any non-controlling interest in the acquiree plus the fair value of any equity interest in the acquiree previously held by the Group (in a business combination achieved in stages) over the net amount of the identifiable assets acquired and the liabilities incurred or assumed measured at fair value is recognized as goodwill. If the difference is negative, the Group verifies whether it has correctly identified all the assets acquired and liabilities assumed and reviews the procedures used to determine the amounts to recognize at the acquisition date. If after this assessment the fair value of the net assets acquired still exceeds the total consideration transferred, this excess represents a gain on a bargain purchase and is recognized through profit or loss.
The carrying amount of non-controlling interests is determined either in proportion to the interest held by non-con-

trolling shareholders in the net identifiable assets of the acquiree or at their fair value as at the acquisition date.
In the case of business combinations achieved in stages, at the date of acquisition of control the previously held equity interest in the acquiree is remeasured to fair value and any positive or negative difference is recognized in profit or loss.
Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration classified as an asset or a liability, or as a financial instrument within the scope of IFRS 9, are recognized in profit or loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS-EU. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.
If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized using such provisional values. Any adjustments resulting from the completion of the measurement process are recognized within 12 months of the acquisition date, restating comparative figures.

Fair value measurement

For all fair value measurements and disclosures of fair value, that are either required or permitted by IFRS, the Group applies IFRS 13.
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price).
The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e., the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the Group has access, i.e., the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so.
When measuring fair value, the Group considers the characteristics of the asset or liability, in particular:

- for a non-financial asset, a fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e., the risk that an entity will not fulfill an obligation, including among others the credit risk of the Group itself;
- in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity's net exposure to such risks, it is permitted to measure fair value on a net basis.

In measuring the fair value of assets and liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenses directly attributable to bringing the asset to the location and condition necessary for its intended use.
The cost is also increased by the present value of the estimate of the costs of decommissioning and restoring the site on which the asset is located where there is a legal or constructive obligation to do so. The corresponding liability is recognized under provisions for risks and charges. The accounting treatment of changes in the estimate of these costs, the passage of time and the discount rate is discussed in note 39 "Provisions for risks and charges".
Property, plant and equipment transferred from customers to connect them to the electricity distribution network and/or to provide them with other related services is initially recognized at its fair value at the date on which control is obtained.
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, i.e., an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the assets themselves. Borrowing costs associated with the purchase/construction of assets that do not meet such requirement are expensed in the period in which they are incurred.
Certain assets that were revalued at the IFRS-EU transition date or in previous periods are recognized at their fair value, which is considered to be their deemed cost at the revaluation date.
Where individual items of major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately.
Subsequent costs are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the cost incurred to replace a part of the asset will flow to the Group and the

cost of the item can be measured reliably. All other costs are recognized in profit or loss as incurred.
The cost of replacing part or all of an asset is recognized as an increase in the carrying amount of the asset and is depreciated over its useful life; the carrying amount of the replaced unit is derecognized through profit or loss.
Property, plant and equipment, net of its residual value, is depreciated on a straight-line basis over its estimated useful life, which is reviewed annually. Any changes in depreciation criteria shall be applied prospectively. For more information on estimating useful life, please see note 2.1 "Use of estimates and management judgment".
Depreciation begins when the asset is available for use.

The estimated useful life of the main items of property, plant and equipment is as follows:

Civil buildings	10-70 years
Buildings and civil works incorporated in plants	10-100 years
Hydroelectric power plants:	
- penstock	7-85 years
- mechanical and electrical machinery	5-60 years
- other fixed hydraulic works	5-100 years
Thermal power plants:	
- boilers and auxiliary components	3-53 years
- gas turbine components	3-53 years
- mechanical and electrical machinery	3-53 years
- other fixed hydraulic works	3-53 years
Nuclear power plants	50 years
Geothermal power plants:	
- cooling towers	20-25 years
- turbines and generators	25-30 years
- turbine parts in contact with fluid	10-25 years
- mechanical and electrical machinery	20-40 years
Wind power plants:	
- towers	20-30 years
- turbines and generators	20-30 years
- mechanical and electrical machinery	15-30 years
Solar power plants:	
- mechanical and electrical machinery	20-30 years
Public and artistic lighting:	
- public lighting installations	10-20 years
- artistic lighting installations	20 years
Transport lines	12-50 years
Transformer stations	20-55 years
Distribution plants:	
- high-voltage lines	10-60 years
- primary transformer stations	5-55 years
- low- and medium-voltage lines	5-50 years
Meters:	
- electromechanical meters	3-34 years
- electricity balance measurement equipment	3-30 years
- electronic meters	6-35 years

The useful life of leasehold improvements is determined on the basis of the term of the lease or, if shorter, on the duration of the benefits produced by the improvements themselves.
Land is not depreciated as it has an indefinite useful life.
Assets recognized under property, plant and equipment are derecognized either upon their disposal (i.e., at the date the recipient obtains control) or when no future economic benefit is expected from their use or disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net disposal proceeds, determined in accordance with the transaction price requirements of IFRS 15, and the carrying amount of the derecognized assets.

Assets to be relinquished free of charge
The Group's plants include assets to be relinquished free of charge at the end of the concessions. These mainly regard major water diversion works and the public lands used for the operation of the thermal power plants.
Within the Italian regulatory framework in force until 2011, if the concessions are not renewed, at those dates all intake and governing works, penstocks, outflow channels and other assets on public lands were to be relinquished free of charge to the State in good operating condition. Accordingly, depreciation on assets to be relinquished was calculated over the shorter of the term of the concession and the useful life of the assets.
In the wake of the legislative changes introduced with Law 134 of August 7, 2012, the assets previously classified as assets "to be relinquished free of charge" connected with the hydroelectric water diversion concessions are now considered in the same manner as other categories of "property, plant and equipment" and are therefore depreciated over the useful life of the asset (where this exceeds the term of the concession), as discussed in the section above on the "Depreciable amount of certain elements of Italian hydroelectric plants subsequent to enactment of Law 134/2012", which you are invited to consult for more details.

In accordance with Spanish laws 29/1985 and 46/1999, hydroelectric power stations in Spanish territory operate under administrative concessions at the end of which the plants will be returned to the government in good operating condition. The terms of the concessions extend up to 2067.
A number of generation companies that operate in Latin America hold administrative concessions with similar conditions to those applied under the Spanish concession system. These concessions will expire in 2071.

Infrastructure serving a concession not within the scope of "IFRIC 12 - Service concession arrangements"
As regards the distribution of electricity, the Group is a concession holder in Italy for this service. The concession, granted by the Ministry for Economic Development, was issued free of charge and terminates on December 31, 2030. If the concession is not renewed upon expiry, the grantor is required to pay an indemnity. The amount of the indemnity will be determined by agreement of the parties

using appropriate valuation methods, based on both the carrying amount of the assets themselves and their profitability.
In determining the indemnity, such profitability will be represented by the present value of future cash flows. The infrastructure serving the concession is owned and available to the concession holder. It is recognized under "Property, plant and equipment" and is depreciated over the useful lives of the assets.
Enel also operates under administrative concessions for the distribution of electricity in other countries (including Spain and Romania). These concessions give the right to build and operate distribution networks for an indefinite period of time.

Infrastructure within the scope of "IFRIC 12 - Service concession arrangements"

Under a "public-to-private" service concession arrangement within the scope of "IFRIC 12 - Service concession arrangements" the operator acts as a service provider and, in accordance with the terms specified in the contract, it constructs/upgrades infrastructure used to provide a public service and/or operates and maintains that infrastructure for the years of the concession.
The Group, as operator, does not account for the infrastructure within the scope of IFRIC 12 as property, plant and equipment and it recognizes and measures revenue in accordance with IFRS 15 for the services it performs. In particular, when the Group provides construction or upgrade services, depending on the characteristics of the service concession arrangement, it recognizes:

- a financial asset, if the Group has an unconditional contractual right to receive cash or another financial asset from the grantor (or from a third party at the direction of the grantor), that is the grantor has little discretion to avoid payment. In this case, the grantor contractually guarantees to pay to the operator specified or determinable amounts or the shortfall between the amounts received from the users of the public service and specified or determinable amounts (defined by the contract), and such payments are not dependent on the usage of the infrastructure; and/or
- an intangible asset, if the Group receives the right (a license) to charge users of the public service provided. In such a case, the operator does not have an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

If the Group (as operator) has a contractual right to receive an intangible asset (a right to charge users of public service), borrowing costs are capitalized using the criteria specified in note 18 "Property, plant and equipment".
However, for construction/upgrade services, both types of consideration are generally classified as a contract asset during the construction/upgrade period.
For more details about such consideration, please see note 10.a "Revenue from sales and services".

Leases

The Group holds property, plant and equipment for its various activities under lease contracts. At inception of a contract, the Group assesses whether a contract is, or contains, a lease.
For contracts entered into or changed on or after January 1, 2019, the Group has applied the definition of a lease under IFRS 16, that is met if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
Conversely, for contracts entered into before January 1, 2019, the Group determined whether the arrangement was or contained a lease under IFRIC 4.

Group as a lessee
At commencement or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.
The Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use).
The right-of-use asset represents a lessee's right to use an underlying asset for the lease term; it is initially measured at cost, which includes the initial amount of lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to retire and remove the underlying asset and to restore the underlying asset or the site on which it is located.
Right-of-use assets are subsequently depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use assets, as follows:

	Average residual life (years)
Buildings	7
Ground rights of renewable energy plants	32
Vehicles and other means of transport	5

If the lease transfers ownership of the underlying asset to the Group at the end of the lease term or if the cost of the right-of-use asset reflects the fact that the Group will exercise a purchase option, depreciation is calculated using the estimated useful life of the underlying asset.
In addition, the right-of-use assets are subject to impairment and adjusted for any remeasurement of lease liabilities.
The lease liability is initially measured at the present value of lease payments to be made over the lease term. In cal-

culating the present value of lease payments, the Group uses the lessee's incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable.
Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.
After the commencement date, the lease liability is measured at amortized cost using the effective interest method and is remeasured upon the occurrence of certain events.
The Group applies the short-term lease recognition exemption to its lease contracts that have a lease term of 12 months or less from the commencement date. It also applies the low-value assets recognition exemption to lease contracts for which the underlying asset is of low-value whose amount is estimated not material. For example, the Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low-value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.
The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" and lease liabilities in "Borrowings".
Consistent with the requirement of the standard, the Group presents separately the interest expense on lease liabilities under "Other financial expense" and the depreciation charge on the right-of-use assets under "Depreciation, amortization and impairment losses".

Group as a lessor
When the Group acts as a lessor, it determines at the lease inception date whether each lease is a finance lease or an operating lease.
Leases in which the Group essentially transfers all the risks and rewards associated with ownership of the underlying asset are classified as finance leases; otherwise, they are classified as operating leases. To make this assessment, the Group considers the indicators provided by IFRS 16. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.
The Group accounts for rental income arising from operating leases on a straight-line basis over the lease terms and it recognizes it as other revenue.

Investment property

Investment property consists of the Group's real estate held to earn rentals and/or for capital appreciation rather than for use in the production or supply of goods and services.
Investment property is measured at acquisition cost less any accumulated depreciation and any accumulated impairment losses.
Investment property, excluding land, is depreciated on a straight-line basis over the useful lives of the related assets.
Impairment losses are determined on the basis of the criteria described in the section below..
The breakdown of the fair value of investment property is detailed in note 50 "Assets and liabilities measured at fair value".
Investment property is derecognized either when it has been transferred (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net disposal proceeds, determined in accordance with the transaction price requirements of IFRS 15, and the carrying amount of the derecognized assets.
Transfers are made to (or from) investment property only when there is a change in use.

Intangible assets

Intangible assets are identifiable assets without physical substance controlled by the Group and capable of generating future economic benefits. They are measured at purchase or internal development cost when it is probable that the use of such assets will generate future economic benefits and the related cost can be reliably determined.
The cost includes any directly attributable expenses necessary to make the assets ready for their intended use.
Development expenditure is recognized as an intangible asset only when the Group can demonstrate the technical feasibility of completing the asset, its intention and ability to complete development and to use or sell the asset and the availability of resources to complete the asset.
Research costs are recognized as expenses.
Intangible assets with a finite useful life are recognized net of accumulated amortization and any impairment losses.
Amortization is calculated on a straight-line basis over the asset's estimated useful life, which is reassessed at least annually; any changes in amortization policies are reflected on a prospective basis. For more information on estimating useful life, please see note 2.1 "Use of estimates and management judgment".
Amortization commences when the asset is ready for use. Consequently, intangible assets not yet available for use are not amortized, but are tested for impairment at least annually.
The Group's intangible assets have a finite useful life, with the exception of a number of concessions and goodwill.
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.
The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from in-

definite to finite is accounted for as a change in accounting estimate.
Intangible assets are derecognized either at the time of their disposal (at the date when the recipient obtains control) or when no future economic benefit is expected from their use or disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net consideration received in the disposal, determined in accordance with the provisions of IFRS 15 concerning the transaction price, and the carrying amount of the derecognized assets.
The estimated useful life of the main intangible assets, distinguishing between internally generated and acquired assets, is as follows:

Development expenditure:	
- internally generated	2-26 years
- acquired	3-26 years
Industrial patents and intellectual property rights:	
- internally generated	3-10 years
- acquired	2-50 years
Concessions, licenses, trademarks and similar rights:	
- internally generated	20 years
- acquired	1-40 years
Intangible assets from service concession arrangements:	
- internally generated	-
- acquired	5 years
Other:	
- internally generated	2-28 years
- acquired	1-28 years

The Group also presents costs to obtain a contract with a customer capitalized in accordance with IFRS 15 as intangible assets.
The Group recognized such costs as an asset only if:

- the costs are incremental, that is they are directly attributable to an identified contract and the Group would not have incurred them if the contract had not been obtained;
- the Group expects to recover them, through reimbursements (direct recoverability) or the margin (indirect recoverability).

In particular, the Group generally capitalizes trade fees and commissions paid to agents for such contracts if the capitalization criteria are met.
Capitalized customer contract costs are amortized on a systematic basis, consistent with the pattern of the transfer of the goods or services to which they relate, and undergo impairment testing to identify any impairment losses to the extent that the carrying amount of the asset recognized exceeds the recoverable amount.
The Group amortizes the capitalized customer contract costs on a straight-line basis over the expected period of benefit from the contract (i.e., the average term of the customer relationship); any changes in amortization policies are reflected on a prospective basis.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. For further details, please see the section of the accounting policies "Business combinations".
Goodwill arising on the acquisition of subsidiaries is recognized separately. After initial recognition, goodwill is not amortized, but is tested for impairment at least annually as part of the CGU to which it pertains.
For the purpose of impairment testing, goodwill is allocated, from the acquisition date, to each CGU that is expected to benefit from the synergies of the combination.
Goodwill relating to equity investments in associates and joint ventures is included in their carrying amount.

Impairment of non-financial assets

At each reporting date, property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are reviewed to determine whether there is evidence of impairment.
CGUs to which goodwill, intangible assets with an indefinite useful life and intangible assets not yet available for use are allocated are tested for recoverability annually or more frequently if there is evidence suggesting that the assets can be impaired.
If such evidence exists, the recoverable amount of any involved asset is estimated on the basis of the use of the asset and its future disposal, in accordance with the Group's most recent Business Plan. For the estimate of the recoverable amount, please see note 2.1 "Use of estimates and management judgment".
The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and therefore it is determined for the CGU to which the asset belongs.
If the carrying amount of an asset or of a CGU to which it is allocated is greater than its recoverable amount, an impairment loss is recognized in profit or loss and presented under "Depreciation, amortization and other impairment losses".
Impairment losses of CGUs are firstly charged against the carrying amount of any goodwill attributed to it and then against the other assets, in proportion to their carrying amount.
If the reasons for a previously recognized impairment loss no longer apply, the carrying amount of the asset is re-

stored through profit or loss, under "Depreciation, amortization and other impairment losses", in an amount that shall not exceed the carrying amount that the asset would have had if the impairment loss had not been recognized. The original amount of goodwill is not restored even if in subsequent years the reasons for the impairment no longer apply.
If certain specific identified assets owned by the Group are impacted by adverse economic or operating conditions that undermine their capacity to contribute to the generation of cash flows, they can be isolated from the rest of the assets of the CGU, undergo separate analysis of their recoverability and be impaired where necessary.

Inventories

Inventories are measured at the lower of cost and net realizable value except for inventories involved in trading activities, which are measured at fair value with recognition through profit or loss. Cost is determined on the basis of average weighted cost, which includes related ancillary charges. Net estimated realizable value is the estimated normal selling price net of estimated costs to sell or, where applicable, replacement cost.
For the portion of inventories held to discharge sales that have already been made, the net realizable value is determined on the basis of the amount established in the contract of sale.
Inventories include environmental certificates (for example, green certificates, energy efficiency certificates and European CO_2 emissions allowances) that were not utilized for compliance in the reporting period. As regards CO_2 emissions allowances, inventories are allocated between the trading portfolio and the compliance portfolio, i.e., those used for compliance with greenhouse gas emissions requirements. Within the latter, CO_2 emissions allowances are allocated to sub-portfolios on the basis of the compliance year to which they have been assigned.
Inventories also include nuclear fuel stocks, use of which is determined on the basis of the electricity generated.
Materials and other consumables (including energy commodities) held for use in production are not written down if it is expected that the final product in which they will be incorporated will be sold at a price sufficient to enable recovery of the cost incurred.

Financial instruments

Financial instruments are any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity; they are recognized and measured in accordance with IAS 32 and IFRS 9.
A financial asset or liability is recognized in the consolidated financial statements when, and only when, the Group becomes party to the contractual provision of the instrument (i.e., the trade date).
Trade receivables arising from contracts with customers, in the scope of IFRS 15, are initially measured at their transaction price (as defined in IFRS 15) if such receivables do not contain a significant financing component or when the Group applies the practical expedient allowed by IFRS 15.
Conversely, the Group initially measures financial assets other than the above-mentioned trade receivables at their fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs.
Financial assets are classified, at initial recognition, as financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, on the basis of both the Group's business model and the contractual cash flow characteristics of the instrument.
For this purpose, the assessment to determine whether the instrument gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding is referred to as the SPPI test and is performed at an instrument level.
The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.
For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets measured at amortized cost (debt instruments);
- financial assets at fair value through OCI with reclassification of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no reclassification of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial assets measured at amortized cost
This category mainly includes trade receivables, other financial assets and loan assets.
Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and whose contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Such assets are initially recognized at fair value, adjusted for any transaction costs, and subsequently measured at amortized cost using the effective interest method and are subject to impairment.
Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through other comprehensive income (FVOCI) – Debt instruments

This category mainly includes:

- listed debt securities held by the Group reinsurance company and not classified as held for trading; and
- the tax credits provided for by Decree Law 34/2020 (the "Revival Decree").

Financial assets at fair value through other comprehensive income are assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and whose contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in fair value for these financial assets are recognized in other comprehensive income as well as loss allowances that do not reduce the carrying amount of the financial assets.

When a financial asset is derecognized (e.g., at the time of sale), the cumulative gains and losses previously recognized in equity (except impairment and foreign exchange gains and losses to be recognized in profit or loss) are reversed to profit or loss.

Financial assets at fair value through other comprehensive income (FVOCI) – Equity instruments

This category includes mainly equity investments in other entities irrevocably designated as such upon initial recognition.

Gains and losses on these financial assets are never reclassified to profit or loss. The Group may transfer the cumulative gain or loss within equity.

Equity instruments designated at fair value through OCI are not subject to impairment testing.

Dividends on such investments are recognized in profit or loss unless they clearly represent a recovery of a part of the cost of the investment.

Financial assets at fair value through profit or loss

This category mainly includes: securities, equity investments in other companies, financial investments in funds held for trading and financial assets designated as at fair value through profit or loss at initial recognition.

Financial assets at fair value through profit or loss are:

- financial assets with cash flows that are not solely payments of principal and interest, irrespective of the business model;
- financial assets held for trading because acquired or incurred principally for the purpose of selling or repurchasing in the short term;
- debt instruments designated upon initial recognition, under the option allowed by IFRS 9 (fair value option), if doing so eliminates, or significantly reduces, an accounting mismatch;
- derivatives, including separated embedded derivatives, held for trading or not designated as effective hedging instruments.

Such financial assets are initially recognized at fair value with subsequent gains and losses from changes in their fair value recognized through profit or loss.

This category also includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the income statement when the right of payment has been established.

Financial assets that qualify as contingent consideration are also measured at fair value through profit or loss.

Impairment of financial assets

At each reporting date, the Group recognizes a loss allowance for expected credit losses on trade receivables and other financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets and all other assets within the scope of IFRS 9.

In compliance with IFRS 9, as from January 1, 2018, the Group adopted a new impairment model based on the determination of expected credit losses (ECL) using a forward-looking approach. In essence, the model provides for:

- the application of a single framework for all financial assets;
- the recognition of expected credit losses on an ongoing basis and the updating of the amount of such losses at the end of each reporting period, reflecting changes in the credit risk of the financial instrument;
- the measurement of expected losses on the basis of reasonable information, obtainable without undue cost, about past events, current conditions and forecasts of future conditions.

For trade receivables, contract assets and lease receivables, including those with a significant financial component, the Group adopts the simplified approach, determining expected credit losses over a period corresponding to the entire life of the asset, generally equal to 12 months.

For all financial assets other than trade receivables, contract assets and lease receivables, the Group applies the general approach under IFRS 9, based on the assessment of a significant increase in credit risk since initial recognition. Under such approach, a loss allowance on financial assets is recognized at an amount equal to the lifetime expected credit losses, if the credit risk on those financial assets has increased significantly, since initial recognition, considering all reasonable and supportable information, including also forward-looking inputs.

If at the reporting date the credit risk on financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for those financial assets at an amount equal to 12-month expected credit losses.

For financial assets on which a loss allowance equal to lifetime expected credit losses has been recognized in the previous reporting period, the Group measures the loss allowance at an amount equal to 12-month expected credit losses when the condition regarding a significant increase in credit risk is no longer met.
The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with IFRS 9.
The Group applies the low credit risk exemption, avoiding the recognition of loss allowances at an amount equal to lifetime expected credit losses due to a significant increase in credit risk of debt securities at fair value through OCI, whose counterparty has a strong financial capacity to meet its contractual cash flow obligations (e.g., investment grade).
For more information on the impairment of financial assets, please see note 46 "Financial instruments by category".

Cash and cash equivalents
This category includes deposits that are available on demand or at very short term, as well as highly liquid short-term financial investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.
In addition, for the purpose of the consolidated statement of cash flows, cash and cash equivalents do not include bank overdrafts at the reporting date.

Financial liabilities at amortized cost
This category mainly includes borrowings, trade payables, lease liabilities and debt instruments.
Financial liabilities, other than derivatives, are recognized when the Group becomes a party to the contractual clauses of the instrument and are initially measured at fair value adjusted for directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the carrying amount of the financial asset or liability.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as at fair value through profit or loss unless they are designated as effective hedging instruments.
Gains or losses on liabilities at fair value through profit or loss are recognized through profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in IFRS 9 are satisfied.
In this case, the portion of the change in fair value attributable to own credit risk is recognized in other comprehensive income.
The Group has not designated any financial liability as at fair value through profit or loss, upon initial recognition.
Financial liabilities that qualify as contingent consideration are also measured at fair value through profit or loss.

Derecognition of financial assets and liabilities
Financial assets are derecognized whenever one of the following conditions is met:
- the contractual right to receive the cash flows associated with the asset expires;
- the Group has transferred substantially all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to pay such cash flows to one or more beneficiaries under a contract that meets the requirements provided by IFRS 9 (the "pass through test");
- the Group has not transferred or retained substantially all the risks and rewards associated with the asset but has transferred control over the asset.

Financial liabilities are derecognized when they are extinguished, i.e., when the contractual obligation has been discharged, cancelled or expired.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Derivative financial instruments
A derivative is a financial instrument or another contract:
- whose value changes in response to the changes in an underlying variable such as an interest rate, commodity or security price, foreign exchange rate, a price or rate index, a credit rating or other variable;
- that requires no initial net investment, or one that is smaller than would be required for a contract with similar response to changes in market factors;
- that is settled at a future date.

Derivative instruments are classified as financial assets or liabilities depending on the positive or negative fair value and they are classified as "held for trading" within "Other

business models" and measured at fair value through profit or loss, except for those designated as effective hedging instruments.
All derivatives held for trading are classified as current assets or liabilities.
Derivatives not held for trading purposes, but measured at fair value through profit or loss since they do not qualify for hedge accounting, and derivatives designated as effective hedging instruments are classified as current or not current on the basis of their maturity date and the Group intention to hold the financial instrument till maturity or not.
For more details about derivatives and hedge accounting, please see note 49 "Derivatives and hedge accounting".

Embedded derivatives

An embedded derivative is a derivative included in a "combined" contract (the so-called "hybrid instrument") that contains another non-derivative contract (the so-called "host contract") and gives rise to some or all of the combined contract's cash flows.
The main Group contracts that may contain embedded derivatives are contracts to buy or sell non-financial items with clauses or options that affect the contract price, volume or maturity.
A derivative embedded in a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.
Contracts that do not represent financial instruments to be measured at fair value are analyzed in order to identify any embedded derivatives, which are to be separated and measured at fair value. This analysis is performed when the Group becomes party to the contract or when the contract is renegotiated in a manner that significantly changes the original associated cash flows.
Embedded derivatives are separated from the host contract and accounted for as derivatives when:

- the host contract is not a financial instrument measured at fair value through profit or loss;
- the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract;
- a separate contract with the same terms as the embedded derivative would meet the definition of a derivative.

Embedded derivatives that are separated from the host contract are recognized in the consolidated financial statements at fair value with changes recognized in profit or loss (except when the embedded derivative is part of a designated hedge relationship).

Contracts to buy or sell non-financial items

In general, contracts to buy or sell non-financial items that are entered into and continue to be held for receipt or delivery in accordance with the Group's normal expected purchase, sale or usage requirements are out of the scope of IFRS 9 and then recognized as executory contracts, according to the "own use exemption".
A contract to buy or sell non-financial items is classified as "normal purchase or sale" if it is entered into:

- for the purpose of the physical settlement;
- in accordance with the entity's expected purchase, sale or usage requirements.

Moreover, contracts to buy or sell non-financial items with physical settlement (for example, fixed-price forward contracts on energy commodities) do not qualify for the own use exemption and are recognized as derivatives measured at fair value through profit or loss only if:

- they can be settled net in cash; and
- they are not entered into in accordance with the Group's expected purchase, sale or usage requirements.

The Group recognizes the fair value gain or loss on contracts for the purchase or sale of energy commodities still outstanding at the reporting date on a net basis under the item "Net results from commodity contracts".
Subsequently, at the settlement date:

- the fair value gain or loss on closed contracts for the sale of energy commodities as well as the related revenue, together with the impact on profit or loss of the derecognition of the derivative, are recognized under "Other revenue";
- the fair value gain or loss on closed contracts for the purchase of energy commodities as well as the related cost, together with the impact on profit or loss of the derecognition of the derivative, are recognized under "Electricity, gas and fuel" and "Services and other materials".

The Group analyzes all contracts to buy or sell non-financial assets on an ongoing basis, with a specific focus on forward purchases and sales of electricity and energy commodities, in order to determine if they shall be classified and treated in accordance with IFRS 9 or if they have been entered into for "own use".

Offsetting financial assets and liabilities

The Group offsets financial assets and liabilities when:

- there is a legally enforceable right to set off the recognized amounts; and
- there is the intention of settling on a net basis or realizing the asset and settling the liability simultaneously.

Hyperinflation

In a hyperinflationary economy, the Group adjusts non-monetary items, equity and items deriving from index-linked contracts up to the limit of recoverable amount, using a price index that reflects changes in general purchasing power.
The effects of initial application are recognized in equity

net of tax effects. Conversely, during the hyperinflationary period (until it ceases), the gain or loss resulting from adjustments is recognized in profit or loss and disclosed separately in financial income and expense.
Starting from 2018, this standard applies to the Group's transactions in Argentina, whose economy has been declared hyperinflationary from July 1, 2018.

Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use.
This classification criterion is applicable only when non-current assets (or disposal groups) are available in their present condition for immediate sale and the sale is highly probable.
If the Group is committed to a sale plan involving loss of control of a subsidiary and the requirements provided for under IFRS 5 are met, all the assets and liabilities of that subsidiary are classified as held for sale when the classification criteria are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.
The Group applies these classification criteria as envisaged in IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale is accounted for using the equity method until disposal of the portion that is classified as held for sale takes place.
Non-current assets (or disposal groups) and liabilities of disposal groups classified as held for sale are presented separately from other assets and liabilities in the statement of financial position.
The amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale are not reclassified or re-presented for prior periods presented.
Immediately before the initial classification of non-current assets (or disposal groups) as held for sale, the carrying amounts of such assets (or disposal groups) are measured in accordance with the accounting standard applicable to those assets or liabilities. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses for any initial or subsequent write-down of the assets (or disposal groups) to fair value less costs to sell and gains for their reversals are recognized in profit or loss from continuing operations.
Non-current assets are not depreciated (or amortized) while they are classified as held for sale or while they are part of a disposal group classified as held for sale.
If the classification criteria are no longer met, the Group ceases to classify the non-current assets (or disposal groups) as held for sale. In this case they are measured at the lower of:

- the carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or reversals of impairment losses that would have been recognized if the asset (or disposal group) had not been classified as held for sale; and
- the recoverable amount, which is equal to the greater of its fair value net of costs to sell and its value in use, as calculated at the date of the subsequent decision not to sell.

Any adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is included in profit or loss from continuing operations.
A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major business line or geographical segment;
- is part of a single coordinated plan to dispose of a separate major business line or geographical segment; or
- is a subsidiary acquired exclusively with a view to resale.

The Group presents, in a separate line item of the income statement, a single amount comprising the total of:

- the post-tax profit or loss of discontinued operations; and
- the post-tax gain or loss recognized on the measurement at fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

The corresponding amount is restated in the income statement for prior periods presented in the financial statements, so that the disclosures relate to all operations that are discontinued by the end of the current reporting period. If the Group ceases to classify a component as held for sale, the results of the component previously presented in discontinued operations are reclassified and included in profit or loss from continuing operations for all periods presented.

Environmental certificates

Some Group companies are affected by national regulations governing green certificates and energy efficiency certificates (so-called "white certificates"), as well as the EU Emissions Trading System.
Green certificates accrued in proportion to electricity generated by renewable energy plants and energy efficiency certificates accrued in proportion to energy sav-

ings achieved that have been certified by the competent authority are treated as non-monetary government grants related to income and are recognized at fair value, under other operating profit, with recognition of an asset under other non-financial assets, if the certificates are not yet credited to the ownership account, or under inventories, if the certificates have already been credited to that account.
At the time the certificates are credited to the ownership account, they are reclassified from other assets to inventories.
Revenue from the sale of such certificates is recognized under revenue from contracts with customers, with a corresponding decrease in inventories.
For the purposes of accounting for charges arising from regulatory requirements concerning green certificates, energy efficiency certificates and CO_2 emissions allowances, the Group uses the "net liability approach".
Under this accounting policy, environmental certificates received free of charge and those self-produced as a result of Group's operations that will be used for compliance purposes are recognized at nominal value (nil). In addition, charges incurred for obtaining (in the market or in some other transaction for consideration) any missing certificates to fulfil compliance requirements for the reporting period are recognized through profit or loss on an accruals basis under other operating costs, as they represent "system charges" consequent to compliance with a regulatory requirement.

Employee benefits

Liabilities related to employee benefits paid upon or after ceasing employment in connection with defined benefit plans or other long-term benefits accrued during the employment period are determined separately for each plan, using actuarial assumptions to estimate the amount of the future benefits that employees have accrued at the reporting date (using the projected unit credit method). More specifically, the present value of the defined benefit obligation is calculated by using a discount rate determined on the basis of market yields at the end of the reporting period on high-quality corporate bonds. If there is no deep market for high-quality corporate bonds in the currency in which the bonds are denominated, the corresponding yield of government securities is used.
The liability, net of any plan assets, is recognized on an accruals basis over the vesting period of the related rights. These appraisals are performed by independent actuaries.
If the plan assets exceed the present value of the related defined benefit obligation, the surplus (up to the limit of any cap) is recognized as an asset.
As regards the liabilities/(assets) of defined benefit plans, the cumulative actuarial gains and losses from the actuarial measurement of the liabilities, the return on the plan assets (net of the associated interest income) and the effect of the asset ceiling (net of the associated interest) are recognized in other comprehensive income when they occur. For other long-term benefits, the related actuarial gains and losses are recognized through profit or loss.
In the event of a change being made to an existing defined benefit plan or the introduction of a new plan, any past service cost is recognized immediately in profit or loss.
In addition, the Group is involved in defined contribution plans under which it pays fixed contributions to a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Such plans are usually aimed to supplement pension benefits due to employees post-employment. The related costs are recognized through profit or loss on the basis of the amount of contributions paid in the period.

Termination benefits
Liabilities for benefits due to employees for the early termination of employee service arise out of the Group's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The event that gives rise to an obligation is the termination of employment rather than employee service. Termination benefits are recognized at the earlier of the following dates:

- when the entity can no longer withdraw its offer of benefits; and
- when the entity recognizes a cost for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

The liabilities are measured on the basis of the nature of the employee benefits. More specifically, when the benefits represent an enhancement of other post-employment benefits, the associated liability is measured in accordance with the rules governing that type of benefits. Otherwise, if the termination benefits due to employees are expected to be fully settled before 12 months of the close of the period in which the benefits are recognized, the entity measures the liability in accordance with the requirements for short-term employee benefits; if they are not expected to be fully settled before 12 months of the close of period in which the benefits are recognized, the entity measures the liability in accordance with the requirements for other long-term employee benefits.

Share-based payments
The Group undertakes share-based payment transactions settled with equity instruments as part of the remu-

neration policy adopted for the Chief Executive Officer/General Manager and for key management personnel.
The most recent long-term incentive plans provide for the grant to recipients of an incentive represented by an equity component and a monetary component.
In order to settle the equity component through the bonus award of Enel shares, a program for the purchase of treasury shares to support these plans was approved. For more details on share-based incentive plans, please see note 51 "Share-based payments".
The Group recognizes the services rendered by employees as personnel expenses and indirectly estimates their value, and the corresponding increase in equity, on the basis of the fair value of the equity instruments (i.e., Enel shares) at the grant date. This fair value is based on the observable market price of Enel (on the Mercato Telematico Azionario (electronic stock exchange) organized and operated by Borsa Italiana SpA), taking account of the terms and conditions under which the shares were granted (with the exception of vesting conditions excluded from the measurement of fair value).
The cost of these share-based payment transactions settled with equity instruments is recognized through profit or loss, with a balancing entry in a specific equity item, over the period in which the service and return performance conditions are met (vesting period).
The overall expense recognized is adjusted at each reporting date until the vesting date to reflect the best estimate available to the Group of the number of equity instruments for which the service and performance conditions other than market conditions will be satisfied, so that the amount recognized at the end is based on the effective number of equity instruments that satisfy the service and performance conditions other than market conditions at the vesting date.
No expense is recognized for awards which ultimately do not vest because the performance conditions other than market conditions and/or the service conditions have not been satisfied. Conversely, the transactions are considered to have vested irrespective of whether the market or non-vesting conditions are satisfied, provided that all the other performance and/or service conditions are satisfied.

Provisions for risks and charges

Provisions are recognized where there is a legal or constructive obligation as a result of a past event at the end of the reporting period, the settlement of which is expected to result in an outflow of resources whose amount can be reliably estimated. Where the impact is significant, the accruals are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and, if applicable, the risks specific to the liability.
If the provision is discounted, the periodic adjustment of the present value for the time factor is recognized as a financial expense.
When the Group expects some or all charges to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.
Where the liability relates to decommissioning and/or site restoration in respect of property, plant and equipment, the initial recognition of the provision is made against the related asset and the expense is then recognized in profit or loss through the depreciation of the asset involved.
Where the liability regards the treatment and storage of nuclear waste and other radioactive materials, the provision is recognized against the related operating costs.
A liability for restructuring refers to a program planned and controlled by management that materially changes the scope of a business undertaken by the Group or the manner in which the business is conducted. Such a liability is recognized when a constructive obligation is established, i.e., when the Group has approved a detailed formal restructuring plan and has started to implement the plan or has announced its main features to those affected by it.
Provisions do not include liabilities in respect of uncertain income tax treatments that are recognized as tax liabilities.
The Group could provide a warranty in connection with the sale of a product (whether a good or service) from contracts with customers in the scope of IFRS 15, in accordance with the contract, the law or its customary business practices. In this case, the Group assesses whether the warranty provides the customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications or whether the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications.
After the assessment, if the Group establishes that an assurance warranty is provided, it recognizes a separate warranty liability and corresponding expense when transferring the product to the customer, as additional costs of providing goods or services, without attributing any of the transaction price (and therefore revenue) to the warranty. The liability is measured and presented as a provision.
Otherwise, if the Group determines that a service warranty is provided, it accounts for the promised warranty as a performance obligation in accordance with IFRS 15, recognizing the contract liability as revenue over the period the warranty service is provided and the costs associated as they are incurred.
Finally, if the warranty includes both an assurance element and a service element and the Group cannot reasonably account for them separately, then it accounts for both of the warranties together as a single performance obligation.

In the case of contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it (onerous contracts), the Group recognizes a provision as the lower of the excess of unavoidable costs of meeting the obligations under the contract over the economic benefits expected to be received under it and any compensation or penalty arising from failure to fulfil it.

Changes in estimates of accruals to the provisions addressed here are recognized through profit or loss in the period in which the changes occur, with the exception of those in the costs of decommissioning, retiring and/or restoration resulting from changes in the timetable and costs necessary to extinguish the obligation or from a change in the discount rate. These changes increase or decrease the carrying amount of the related assets and are taken to profit or loss through depreciation. Where they increase the carrying amount of the assets, it is also determined whether the new carrying amount of the assets is fully recoverable. If this is not the case, a loss equal to the unrecoverable amount is recognized through profit or loss.

Decreases in estimates are recognized up to the carrying amount of the assets. Any excess is recognized immediately in profit or loss.

For more information on the estimation criteria adopted in determining provisions for retiring and/or restoration of property, plant and equipment, especially those associated with decommissioning nuclear power plants and storage of waste fuel and other radioactive materials, please see note 2.1 "Use of estimates and management judgment".

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers in order to represent the transfer of promised goods or services to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group applies this core principle using a five-step model:

- identify the contract with the customer (step 1).
  The Group applies IFRS 15 to contracts with customers in the scope of the standard when the contract is legally enforceable and all the criteria envisaged for step 1 are met:
  If the criteria are not met, any consideration received from the customer is generally recognized as an advance;
- identify the performance obligations in the contract (step 2).
  The Group identifies all goods or services promised in the contract, separating them into performance obligations to account for separately if they are both: capable of being distinct and distinct within the context of the contract.
  As an exception, the Group accounts for as a single performance obligation a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer over time.
  In assessing the existence and the nature of the performance obligations, the Group considers all of the contract's features as mentioned in step 1.
  For each distinct good or service identified, the Group determines whether it acts as a principal or agent, respectively if it controls or not the specified good or service that is promised to the customer before its control is transferred to the customer. When the Group acts as agent, it recognizes revenue on a net basis, corresponding to any fee or commission to which it expects to be entitled;
- determine the transaction price (step 3).
  The transaction price represents the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties (e.g., some sale taxes and value-added taxes).
  The Group determines the transaction price at inception of the contract and updates it each reporting period for any changes in circumstances.
  When the Group determines the transaction price, it considers whether the transaction price includes variable consideration, non-cash consideration received from a customer, consideration payable to a customer and a significant financing component;
- allocate the transaction price (step 4).
  The Group allocates the transaction price at contract inception to each separate performance obligation to depict the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services.
  When the contract includes a customer option to acquire additional goods or services that represents a material right, the Group allocates the transaction price to this performance obligation (i.e., the option) and defers the relative revenue until those future goods or services are transferred or the option expires.
  The Group generally allocates the transaction price on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract (that is, the price at which the Group would sell that good or service separately to the customer);
- recognize revenue (step 5).
  The Group recognizes revenue when (or as) each performance obligation is satisfied by transferring the promised good or service to the customer, which is when the customer obtains control of the good or service.

To this end, the Group first determines if one of the over-time criteria is met.

For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring progress toward the complete satisfaction of that performance obligation using an output method or an input method and applies a single method of measuring progress from contract inception until full satisfaction and to similar performance obligations and in similar circumstances.

When the Group cannot reasonably measure the progress, it recognizes revenue only to the extent of the costs incurred that are considered recoverable.

If the performance obligation is not satisfied over time, the Group determines the point in time at which the customer obtains the control, considering whether the indicators of the transfer of control collectively indicate that the customer has obtained control.

Depending on the type of transaction, the broad criteria used under IFRS 15 are summarized below:

- revenue from the sale of goods is recognized at the point in time at which the customer obtains the control of goods if the Group considers that the sale of goods is satisfied at a point in time;
- revenue from providing services is recognized on the basis of the progress towards complete satisfaction of the performance obligation measured with an appropriate method that better depicts this progress if the Group considers that the performance obligation is satisfied over time. The cost incurred method (cost-to-cost method) is considered appropriate for measuring progress, except when specific contract analyses suggest the use of an alternative method, which better depicts the Group's performance obligation fulfilled at the reporting date.

The Group does not disclose the information about the remaining performance obligations in existing contracts if the performance obligation is part of a contract that has an original expected duration of one year or less and if the Group recognizes revenue in the amount to which it has a right to invoice the customer.

More information on the application of this revenue recognition model is provided in note 2.1 "Use of estimates and management judgment" and in note 10.a "Revenue from sales and services".

If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, it recognizes a contract asset relating to the right to consideration in exchange for goods or services transferred to the customer.

If a customer pays the consideration before the Group transfers goods or services to the customer, the Group recognizes a contract liability when the payment is made (or the payment is due) that is recognized as revenue when the Group performs under the contract.

Other revenue

The Group recognizes revenue other than that deriving from contracts with customers mainly referring to:

- revenue from the sale of energy commodities based on contracts with physical settlement, which do not qualify for the own use exemption and therefore is recognized at FVTPL in accordance with IFRS 9;
- changes in the fair value of settled contracts to sell energy commodities with physical settlement, which do not qualify for the own use exemption and therefore are recognized at FVTPL in accordance with IFRS 9;
- operating lease revenue accounted for on an accruals basis in accordance with the substance of the relevant lease agreement.

Other operating income

Other operating income primarily includes gains on disposal of assets that are not an output of the Group's ordinary activities and government grants.

Grants related to assets, including non-monetary grants at fair value, are recognized where there is reasonable assurance that they will be received and that the Group will comply with all conditions attaching to them as set by the government, government agencies and similar bodies whether local, national or international.

When loans are provided by governments at a below-market rate of interest, the benefit is regarded as a government grant. The loan is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying amount of the loan and the funds received. The loan is subsequently measured in accordance with the requirements for financial liabilities.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the costs that the grants are intended to compensate.

Where the Group receives government grants in the form of a transfer of a non-monetary asset for the use of the Group, it accounts for both the grant and the asset at the fair value of the non-monetary asset received at the date of the transfer.

Capital grants, including non-monetary grants at fair value, i.e., those received to purchase, build or otherwise acquire non-current assets (for example, an item of property, plant and equipment or an intangible asset), are deducted from the carrying amount of the asset and are recognized in profit or loss over the depreciable/amortizable life of the asset as a reduction in the depreciation/amortization charge. If there is insufficient information to enable ade-

quate attribution to the non-current assets to which they refer, grants related to assets are recognized as deferred income under other liabilities, and credited to profit or loss on a systematic basis over the useful life of the asset.

Financial income and expense from derivatives

Financial income and expense from derivatives includes:
- income and expense from derivatives measured at fair value through profit or loss on interest rate and currency risks;
- income and expense from fair value hedge derivatives on interest rate risk;
- income and expense from cash flow hedge derivatives on interest rate and currency risks.

Other financial income and expense

For all financial assets and liabilities measured at amortized cost and interest-bearing financial assets classified as at fair value through other comprehensive income, interest income and expense are recognized using the effective interest rate method.
Interest income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured.
Other financial income and expense include also changes in the fair value of financial instruments other than derivatives.

Dividends

Dividends are recognized when the unconditional right to receive payment is established.
Dividends and interim dividends payable to the Parent's shareholders and non-controlling interests are recognized as changes in equity in the period in which they are approved by the Shareholders' Meeting and the Board of Directors, respectively.

Income taxes

Current income taxes
Current income taxes for the year, which are recognized under "income tax liabilities" net of payments on account, or under "tax assets" where there is a credit balance, are determined using an estimate of taxable income and in conformity with the applicable regulations.
Such liabilities and assets are determined using the tax rates and tax laws that are enacted or substantively enacted by the end of the reporting period in the countries where taxable income has been generated.
Current income taxes are recognized in profit or loss with the exception of current income taxes related to items recognized outside profit or loss that are recognized in equity.

Deferred tax liabilities and assets
Deferred tax liabilities and assets are calculated on the temporary differences between the carrying amounts of liabilities and assets in the financial statements and their corresponding amounts recognized for tax purposes on the basis of tax rates in effect on the date the temporary difference will reverse, which is determined on the basis of tax rates that are enacted or substantively enacted as at the end of the reporting period.
Deferred tax liabilities are recognized for all taxable temporary differences, except when such liability arises from the initial recognition of goodwill or in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.
Deferred tax assets are recognized for all deductible temporary differences, the carry forward of tax losses and any unused tax credits. For more information concerning the recoverability of such assets, please see the appropriate section of the discussion of estimates.
Deferred taxes and liabilities are recognized in profit or loss, with the exception of those in respect of items recognized outside profit or loss that are recognized in equity.
Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets with current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Uncertainty over income tax treatments
In defining "uncertainty", it shall be considered whether a particular tax treatment will be accepted by the relevant taxation authority. If it is deemed probable that the tax treatment will be accepted (where the term "probable" is defined as "more likely than not"), then the Group recognizes and measures its current/deferred tax asset or liabilities applying the requirements in IAS 12.
Conversely, when the Group feels that it is not likely that the taxation authority will accept the tax treatment for income tax purposes, the Group reflects the uncertainty in the manner that best predicts the resolution of the uncertain tax treatment. The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments

based on which approach provides better predictions of the resolution of the uncertainty. In assessing whether and how the uncertainty affects the tax treatment, the Group assumes that a taxation authority will accept or not an uncertain tax treatment supposing that the taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. The Group reflects the effect of uncertainty in accounting for current and deferred tax using the expected value or the most likely amount, whichever method better predicts the resolution of the uncertainty.

Since uncertain income tax positions meet the definition of income taxes, the Group presents uncertain tax liabilities/assets as current tax liabilities/assets or deferred tax liabilities/assets.

3. New and amended standards and interpretations

The Group has applied the following standards, interpretations and amendments that took effect as from January 1, 2021.

- *"Amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16 – Interest Rate Benchmark Reform – Phase 2"*, issued in August 2020. The amendments supplement those issued in 2019 (Interest Rate Benchmark Reform - Phase 1) and address issues that could affect financial reporting after a benchmark has been reformed or replaced with an alternative benchmark rate. The objectives of the Phase 2 amendments are to assist companies: (i) in applying the IFRSs when changes occur in contractual cash flows or hedge relationships due to the reform of the benchmarks for determining interest rates; and (ii) in providing information to users of financial statements.
  In addition, when the Phase 1 exemptions cease to apply, companies are required to amend the documentation of hedge relationship to reflect the changes required under the IBOR reform by the end of the year in which the changes are made (such changes do not constitute the discontinuation of the hedge relationship). When the description of a hedged element in the documentation of the hedge relationship is changed, the amounts accumulated in the hedging reserve shall be considered to be based on the alternative benchmark rate on the basis of which the future hedged cash flows will be determined.
  The amendments will require providing additional disclosures about the entity's exposure to the risks arising from the interest rate benchmark reform and related risk management activities.
- *"Amendment to IFRS 16: COVID 19-related rent concessions beyond 30 June 2021"*, issued on May 28, 2020 in order to permit lessees to not account for rent concessions (rent payment holidays, deferral of lease payments, reductions in rent for a period of time, possibly followed by rent increases in future periods) as lease modifications if they are a direct consequence of the COVID-19 pandemic and meet certain conditions. According to IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. Accordingly, rent concessions would represent lease modifications unless they were provided for in the original lease agreement. The amendment applies only to lessees, while lessors are required to apply the current provisions of IFRS 16.
  The amendment was to be applied until June 30, 2021 but, in consideration of the persistence of the impacts of the COVID-19 pandemic, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022.

The application of the amendments did not have a material impact on these consolidated financial statements.

4. Argentina – Hyperinflationary economy: impact of the application of IAS 29

As from July 1, 2018, the Argentine economy has been considered hyperinflationary based on the criteria established by "IAS 29 - Financial reporting in hyperinflationary economies". This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

For the purposes of preparing the consolidated financial statements at December 31, 2021, and in accordance with IAS 29, certain items of the statements of financial position of the investees in Argentina have been remeasured by applying the general consumer price index to historical data in order to reflect changes in the purchasing power of the Argentine peso at the reporting date for those companies.

Bearing in mind that the Enel Group acquired control of the Argentine companies on June 25, 2009, the remeasurement of the non-monetary financial statement figures was conducted by applying the inflation indices starting from that date. In addition to being already reflected in the opening statement of financial position, the accounting effects of that remeasurement also include changes during the period. More specifically, the effect of the remeasurement of non-monetary items, the equity items and the income statement items recognized in 2021 was recognized in a specific line of the income statement under financial income and expense. The associated tax effect was recognized in taxes for the year.

In order to also take account of the impact of hyperinflation on the exchange rate of the local currency, the income statement balances expressed in the hyperinflationary currency have been translated into the Group's presentation currency (euro) applying, in accordance with IAS 21, the closing exchange rate rather than the average rate for the year in order to adjust these amounts to present values.
The cumulative changes in the general price indices at December 31, 2018, December 31, 2019, December 31, 2020 and December 31, 2021 are shown in the following table.

Periods	Cumulative change in general consumer price index
From July 1, 2009 to December 31, 2018	346.30%
From January 1, 2019 to December 31, 2019	54.46%
From January 1, 2020 to December 31, 2020	35.41%
From January 1, 2021 to December 31, 2021	49.73%

In 2021, the application of IAS 29 generated net financial income (gross of tax) of €20 million.
The following tables report the effects of IAS 29 on the balance at December 31, 2021 and the impact of hyperinflation on the main income statement items for 2021, differentiating between that concerning the revaluation on the basis of the general consumer price index and that due to the application of the closing exchange rate rather than the average exchange rate for the period, in accordance with the provisions of IAS 21 for hyperinflationary economies.

Millions of euro

	Cumulative hyperinflation effect at Dec. 31, 2020	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at Dec. 31, 2021
Total assets	**962**	594	(190)	**1,366**
Total liabilities	**192**	173	(19)	**346**
Equity	**770**	421[(1)]	(171)	**1,020**

(1) The figure includes loss for the year, equal to €122 million.

Millions of euro

	IAS 29 effect	IAS 21 effect	Total effect at Dec. 31, 2021
Revenue	143	(26)	117
Costs	182[(1)]	(25)[(2)]	157
Operating profit	**(39)**	**(1)**	**(40)**
Net financial income/(expense)	(13)	-	(13)
Net income/(expense) from hyperinflation	20	-	20
Pre-tax profit	**(32)**	**(1)**	**(33)**
Income taxes	90	(3)	87
Loss for the year (owners of the Parent and non-controlling interests)	**(122)**	**2**	**(120)**
Attributable to owners of the Parent	(80)	27	(53)
Attributable to non-controlling interests	(42)	(25)	(67)

(1) Includes impact on depreciation, amortization and impairment losses of €62 million.
(2) Includes impact on depreciation, amortization and impairment losses of €(2) million.

5. Climate change disclosures

The move towards "net zero" is under way worldwide and the processes of decarbonization and electrification of the global economy are crucial to avoiding the serious consequences of an increase in temperatures of over 1.5 °C.
With this outlook, the Group has set its strategic guidelines as follows:

- allocate capital to support a decarbonized electricity supply;
- enable the electrification of customers' energy demand;
- leverage the creation of value along the value chain;
- bring forward achievement of the sustainable "net-zero" goals to 2040.

The Group has considered the risks related to climate change and the commitments established under the Paris Agreement in the preparation of these consolidated financial statements at December 31, 2021, which appropriately reflect the effects of achieving the carbon neutrality objectives on assets, liabilities, and profit and loss, highlighting its significant and foreseeable impacts as required under the Conceptual Framework of the IFRS.
In this regard, in accordance with the provisions of the document published by the IFRS Foundation on November 20, 2020,[23] the Group provides explicit information in the notes to these consolidated financial statements regarding how climate change is reflected in our accounts.
For a more effective and comprehensive communication concerning climate change disclosures prepared as part of the notes to these consolidated financial statements, we have mapped this disclosure as shown below, providing references to the various sections where issues associated with climate change are addressed.

Topic	Note	Content
Estimates and judgments concerning climate change	Note 2.1 "Use of estimates and management judgment"	• Reference to management's use of estimates and judgments with regard to climate change (taking account of their materiality within financial reporting). • Focus on estimating expected cash flows from specific assets/CGUs (section: "Impairment of non-financial assets"). • Focus of the effects of the Group's commitments under the Paris Agreement and their impact on the estimation of the useful life of the assets involved (section "Determining the useful life of non-financial assets").
Sustainable investment	Note 18 "Property, plant and equipment" Note 22 "Intangible assets"	• Focus on assets involved in renewable generation, infrastructure connected with the development of the grid and investment in expanding the e-Mobility, e-City, e-Industries, and e-Home businesses. • Focus on the development of intellectual property for achieving strategic objectives such as decarbonization, electrification and the development of platform models.
Measurement of non-financial assets	Note 11.e "Depreciation, amortization and other impairment losses" Note 18 "Property, plant and equipment" Note 23 "Goodwill"	• Focus on the effects related to the commitments of the Group in line with the Paris Agreement with regard to the measurement of non-financial assets, with particular regard to the residual useful life of certain assets and impairment testing.
Provisions	Note 39 "Provisions for risks and charges"	• Focus on the impact of climate change on provisions for risks and charges connected with generation plants, including those for decommissioning and restoration of sites, and provisions for restructuring plans linked to the energy transition (which include decarbonization and digitization).
Sustainable finance	Note 46.3 "Borrowings" Note 57 "Events after the reporting period"	Focus on: • issues of sustainability-linked bonds connected with the achievement of sustainability objectives in line with the SDGs issued by the UN; • green bonds used to finance specific sustainable Group projects and initiatives; • sustainable loans connected with the achievement of Sustainable Development Goals (SDGs).
Share-based payments	Note 51 "Share-based payments"	• Description of long-term incentive plans anchored to achievement of specific climate-related targets.
Environmental compliance	Note 11.f "Other operating costs"	• Description of the costs connected with environmental compliance obligations under national and international regulations (in particular those concerning CO_2 emission allowances, green certificates and energy efficiency certificates).
	Note 39 "Provisions for risks and charges"	• Description of costs generated by not having sufficient environmental certificates to meet environmental compliance regulations.
	Note 2.2 "Significant accounting policies"	• Description of accounting treatment of environmental certificates (sections: "Environmental certificates" and "Inventories").

(23) "Effects of climate-related matters on financial statements", which completes an article written by Nick Anderson, member of the International Accounting Standards Board, on this issue in November 2019.

6. COVID-19 disclosures

In view of the challenges posed by current circumstances, the Group carefully monitors the evolution of the COVID-19 pandemic with regard to the main areas and countries in which it operates, in line with the recommendations of ESMA primarily contained in the public statements[24] published in March, May, July and October 2020, and of CONSOB in its warning notices nos. 6/2020 of April 9, 2020, 8/2020 of July 16, 2020 and 1/2021 of February 16, 2021.

The Group analyzed the impacts of COVID-19 on business operations, the financial position and performance, also identifying the main risks and uncertainties to which it is exposed.

Note also that, due to the continuing uncertainty regarding the future evolution of the macroeconomic, financial and business environment in which the Group operates, the impacts of the COVID-19 pandemic for the purposes of the Integrated Annual Report at December 31, 2021 are reflected in the assessments and estimates made by management concerning the carrying amount of the income statement items, assets and liabilities that experience the greatest volatility (in particular, revenue and costs, property, plant and equipment, goodwill, employee benefits, and financial instruments).

7. Restatement of comparative disclosures

Reclassification of commodity contracts with physical settlement

In order to improve the representation of contracts entered into for the purchase or sale of commodities with physical settlement (that do not qualify for the own use exemption) measured at fair value through profit or loss (within the scope of IFRS 9), the Group modified their presentation in the consolidated financial statements in 2021.

More specifically, in 2020:

- the unrealized fair value gain or loss on energy commodity sales contracts outstanding at the reporting date were presented under "Revenue from sales and services";
- the unrealized fair value gain or loss on energy commodity purchase contracts outstanding at the reporting date were presented under "Electricity, gas and fuel" and "Services and other materials".

In 2021, the unrealized fair value gain or loss on contracts for the purchase or sale of energy commodities outstanding at the reporting date are recognized on a net basis under the item "Net results from commodity contracts".

The new presentation method constitutes a change in accounting policy, in accordance with "IAS 8 - Accounting policies, changes in accounting estimates and errors". Accordingly, it was necessary to restate the income statement balances for previous periods for comparative purposes only, with no impact on either net profit or equity.

Reclassification of the remeasurement at fair value of assets in respect of concession arrangements (IFRIC 12) in Brazil

In order to improve the representation of the remeasurement at fair value of financial assets in respect of concession arrangements within the scope of application of IFRIC 12 in Brazil in profit or loss, in 2021, the gain was reclassified from financial income to revenue from contracts with customers (IFRS 15) since it refers to the remeasurement at fair value of contract assets.

That said, the following table reports the reclassifications made to costs, revenue, net results from commodity contracts and financial income in order to restate the comparative figures at December 31, 2020.

(24) ESMA 71-99-1290 of March 11, 2020; ESMA 32-63-951 of March 25, 2020; ESMA 31-67-742 of March 27, 2020; ESMA 32-63-972 of May 20, 2020; ESMA 32-61-417 of July 21, 2020 and ESMA 32-63-1041 of October 28, 2020.

Impact on the income statement

Millions of euro	Notes	2020	Effect of reclassification of energy commodity contracts with physical settlement IFRS 9	Effect of reclassification of remeasurement at fair value of financial assets in respect of concession arrangements within scope of IFRIC 12 in Brazil	2020 restated
Revenue					
Revenue from sales and services	10.a	62,623	932	87	63,642
Other income	10.b	2,362			2,362
	[Subtotal]	**64,985**	**932**	**87**	**66,004**
Costs					
Electricity, gas and fuel	11.a	25,049	977		26,026
Services and other materials	11.b	18,298	68		18,366
Personnel expenses	11.c	4,793			4,793
Net impairment losses/(reversals) on trade receivables and other receivables	11.d	1,285			1,285
Depreciation, amortization and other impairment losses	11.e	7,163			7,163
Other operating costs	11.f	2,202			2,202
Capitalized costs	11.g	(2,385)			(2,385)
	[Subtotal]	**56,405**	**1,045**		**57,450**
Net results from commodity contracts	12	**(212)**	**113**		**(99)**
Operating profit		**8,368**		**87**	**8,455**
Financial income from derivatives	13	1,315			1,315
Other financial income	14	2,763		(87)	2,676
Financial expense from derivatives	13	2,256			2,256
Other financial expense	14	4,485			4,485
Net income/(expense) from hyperinflation		57			57
Share of profit/(loss) of equity-accounted investments	15	(299)			(299)
Pre-tax profit		**5,463**			**5,463**
Income taxes	16	1,841			1,841
Profit from continuing operations		**3,622**			**3,622**
Profit/(Loss) from discontinued operations		**-**			**-**
Profit for the year (owners of the Parent and non-controlling interests)		**3,622**			**3,622**
Attributable to owners of the Parent		2,610			2,610
Attributable to non-controlling interests		1,012			1,012
Earnings per share					
Basic earnings per share					
Basic earnings per share		*0.26*			*0.26*
Basic earnings per share from continuing operations		*0.26*			*0.26*
Basic earnings/(loss) per share from discontinued operations		*-*			*-*
Diluted earnings per share					
Diluted earnings per share		*0.26*			*0.26*
Diluted earnings per share from continuing operations		*0.26*			*0.26*
Diluted earnings/(loss) per share from discontinued operations		*-*			*-*

The figures presented in the comments and the tables of the notes to these consolidated financial statements at December 31, 2021 are uniform and comparable with each other.

Changes in the consolidation scope

8. Main acquisitions and disposals during the year

In the two periods under review, the consolidation scope changed as a result of a number of transactions:

2020

- In January 2020, the Wild Plains project company, 100% owned by Tradewind, was sold. The sale did not have an impact on profit or loss.
- On May 11, 2020 Endesa Energía sold 80% of Endesa Soluciones for €21 million. The interest, which had previously been consolidated on a line-by-line basis, was accounted for using the equity method.
- On July 7, 2020, Enel Green Power España acquired 100% of Parque Eólico Tico SLU, Tico Solar 1 SLU and Tico Solar 2 SLU for a total of €40 million.
- On September 14, Endesa Generación Portugal acquired 100% of Suggestion Power (Unipessoal) Ltda for a total of €6 million.
- On September 17, 2020, Enel X International acquired 60% of Viva Labs AS for a total of €3 million.
- Enel Green Power Panama acquired 100% of Jaguito Solar and Progreso Solar in 2020 for a total of €2 million.

In addition to the above changes in the consolidation scope, the following transactions, although they do not represent transactions involving the acquisition or loss of control, gave rise to a change in the interest held by the Group in the investees in 2020:

- the disposal of a number of 50% owned joint ventures in Enel North America's hydroelectric portfolio. In December 2019, the entire portfolio had been classified as held for sale in accordance with IFRS 5. The gain recognized in profit or loss was €2 million;
- Enel SpA increased its interest in Enel Américas by 5.03% under the provisions of share swaps entered into with a financial institution. The Group's total stake therefore reached 65% in 2020;
- Enel SpA increased its interest in Enel Chile by 2.89% under the provisions of two share swaps entered into with a financial institution. The Group's total stake therefore reached 64.93% in 2020.

2021

- On January 8, 2021, 100% of Tynemouth Energy Storage was sold for €1 million. The sale did not have any significant impact on profit or loss.
- On January 20, 2021 100% of Enel Green Power Bulgaria was sold for a total of €35 million. The sale did not have any significant impact on profit or loss.
- On March 10, 2021, Enel Green Power Italy acquired 100% of e-Solar Srl, the owner of a photovoltaic project with an authorized capacity of 170.11 MW, for €2.7 million.
- On March 29, 2021, Enel X Srl acquired 100% of City-Poste Payment SpA, an Italian company that offers consumers access to payment services through both physical and digital channels, enabling them to carry out numerous types of transactions with private- and public-sector entities.
- In the 1st Quarter of 2021 the consolidation scope changed with the full consolidation of Australian renewable energy companies previously accounted for using the equity method due to a change in governance arrangements at the companies, without the acquisition of an additional interest. The purchase price allocation process was completed in December 2021 and essentially confirmed the carrying amount of the net assets acquired following an impairment loss of about €9 million.
- On May 13, 2021 EGP Solar 1 LLC was sold for a total of about €4 million.
- In the first nine months of 2021, Enel Green Power España acquired 100% of 30 renewables companies for a total of €86 million.
- On September 8, 2021, Genability was sold by Enel X North America for about €6 million.
- The purchase price allocation process for Viva Labs AS, acquired on September 17, 2020 by Enel X International, was completed in September, following which the carrying amounts recognized at the acquisition date were confirmed.

Other changes

In addition to the above changes in the consolidation scope, the following transactions, which although they do not represent transactions involving the acquisition or loss of control, gave rise to a change in the interest held by the Group in the investees:

- on March 15, Enel SpA launched a partial voluntary tender offer for up to a maximum of 7,608,631,104 shares of Enel Américas, equal to 10% of the share capital at that date. The offer period began on March 15 and ended on April 13, 2021.The tender offer was subject to the merger

of EGP Américas SpA into Enel Américas SA being completed, which took place on April 1, 2021. The total price was €1,271 million. Following completion of the partial voluntary tender offer and the completion of the EGP Américas merger, Enel owns about 82.3% of the outstanding share capital of Enel Américas;

- on November 24, Enel Green Power RSA 2 (Pty) Ltd sold a stake in the investments held in Oyster Bay Wind Farm, Garob Wind Farm, Aced Renewables Hidden Valley and Soetwater Wind Farm for a total of ZAR 340 million, corresponding to about €19 million. Following the transaction, the Group's interest in those companies decreased from 60% to 55%;
- on December 3, Enel SpA finalized the sale of the entire stake held in Open Fiber SpA, equal to 50% of the latter's share capital, to Macquarie Asset Management and CDP Equity SpA for a total of about €2,733 million. The capital gain realized by the Group on a consolidated basis came to about €1,763 million.

Acquisition of CityPoste Payment

On March 29, 2021, Enel X Srl acquired 100% of CityPoste Payment SpA, a payment institution authorized to operate by the Bank of Italy in the provision of payment services both digitally (using a proprietary platform) and using physical sites (its network of points of sale).

In December 2021 the identification of the fair value of the assets acquired and liabilities assumed was completed, following which negative goodwill of about €1 million was recognized.

Millions of euro	Carrying amount pre March 29, 2021	Adjustments for purchase price allocation	Amount recognized at March 29, 2021
Net assets acquired	**2**	**20**	**22**
Cost of the acquisition	**21**		**21**
Goodwill/(Negative goodwill)	19		(1)

Acquisitions of renewable energy companies in Spain

In the first nine months of 2021 Enel Green Power España acquired 100% of 30 renewable energy companies for a total of €86 million for the development and construction of photovoltaic and wind plants in Spain.

Determination of goodwill	
Millions of euro	
Net assets acquired	**86**
Cost of the acquisition	**86**
(of which paid in cash)	*75*
Goodwill/(Negative goodwill)	-

The total price of the transaction amounted to €103 million as it includes repayment of the debt of the acquired companies due to the previous shareholders in the amount of €17 million.

Sale of Open Fiber

On December 3, 2021, Enel SpA finalized the sale of the entire stake held in Open Fiber SpA, equal to 50% of the latter's share capital, to Macquarie Asset Management and CDP Equity SpA for a total of about €2,733 million. The capital gain realized by the Group on a consolidated basis came to about €1,763 million.
The price was collected in full.

Millions of euro	
Value of the transaction	2,733.3
Value of the investment at December 2, 2021	(614.5)
Early settlement of financial asset with Open Fiber and related income	(310.6)
Reversal of OCI reserve	(45.1)
Consolidated capital gain	**1,763.1**

9. Segment reporting

The representation of the financial position and performance by business segment and geographical segment presented here is based on the approach used by management in monitoring Group performance for the two years being compared.

Performance by business segment

Results for 2021[1]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total reporting segment	Eliminations and adjustments	Total
Revenue and other income from third parties	22,883	7,244	17,164	37,396	1,513	20	1,786	88,006	-	88,006
Revenue and other income from transactions with other segments	10,272	2,282	3,492	1,312	28	1,977	148	19,511	(19,511)	-
Total revenue	**33,155**	**9,526**	**20,656**	**38,708**	**1,541**	**1,997**	**1,934**	**107,517**	**(19,511)**	**88,006**
Total costs	32,791	4,710	13,446	37,762	1,258	2,083	422	92,472	(19,511)	72,961
Net results from commodity contracts	535	(55)	-	2,044	-	-	(2)	2,522	-	2,522
Depreciation and amortization	929	1,297	2,692	410	222	188	36	5,774	-	5,774
Impairment losses	2,568	392	205	1,126	37	51	2	4,381	-	4,381
Impairment gains	(12)	(10)	(35)	(203)	(6)	(2)	-	(268)	-	(268)
Operating profit	**(2,586)**	**3,082**	**4,348**	**1,657**	**30**	**(323)**	**1,472**	**7,680**	**-**	**7,680**
Capital expenditure	**822**	**5,662[2]**	**5,296**	**643**	**367**	**139**	**68**	**12,997**	**-**	**12,997**

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) Does not include €111 million regarding units classified as "held for sale".

Results for 2020[1] [2] [3] [4]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total reporting segment	Eliminations and adjustments	Total
Revenue and other income from third parties	14,332	5,852	15,919	28,793	1,097	2	9	66,004	-	66,004
Revenue and other income from transactions with other segments	7,404	1,840	3,510	715	24	1,868	145	15,506	(15,506)	-
Total revenue	**21,736**	**7,692**	**19,429**	**29,508**	**1,121**	**1,870**	**154**	**81,510**	**(15,506)**	**66,004**
Total costs	19,615	3,113	11,909	26,651	969	1,911	340	64,508	(15,506)	49,002
Net results from commodity contracts	(421)	68	-	264	-	(6)	(4)	(99)	-	(99)
Depreciation and amortization	778	1,252	2,597	366	150	172	28	5,343	-	5,343
Impairment losses	950	728	621	1,079	18	11	1	3,408	-	3,408
Impairment gains	(43)	(67)	(47)	(141)	-	(4)	(1)	(303)	-	(303)
Operating profit	**15**	**2,734**	**4,349**	**1,817**	**(16)**	**(226)**	**(218)**	**8,455**	**-**	**8,455**
Capital expenditure	**694**	**4,629**	**3,937**	**460**	**303**	**103**	**71**	**10,197**	**-**	**10,197**

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) The figures for revenue from third parties and transactions with other segments have been calculated more accurately.
(3) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.
(4) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

Performance by geographical segment

Results for 2021[(1)]

Millions of euro	Italy	Iberia	Latin America	Europe	North America	Africa, Asia and Oceania	Other, eliminations and adjustments	Total
Revenue and other income from third parties	44,282	20,800	16,956	2,335	1,479	240	1,914	88,006
Revenue and other income from transactions with other segments	1,135	252	1	13	34	1	(1,436)	-
Total revenue	**45,417**	**21,052**	**16,957**	**2,348**	**1,513**	**241**	**478**	**88,006**
Total costs	40,751	17,412	12,867	2,063	748	135	(1,015)	72,961
Net results from commodity contracts	1,967	543	53	38	(81)	4	(2)	2,522
Depreciation and amortization	2,107	1,754	1,177	186	356	65	129	5,774
Impairment losses	1,747	1,797	536	87	161	32	21	4,381
Impairment gains	(22)	(170)	(9)	(65)	-	-	(2)	(268)
Operating profit	**2,801**	**802**	**2,439**	**115**	**167**	**13**	**1,343**	**7,680**
Capital expenditure	**3,842**	**2,203**	**3,722**	**455**	**2,293**	**217[(2)]**	**265**	**12,997**

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) Does not include €111 million regarding units classified as "held for sale".

Results for 2020[(1) (2) (3)]

Millions of euro	Italy	Iberia	Latin America	Europe	North America	Africa, Asia and Oceania	Other, eliminations and adjustments	Total
Revenue and other income from third parties	31,418	17,006	13,897	2,074	1,333	152	124	66,004
Revenue and other income from transactions with other segments	785	164	6	11	34	1	(1,001)	-
Total revenue	**32,203**	**17,170**	**13,903**	**2,085**	**1,367**	**153**	**(877)**	**66,004**
Total costs	24,205	13,480	9,713	1,576	622	98	(692)	49,002
Net results from commodity contracts	(174)	85	(40)	-	33	-	(3)	(99)
Depreciation and amortization	1,835	1,640	1,230	185	306	36	111	5,343
Impairment losses	1,209	268	1,225	136	536	31	3	3,408
Impairment gains	(10)	(160)	(3)	(126)	(3)	-	(1)	(303)
Operating profit	**4,790**	**2,027**	**1,698**	**314**	**(61)**	**(12)**	**(301)**	**8,455**
Capital expenditure	**2,842**	**1,638**	**2,860**	**411**	**1,816**	**417**	**213**	**10,197**

(1) Segment revenue includes both revenue from third parties and revenue from transactions with other segments.
(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.
(3) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

Financial position by business segment

At December 31, 2021

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total reporting segment	Eliminations and adjustments	Total
Property, plant and equipment	9,384	36,205	38,635	49	600	587	12	85,472	-	85,472
Intangible assets	216	5,016	21,473	4,030	788	370	143	32,036	-	32,036
Non-current and current contract assets	1	1	525	-	77	4	-	608	43	651
Trade receivables	4,814	2,601	6,731	6,533	547	882	435	22,543	(6,451)	16,092
Other	4,319	826	2,614	3,812	383	635	1,614	14,203	(6,107)	8,096
Operating assets	**18,734**[1]	**44,649**[2]	**69,978**	**14,424**	**2,395**[3]	**2,478**	**2,204**	**154,862**	**(12,515)**	**142,347**
Trade payables	5,730	3,701	4,390	7,129	726	982	169	22,827	(5,843)	16,984
Non-current and current contract liabilities	102	216	7,316	62	13	13	-	7,722	(75)	7,647
Sundry provisions	4,586	936	3,810	466	58	671	620	11,147	(89)	11,058
Other	4,125	1,901	8,104	4,575	148	1,070	2,582	22,505	(6,245)	16,260
Operating liabilities	**14,543**	**6,754**[4]	**23,620**	**12,232**	**945**[5]	**2,736**	**3,371**	**64,201**	**(12,252)**	**51,949**

(1) Of which €2 million regarding units classified as "held for sale".
(2) Of which €999 million regarding units classified as "held for sale".
(3) Of which €136 million regarding units classified as "held for sale".
(4) Of which €28 million regarding units classified as "held for sale".
(5) Of which €57 million regarding units classified as "held for sale".

At December 31, 2020[1]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total reporting segment	Eliminations and adjustments	Total
Property, plant and equipment	10,747	30,655	36,718	154	516	699	9	79,498	1	79,499
Intangible assets[1]	184	4,883	21,490	3,775	676	383	114	31,505	-	31,505
Non-current and current contract assets	4	1	340	-	42	14	-	401	79	480
Trade receivables	2,670	2,053	6,493	4,034	358	755	368	16,731	(4,679)	12,052
Other	1,433	1,095	2,674	756	297	769	1,327	8,351	(2,139)	6,212
Operating assets[1]	**15,038**[2]	**38,687**[3]	**67,715**	**8,719**	**1,889**[4]	**2,620**	**1,818**	**136,486**	**(6,738)**	**129,748**
Trade payables	2,816	2,751	5,405	4,678	426	868	99	17,043	(4,160)	12,883
Non-current and current contract liabilities	147	152	7,172	42	5	8	-	7,526	(60)	7,466
Sundry provisions	3,528	947	3,794	400	46	603	587	9,905	(108)	9,797
Other	1,133	1,434	7,856	2,245	179	1,101	2,607	16,555	(2,323)	14,232
Operating liabilities	**7,624**	**5,284**[5]	**24,227**	**7,365**	**656**	**2,580**	**3,293**	**51,029**	**(6,651)**	**44,378**

(1) The figures for 2020 have been adjusted to reflect a more accurate allocation.
(2) Of which €3 million regarding units classified as "held for sale".
(3) Of which €855 million regarding units classified as "held for sale".
(4) Of which €11 million regarding units classified as "held for sale".
(5) Of which €35 million regarding units classified as "held for sale".

Financial position by geographical segment

At December 31, 2021

Millions of euro	Italy	Iberia	Latin America	Europe	North America	Africa, Asia and Oceania	Other, eliminations and adjustments	Total
Property, plant and equipment	27,335	23,075	18,671	3,440	10,853	1,948	150	85,472
Intangible assets	2,313	16,071	11,414	772	557	179	730	32,036
Non-current and current contract assets	94	5	517	-	18	13	4	651
Trade receivables	7,372	3,886	4,414	583	215	51	(429)	16,092
Other	4,555	2,474	1,398	217	259	140	(947)	8,096
Operating assets	**41,669**[1]	**45,511**	**36,414**	**5,012**	**11,902**	**2,331**[2]	**(492)**[3]	**142,347**
Trade payables	9,684	2,509	4,333	481	1,208	136	(1,367)	16,984
Non-current and current contract liabilities	4,109	3,109	30	438	-	-	(39)	7,647
Sundry provisions	3,395	4,211	2,426	130	120	32	744	11,058
Other	5,749	3,945	4,509	328	1,482	64	183	16,260
Operating liabilities	**22,937**[4]	**13,774**	**11,298**	**1,377**	**2,810**	**232**[5]	**(479)**[6]	**51,949**

(1) Of which €2 million regarding units classified as "held for sale".
(2) Of which €999 million regarding units classified as "held for sale".
(3) Of which €136 million regarding units classified as "held for sale".
(4) Of which €6 million regarding units classified as "held for sale".
(5) Of which €22 million regarding units classified as "held for sale".
(6) Of which €57 million regarding units classified as "held for sale".

At December 31, 2020

Millions of euro	Italy	Iberia	Latin America	Europe	North America	Africa, Asia and Oceania	Other, eliminations and adjustments	Total
Property, plant and equipment	26,762	23,355	16,492	3,255	8,134	1,345	156	79,499
Intangible assets	2,047	15,919	11,612	787	483	169	488	31,505
Non-current and current contract assets	105	10	297	1	16	2	49	480
Trade receivables	5,948	2,166	3,686	436	181	48	(413)	12,052
Other	2,624	1,804	1,368	178	253	55	(70)	6,212
Operating assets	**37,486**[1]	**43,254**	**33,455**[2]	**4,657**[3]	**9,067**	**1,619**[4]	**210**	**129,748**
Trade payables	6,881	2,274	3,387	318	1,076	105	(1,158)	12,883
Non-current and current contract liabilities	4,060	3,006	17	425	-	-	(42)	7,466
Sundry provisions	2,468	3,910	2,542	100	128	24	625	9,797
Other	5,033	3,033	3,420	330	1,289	79	1,048	14,232
Operating liabilities	**18,442**	**12,223**	**9,366**	**1,173**[5]	**2,493**	**208**[6]	**473**	**44,378**

(1) Of which €5 million regarding units classified as "held for sale".
(2) Of which €2 million regarding units classified as "held for sale".
(3) Of which €46 million regarding units classified as "held for sale".
(4) Of which €816 million regarding units classified as "held for sale".
(5) Of which €2 million regarding units classified as "held for sale".
(6) Of which €33 million regarding units classified as "held for sale".

The following table reconciles segment assets and liabilities and the consolidated figures.

Millions of euro		
	at Dec. 31, 2021	at Dec. 31, 2020
Total assets	**206,940**	**163,453**
Equity-accounted investments	704	861
Non-current financial derivative assets	2,772	1,236
Other non-current financial assets	5,704	5,159
Non-current tax assets included in "Other non-current assets"	2,286	1,539
Other current financial assets	8,645	5,113
Current financial derivative assets	22,791	3,471
Cash and cash equivalents	8,858	5,906
Deferred tax assets	11,034	8,578
Tax assets	1,694	1,294
Financial and tax assets of "Assets held for sale"	105	548
Segment assets	**142,347**	**129,748**
Total liabilities	**164,598**	**121,096**
Long-term borrowings	54,500	49,519
Non-current financial derivative liabilities	3,339	3,606
Other non-current financial liabilities	120	-
Short-term borrowings	13,306	6,345
Current portion of long-term borrowings	4,031	3,168
Other current financial liabilities	625	622
Current financial derivative liabilities	24,607	3,531
Deferred tax liabilities	9,259	7,797
Income tax liabilities	712	471
Other tax liabilities	1,274	886
Financial and tax liabilities of "Liabilities included in disposal groups held for sale"	876	773
Segment liabilities	**51,949**	**44,378**

Information on the consolidated income statement

Revenue

10.a Revenue from sales and services – €84,104 million

Millions of euro	2021	2020	Change	
Sale of electricity	46,963	34,745	12,218	35.2%
Transport of electricity	10,732	10,710	22	0.2%
Fees from network operators	800	932	(132)	-14.2%
Transfers from institutional market operators	833	1,395	(562)	-40.3%
Sale of gas	4,823	2,718	2,105	77.4%
Transport of gas	599	611	(12)	-2.0%
Sale of fuel	1,791	602	1,189	-
Fees for connection to electricity and gas networks	787	759	28	3.7%
Construction contracts[1]	1,268	819	449	54.8%
Sale of environmental certificates	107	35	72	-
Sale of value-added services	1,093	862	231	26.8%
Other sales and services	855	764	91	11.9%
Total IFRS 15 revenue[1]	**70,651**	**54,952**	**15,699**	**28.6%**
Sale of commodities under contracts with physical settlement	24,314	7,513	16,801	-
Fair value gain/(loss) on commodity sales contracts with physical settlement closed during the period[2]	(10,893)	1,156	(12,049)	-
Other revenue	32	21	11	52.4%
Total revenue from sales and services[1] [2]	**84,104**	**63,642**	**20,462**	**32.2%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to the consolidated financial statements.

(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. For more details, please see note 7 to these consolidated financial statements.

Revenue from the "Sale of electricity" amounted to €46,963 million, an increase of €12,218 million compared with the previous year (+35.2%). The increase mainly reflects higher sales volumes and prices, mainly in Italy (€7,367 million), Brazil (€2,037 million) and Spain (€2,058 million), where the rise was also due to the recognition of an indemnity paid to Endesa (€186 million) in relation to the CO_2 emission rights assigned free of charge under the "*Plan Nacional de Asignación de Derechos de Emisión*" (PNA).

"Transfers from institutional market operators" decreased by €562 million compared with the previous year, mainly due to a decline in compensation for extra-peninsular generation in Spain following an increase in prices.

Revenue from the "Sale of gas" in 2021 amounted to €4,823 million (€2,718 million in 2020), an increase of €2,105 million compared with the previous year. The increase is mainly attributable to an increase in quantities sold in Spain.

Revenue from the "Sale of fuel" increased by €1,189 million, especially by Enel Global Trading due to the rise in gas prices.

The increase in the "Sale of commodities under contracts with physical settlement" (€16,801 million) mainly regards gas sales. This positive effect was partially offset by the deterioration in performance of the measurement of contracts settled in 2021 (-€12,049 million), mainly involving gas contracts.

The following table shows the net fair value gain or loss on contracts for the sale or purchase of commodities with physical settlement measured at fair value through profit or loss within the scope of IFRS 9.

Millions of euro				
	2021	2020	Change	
Fair value gain/(loss) on contracts for energy commodities with physical settlement (within the scope of IFRS 9) closed in the period				
Sales contracts				
Sale of electricity	4,368	2,478	1,890	76.3%
Fair value gain/(loss) on closed contracts	(1,705)	353	(2,058)	-
Total electricity	**2,663**	**2,831**	**(168)**	**-5.9%**
Sale of gas	19,576	4,723	14,853	-
Fair value gain/(loss) on closed contracts	(9,335)	791	(10,126)	-
Total gas	**10,241**	**5,514**	**4,727**	**85.7%**
Sale of environmental certificates	370	312	58	18.6%
Fair value gain/(loss) on closed contracts	147	12	135	-
Total environmental certificates	**517**	**324**	**193**	**59.6%**
Total revenue	**13,421**	**8,669**	**4,752**	**54.8%**
Purchase contracts				
Purchase of electricity	3,677	2,828	849	30.0%
Fair value gain/(loss) on closed contracts	(1,220)	(47)	(1,173)	-
Total electricity	**2,457**	**2,781**	**(324)**	**-11.7%**
Purchase of gas	19,951	4,661	15,290	-
Fair value gain/(loss) on closed contracts	(8,057)	684	(8,741)	-
Total gas	**11,894**	**5,345**	**6,549**	**-**
Purchase of environmental certificates	810	92	718	-
Fair value gain/(loss) on closed contracts	145	139	6	4.3%
Total environmental certificates	**955**	**231**	**724**	**-**
Total costs	**15,306**	**8,357**	**6,949**	**83.2%**
Net revenue/(costs) on contracts for energy commodities with physical settlement (within the scope of IFRS 9) closed in the period	**(1,885)**	**312**	**(2,197)**	**-**
Unrealized fair value gain/(loss) on outstanding contracts for energy commodities with physical settlement (IFRS 9)				
Sales contracts				
Electricity	(1,606)	(197)	(1,409)	-
Gas	(16,285)	(668)	(15,617)	-
Environmental certificates	(495)	(67)	(428)	-
Total	**(18,386)**	**(932)**	**(17,454)**	**-**
Purchase contracts				
Electricity	(2,169)	(108)	(2,061)	-
Gas	(13,801)	(869)	(12,932)	-
Environmental certificates	(508)	(68)	(440)	-
Total	**(16,478)**	**(1,045)**	**(15,433)**	**-**
Net unrealized fair value gain/(loss) on outstanding contracts for energy commodities with physical settlement (IFRS 9)	**(1,908)**	**113**	**(2,021)**	**-**
TOTAL REVENUE/(COSTS) ON CONTRACTS WITH PHYSICAL SETTLEMENT (WITHIN THE SCOPE OF IFRS 9)	**(3,793)**	**425**	**(4,218)**	**-**

Revenue from contracts with customers (IFRS 15) breaks down into "point in time" and "over time" revenue as indicated in the following tables.

Millions of euro	2021															
	Italy		Iberia		Latin America		Europe		North America		Africa, Asia and Oceania		Other, eliminations and adjustments		Total	
	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time
Total IFRS 15 revenue	**29,187**	**1,178**	**19,707**	**402**	**16,525**	**245**	**1,598**	**654**	**805**	**17**	**194**	**26**	**-**	**113**	**68,016**	**2,635**

	2020															
	Italy		Iberia		Latin America		Europe		North America		Africa, Asia and Oceania		Other, eliminations and adjustments		Total	
	Over time	Point in time	Over time	Point in time	Over time[(1)]	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time
Total IFRS 15 revenue	**21,107**	**441**	**16,355**	**460**	**13,520**	**200**	**1,418**	**580**	**586**	**51**	**67**	**79**	**16**	**72**	**53,069**	**1,883**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to the consolidated financial statements.

With regard to the release to profit or loss by time class of "performance obligations", please see note 27 "Current/ Non-current contract assets/(liabilities)".

The table below gives a breakdown of revenue from sales and services by geographical segment.

Millions of euro		
	2021	**2020**[1]
Italy	33,304	24,904
Europe		
Iberia	18,896	16,169
France	970	503
Switzerland	2,918	99
Germany	1,085	1,860
Austria	245	66
Slovenia	195	2
Romania	1,534	1,322
Greece	121	110
Bulgaria	-	9
Belgium	522	18
Czech Republic	435	33
Hungary	12	165
Russia	552	533
Netherlands	96	2,743
United Kingdom	3,736	399
Other European countries	1,160	73
Americas		
United States	601	502
Canada	33	25
Mexico[2]	202	152
Brazil[3]	9,381	6,753
Chile	3,151	2,811
Peru	1,111	1,118
Colombia	2,188	2,022
Argentina	887	816
Panama	150	136
Costa Rica	14	22
Guatemala	67	44
Other		
Africa	114	84
Asia	371	129
Oceania	53	20
Total	**84,104**	**63,642**

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. For more details, please see note 7 to these consolidated financial statements.
(2) The figures for 2020 have been reallocated more accurately among Mexico, Costa Rica and Guatemala.
(3) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to the consolidated financial statements.

Performance obligations

The following table provides information about the Group's performance obligations arising from contracts with customers with reference to the main revenue streams only, with a summary of the specific judgments made and the related revenue recognition policies.
For information on the use of estimates with revenue from contracts with customers, please see note 2.1 "Use of estimates and management judgment".

Type of product/ service	Nature and timing of satisfaction of performance obligation	Accounting policies
Sale/transport of electricity/gas to end users	An electricity/gas supply agreement signed with an end user includes a single performance obligation (sale and transport of the commodity) because the Group has determined that the contract does not provide distinct goods/services and the promise is satisfied by transferring control over the commodity to the customer when it is delivered at the point of delivery. In order to determine the nature of the promise included in such contracts, the Group carefully analyzes the facts and circumstances applicable to each contract and commodity. However, the Group considers that the performance obligation provided for in a repetitive service contract, such as a supply or transport contract for the provision of electricity/gas to end users, is typically satisfied over time (because the customer simultaneously receives and consumes the benefits of the commodity as it is delivered) as part of a series of distinct goods/services (i.e., each unit of commodity) that are substantially the same and have the same pattern of transfer to the customer. In these cases, the Group applies an output method to recognize revenue in the amount to which it has a right to invoice the customer if that amount corresponds directly with the value to the customer of the performance completed to date.	Revenue from the sale and transport of electricity/gas to end users is recognized when these commodities are delivered to the customer and is based on the quantities provided during the period, even if these have not yet been invoiced. It is determined using estimates as well as periodic meter readings. Where applicable, this revenue is based on the rates and related restrictions established by law or by the Regulatory Authority for Energy, Networks and the Environment (ARERA) and analogous foreign authorities during the applicable period.
Network connection services	The network connection fees received from customers for connecting them to the electricity/gas distribution networks require a specific Group assessment to take into consideration all terms and conditions of the connection arrangements. This assessment is intended to determine whether the contract includes other distinct goods or services, such as for example the right to obtain ongoing access to the infrastructure in order to receive the commodity or, when the connection fee is a "non-refundable up-front fee" paid at or near contract inception, a material right that gives rise to a performance obligation. In particular, in some countries in which the Group operates, it has determined that the nature of the consideration received represents a "non-refundable up-front fee" whose payment provides a material right to the customer. In order to determine if the period over which this material right should be recognized extends beyond the initial contractual period, the Group takes into consideration the applicable local legal and regulatory framework applicable to the contract and affecting the parties. In such cases, if there is an implied assignment of the material right and an obligation from the initial customer to the new customer, the Group recognizes the connection fee over a period beyond the relationship with the initial customer, considering the concession terms as the period during which the initial customer and any future customer can benefit from the ongoing access without paying an additional connection fee. As a consequence, the fee is recognized over the period for which the payment creates an obligation for the Group to make the lower prices available to future customers (i.e., the period during which the customer is expected to benefit from the ongoing access service without having to pay an "up-front fee" upon renewal).	Revenue from monetary and in-kind fees for connection to the electricity and gas distribution network is recognized on the basis of the satisfaction of the performance obligations included in the contract. The identification of distinct goods or services requires a careful analysis of the terms and conditions of the connection arrangements, which could vary from country to country based on the local context, regulations and law. In order to finalize this assessment, the Group considers not only the characteristics of the goods/services themselves (i.e., the good or service is capable of being distinct) but also the implied promises for which the customer has a valid expectation as it views those promises as part of the negotiated exchange, that is goods/services that the customer expects to receive and has paid for (i.e., the promise to transfer the good or service to the customer is separately identifiable from other promises in the contract). Furthermore, the Group acts as an agent in some contracts for electricity/gas network connection services and other related activities, depending on local legal and regulatory framework. In such cases, it recognizes revenue on a net basis, corresponding to any fee or commission to which it expects to be entitled.
Construction contracts	The construction contracts typically include a performance obligation satisfied over time. For these contracts, the Group generally considers it appropriate to use an input method for measuring progress, except when a specific contract analysis suggests the use of an alternative method that better depicts the Group's performance obligation fulfilled at the reporting date.	For construction contracts that include a performance obligation satisfied over time, the Group recognizes revenue over time by measuring progress toward the complete satisfaction of that performance obligation. The cost-to-cost method is generally considered the best method to depict the Group's performance obligation fulfilled at the reporting date. The amount due from customers under a construction contract is presented as a contract asset; the amount due to customers under a construction contract is presented as a contract liability.

10.b Other income – €3,902 million

Millions of euro	2021	2020	Change	
Grants related to income	33	12	21	-
Grants for environmental certificates	291	342	(51)	-14.9%
Grants related to assets (electricity and gas business)	26	24	2	8.3%
Sundry reimbursements	305	371	(66)	-17.8%
Gains on the disposal of subsidiaries, associates, joint ventures, joint operations and non-current assets held for sale	1,781	15	1,766	-
Gains on the disposal of property, plant and equipment and intangible assets	66	58	8	13.8%
Service continuity bonuses	48	40	8	20.0%
Other income	1,352	1,500	(148)	-9.9%
Total	**3,902**	**2,362**	**1,540**	**65.2%**

"Sundry reimbursements" amounted to €305 million, a decrease of €66 million compared with the previous year, with most of the reduction coming in Italy due to a decrease in penalties and reimbursements for damages recorded at e-distribuzione and Enel Energia.

Gains on the disposal of entities amounted to €1,781 million in 2021, an increase of €1,766 million, mainly reflecting the recognition in 2021 of the capital gain on the sale of Enel SpA's interest in Open Fiber (€1,763 million).

"Other income" decreased by €148 million, mainly due to the decline registered by e-distribuzione in other income from the electricity business (€288 million), primarily reflecting the reimbursement of system charges and grid fees.
This negative effect was partially offset by the increase registered at Enel Green Power North America in income from tax partnerships (€44 million) and an increase in income from the eco-bonus subsidy relating to energy and seismic upgrading posted by Enel X Italia (€84 million).

The following tables show a breakdown of total revenue by business segment based on the approach used by management to monitor the Group's performance during the two years being compared.

Millions of euro	2021									
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Holding and other	Total reporting segment	Eliminations and adjustments	Total
Total IFRS 15 revenue	**17,213**	**8,843**	**20,078**	**38,238**	**1,394**	**1,972**	**138**	**87,876**	**(17,225)**	**70,651**
Sale of commodities under contracts with physical settlement	26,691	-	-	14	-	-	-	26,705	(2,391)	24,314
Fair value gain/(loss) on commodity sales contracts with physical settlement closed during the period	(10,895)	-	-	1	-	-	-	(10,894)	1	(10,893)
Other revenue	5	6	15	-	3	14	17	60	(28)	32
Total revenue from sales and services	**33,014**	**8,849**	**20,093**	**38,253**	**1,397**	**1,986**	**155**	**103,747**	**(19,643)**	**84,104**
Other income	**141**	**677**	**563**	**455**	**144**	**11**	**1,779**	**3,770**	**132**	**3,902**
TOTAL REVENUE	**33,155**	**9,526**	**20,656**	**38,708**	**1,541**	**1,997**	**1,934**	**107,517**	**(19,511)**	**88,006**

Millions of euro	2020									
	Thermal Generation and Trading	**Enel Green Power**	**Infrastructure and Networks**	**End-user Markets**	**Enel X**	**Services**	**Holding and other**	**Total reporting segment**	**Eliminations and adjustments**	**Total**
Total IFRS 15 revenue[1]	**9,812**	**7,143**	**18,462**	**29,143**	**1,022**	**1,835**	**136**	**67,553**	**(12,601)**	**54,952**
Sale of commodities under contracts with physical settlement	10,192	-	-	15	-	-	-	10,207	(2,694)	7,513
Fair value gain/(loss) on commodity sales contracts with physical settlement closed during the period[2]	1,164	-	-	(7)	-	-	-	1,157	(1)	1,156
Other revenue	6	7	6	-	4	6	3	32	(11)	21
Total revenue from sales and services	**21,174**	**7,150**	**18,468**	**29,151**	**1,026**	**1,841**	**139**	**78,949**	**(15,307)**	**63,642**
Other income	**562**	**542**	**961**	**357**	**95**	**29**	**15**	**2,561**	**(199)**	**2,362**
TOTAL REVENUE[1] [2]	**21,736**	**7,692**	**19,429**	**29,508**	**1,121**	**1,870**	**154**	**81,510**	**(15,506)**	**66,004**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

(2) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.

Costs

11.a Electricity, gas and fuel – €49,093 million

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Millions of euro				
	2021	**2020**	**Change**	
Electricity	29,579	16,158	13,421	83.1%
Gas	27,046	7,952	19,094	-
Fair value gain/(loss) on contracts for purchase of electricity and gas with physical settlement closed during the period[1]	(9,277)	637	(9,914)	-
Nuclear fuel	107	117	(10)	-8.5%
Other fuels	1,638	1,162	476	41.0%
Total[1]	**49,093**	**26,026**	**23,067**	**88.6%**

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.

Costs for the purchase of "Electricity" mainly increased due to a rise in volumes purchased in an environment of increasing average prices compared with the previous year, mainly attributable to Italy (€8,098 million), Spain (€2,564 million) and Latin America (€2,428 million).

The increase in costs for the purchase of "Gas" reflects the increase in quantities handled, mainly due to a rise in generation, as well as the increase in the cost of purchasing gas from third parties.

The fair value loss on closed contracts with physical settlement changed from a fair value gain in the previous year, with a difference of €9,914 million, of which €8,741 million attributable to gas and €1,173 million to electricity.

The increase in "Other fuels" is mainly attributable to the increase in the volume of generation and the rise in commodity prices.

11.b Services and other materials – €19,609 million

Millions of euro	2021	2020	Change	
Wheeling	9,023	9,619	(596)	-6.2%
Maintenance and repairs	1,410	1,127	283	25.1%
Telephone and postal costs	180	172	8	4.7%
Communication services	127	116	11	9.5%
IT services	967	823	144	17.5%
Leases and rentals	126	396	(270)	-68.2%
Other services	4,246	3,648	598	16.4%
Purchase of environmental certificates	1,279	673	606	90.0%
Fair value gain on contracts for purchase of environmental certificates with physical settlement closed during the period[1]	145	139	6	4.3%
Other materials	2,106	1,653	453	27.4%
Total[1]	**19,609**	**18,366**	**1,243**	**6.8%**

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.

Costs for services and other materials amounted to €19,609 million in 2021, an increase of €1,243 million compared with 2020. This change essentially reflected:

- a decline in costs for wheeling, mainly in Spain, attributable to a decline in the average price applied;
- future costs connected with the conversion of plants in Italy for the purposes of the energy transition. More specifically, these costs regard provisions associated with the acceleration of the energy-transition process, which affected almost all of Enel Produzione's plants with the NextGen project (€426 million). In application of the Group strategy to accelerate the elimination of the use of fossil fuels from the generation process and increasing our green capacity, we have committed ourselves to launching a radical process to decommission and secure Italian generation facilities that use traditional energy sources that are no longer in line with European standards, with a view to converting them into renewable energy facilities or installing storage systems and other circular economy initiatives;
- an increase in costs for systems assistance, computer maintenance and IT development, mainly in Italy;
- a decline in costs for leases and rentals, mainly reflecting the closure of a dispute in Spain, which permitted the reversal of provisions previously recognized in the amount of about €300 million;
- an increase in costs for the purchase of environmental certificates, attributable to a significant increase in the prices of CO_2, the increase in production at thermal generation plants and an expansion of trading in emission allowances;
- an increase of €598 million in "Other services", essentially reflecting the increase in costs for services connected with the electricity and gas business (€154 million), those related to the value-added services business (€150 million) and expenses for professional and technical services (€147 million).

11.c Personnel expenses – €5,281 million

Millions of euro	2021	2020	Change	
Wages and salaries	3,238	3,133	105	3.4%
Social security contributions	853	824	29	3.5%
Italian post-employment benefits	104	103	1	1.0%
Post-employment and other long-term benefits	85	(485)	570	-
Early retirement incentives	10	152	(142)	-93.4%
Early retirement incentives connected with restructuring agreements	806	882	(76)	-8.6%
Other costs	185	184	1	0.5%
Total	**5,281**	**4,793**	**488**	**10.2%**

Personnel expenses amounted to €5,281 million in 2021, an increase of €488 million.
The Group's workforce decreased by 438 employees, mainly reflecting the negative balance between new hires and terminations (-461 employees) due to early-retirement incentive policies and changes in the consolidation scope (+23 employees), essentially attributable to:

- the sale of Enel Green Power Bulgaria;
- the acquisition of CityPoste Payment SpA in Italy.

The increase in "Wages and salaries" substantially reflects the cost incurred as a result of new hiring at companies in Italy, the United States and Argentina.
The €570 million increase in "Post-employment and other long-term benefits" is mainly attributable to the 2020 modification in Spain of the electricity discount benefit for employees following the renewal of the 5th Endesa Collective Bargaining Agreement, which led to the release of the associated provision in the amount of €515 million.
Expenses for early retirement incentives in 2021 amounted to €816 million, down €218 million, with the change largely accounted for by Spain (€732 million) due to the effect of the accrual in 2020 to the provision for the *Plan de Salida* prompted by elimination of the extinguishment option of the individual agreement concerning the suspension of employment relationships for certain individual contracts as a result of the signing of the new collective bargaining agreement mentioned earlier, only partly offset by an increase in costs for early retirement incentives in Italy (€480 million) associated with corporate restructuring programs.

The table below shows the average number of employees by category, along with a comparison with the previous year, and the headcount as of December 31, 2021.

No.	Average[1]		Headcount[1]
	2021	2020	at Dec. 31, 2021
Senior managers	1,386	1,397	1,377
Middle managers	11,797	11,258	12,242
Office staff	35,449	36,027	35,556
Blue collar	17,344	18,396	17,104
Total	**65,976**	**67,078**	**66,279**

(1) For companies consolidated on a proportionate basis, the headcount corresponds to Enel's percentage share of the total.

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11.d Net impairment losses/(reversals) on trade receivables and other receivables – €1,196 million

Millions of euro				
	2021	2020	Change	
Impairment losses on trade receivables	1,361	1,505	(144)	-9.6%
Impairment losses on other receivables	94	46	48	-
Total impairment losses on trade receivables and other receivables	**1,455**	**1,551**	**(96)**	**-6.2%**
Impairment gains on trade receivables	(258)	(194)	(64)	-33.0%
Impairment gains on other receivables	(1)	(72)	71	98.6%
Total impairment gains on trade receivables and other receivables	**(259)**	**(266)**	**7**	**2.6%**
NET IMPAIRMENT LOSSES/(REVERSALS) ON TRADE RECEIVABLES AND OTHER RECEIVABLES	**1,196**	**1,285**	**(89)**	**-6.9%**

The item, equal to €1,196 million, includes impairment losses and gains on trade receivables and other receivables. The net impairment losses on trade receivables decreased by a total of €208 million, essentially reflecting the effect of the recognition in 2020 of greater impairment losses on trade receivables in respect of traders.

11.e Depreciation, amortization and other impairment losses – €8,691 million

Millions of euro	2021	2020	Change	
Property, plant and equipment	4,414	4,118	296	7.2%
Investment property	3	2	1	50.0%
Intangible assets	1,357	1,223	134	11.0%
Other impairment losses	2,926	1,857	1,069	57.6%
Other reversals of impairment losses	(9)	(37)	28	75.7%
Total	**8,691**	**7,163**	**1,528**	**21.3%**

The increase in "Depreciation, amortization and other impairment losses" in 2021 essentially reflected:

- an increase in depreciation and amortization in Italy (€102 million) due to an acceleration of the depreciation rates for first-generation electronic meters (1G) in order to reflect the planned installation schedule for 2G meters provided for in the Open Meter plan;
- an increase in depreciation and amortization in Spain for new plants entering service (€72 million);
- impairment losses recognized in 2021 on certain plants or CGUs in Italy (€989 million), Spain (€1,488 million), Mexico (€155 million), Chile (€32 million) and Australia (€30 million);
- the impairment loss recognized on Group's headquarters building in Rome (€45 million);
- the impairment losses recognized in Costa Rica (€126 million) on the hydroelectric plant operated under a concession arrangement by PH Chucas.

These effects were partially offset by:

- the effect of the impairment losses recognized in 2020 on the Bocamina II plant in Chile (€737 million);
- the effect of the impairment losses recognized in 2020 on the Mexico, Argentina and Australia CGUs in the total amount of €750 million.

11.f Other operating costs – €2,095 million

Millions of euro	2021	2020	Change	
System charges - emissions allowances	41	90	(49)	-54.4%
Charges for energy efficiency certificates	239	277	(38)	-13.7%
Charges for purchases of green certificates	64	61	3	4.9%
Losses on disposal of property, plant and equipment and intangible assets	75	65	10	15.4%
Taxes and duties	1,132	1,130	2	0.2%
Other	544	579	(35)	-6.0%
Total	**2,095**	**2,202**	**(107)**	**-4.9%**

Other operating costs decreased by €107 million compared with the previous year, mainly due to a reduction in environmental compliance charges and association dues in Italy.

11.g Capitalized costs – €(3,117) million

Millions of euro	2021	2020	Change	
Personnel	(1,022)	(836)	(186)	-22.2%
Materials	(1,120)	(846)	(274)	-32.4%
Other	(975)	(703)	(272)	-38.7%
Total	**(3,117)**	**(2,385)**	**(732)**	**-30.7%**

Capitalized costs increased by €732 million, mainly due to greater investment in distribution plants in Latin America and distribution grids associated with the development of the Grid Blue Sky project and to the installation of second-generation meters in Italy in 2021.

12. Net results from commodity contracts – €2,522 million

Millions of euro	2021	2020	Change	
Commodity derivatives				
- income from settled derivatives	11,456	4,346	7,110	-
- expense from settled derivatives	9,331	4,912	4,419	90.0%
Net income/(expense) from settled commodity derivatives	**2,125**	**(566)**	**2,691**	**-**
- income from outstanding derivatives	4,572	634	3,938	-
- expense from outstanding derivatives	2,267	280	1,987	-
Net income from outstanding commodity derivatives	**2,305**	**354**	**1,951**	**-**
Outstanding contracts for energy commodities with physical settlement				
- results from outstanding contracts to sell energy commodities with physical settlement[(1)]	(18,386)	(932)	(17,454)	-
- results from outstanding contracts to purchase energy commodities with physical settlement[(1)]	16,478	1,045	15,433	-
Net results from outstanding contracts for energy commodities with physical settlement[(1)]	**(1,908)**	**113**	**(2,021)**	**-**
NET RESULTS FROM COMMODITY CONTRACTS[(1)]	**2,522**	**(99)**	**2,621**	**-**

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.

Net results from commodity came to €2,522 million in 2021 (net expense of €99 million in 2020), and breaks down as follows:

- net income from commodity derivatives totaling €4,430 million (net expense of €212 million in 2020), including derivatives designated as cash flow hedges and derivatives measured at fair value through profit or loss. More specifically, net income from derivatives settled in the period amounted to €2,125 million (net expense of €566 million in 2020) and the net fair gain on outstanding derivatives came to €2,305 million (net fair value gain of €354 million in 2020);
- net fair value loss on energy commodity contracts with physical settlement still outstanding at the reporting date amounting to €1,908 million (net fair value gain of €113 million in 2020).

For more information on derivatives, please see note 49 "Derivatives and hedge accounting".

13. Net financial income/(expense) from derivatives – €1,461 million

Millions of euro	2021	2020	Change	
Income:				
- income from derivatives designated as hedging derivatives	2,097	639	1,458	-
- income from derivatives at fair value through profit or loss	621	676	(55)	-8.1%
Total income	**2,718**	**1,315**	**1,403**	**-**
Expense:				
- expense from derivatives designated as hedging derivatives	(599)	(1,945)	1,346	69.2%
- expense from derivatives at fair value through profit or loss	(658)	(311)	(347)	-
Total expense	**(1,257)**	**(2,256)**	**999**	**44.3%**
NET FINANCIAL INCOME/(EXPENSE) FROM DERIVATIVES	**1,461**	**(941)**	**2,402**	**-**

In 2021, net income from derivatives on interest and exchange rates amounted to €1,461 million (net expense of €941 million in 2020) and breaks down as follows:

- net income from derivatives designated as hedging derivatives in the amount of €1,498 million (net expense of €1,306 million in 2020), mainly in regard of cash flow hedges;
- net expense from derivatives at fair value through profit or loss in the amount of €37 million (net income of €365 million in 2020).

The net balances recognized in 2021 and 2020 on both hedging derivatives and those at fair value through profit or loss mainly referred to the hedging of currency risk. For more information on derivatives, see note 49 "Derivatives and hedge accounting".

14. Net other financial income/(expense) – €(4,212) million

Other financial income

Millions of euro

	2021	2020	Change	
Interest income from financial assets (current and non-current):				
- interest income at effective rate on non-current securities and financial assets	116	110	6	5.5%
- interest income at effective rate on current financial investments	89	69	20	29.0%
Total interest income at the effective interest rate	**205**	**179**	**26**	**14.5%**
Exchange gains	**1,219**	**2,182**	**(963)**	**-44.1%**
Income on equity investments	**6**	**23**	**(17)**	**-73.9%**
Income from hyperinflation	**824**	**529**	**295**	**55.8%**
Other income[(1)]	**452**	**292**	**160**	**54.8%**
TOTAL OTHER FINANCIAL INCOME	**2,706**	**3,205**	**(499)**	**-15.6%**

(1) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

Other financial income amounted to €2,706 million, a decrease of €499 million compared with the previous year. The decline mainly reflects a decrease in income from exchange gains of €963 million, essentially attributable to the impact of exchange rate developments on net financial debt denominated in currencies other than the euro. This effect was partially offset by the following factors:

- an increase in income from hyperinflation (€295 million), recognized by the Argentine companies as a result of the application of IAS 29 on financial reporting in hyperinflationary economies; for more information, see note 4 of these consolidated financial statements;
- the recognition of financial income of €73 million in Spain, largely connected with interest on arrears accrued in respect of Endesa's right to be compensated for the reduction in remuneration received in the past with regard to the assignment of CO_2 emission rights under the "*Plan Nacional de Asignación de Derechos de Emisión*" (PNA);
- an increase in income deriving from the impairment loss on hedged liabilities in fair value hedge relationships (€57 million);
- an increase in interest income at the effective rate (€26 million), mainly relating to short-term financial investments.

Other financial expense

Millions of euro

	2021	2020	Change	
Interest expense on financial debt (current and non-current):				
- interest on bank borrowings	346	291	55	18.9%
- interest expense on bonds	1,881	1,887	(6)	-0.3%
- interest expense on other borrowings	137	149	(12)	-8.1%
Total interest expense	**2,364**	**2,327**	**37**	**1.6%**
Financial expense on debt management transactions	**702**	**-**	**702**	**-**
Exchange losses	**2,559**	**1,245**	**1,314**	**-**
Adjustment to post-employment and other employee benefits	**107**	**109**	**(2)**	**-1.8%**
Adjustment to other provisions	**129**	**150**	**(21)**	**-14.0%**
Expense from equity investments	**-**	**1**	**(1)**	**-**
Expense from hyperinflation	**804**	**472**	**332**	**70.3%**
Other expenses	**253**	**653**	**(400)**	**-61.3%**
TOTAL OTHER FINANCIAL EXPENSE	**6,918**	**4,957**	**1,961**	**39.6%**

"Other financial expense" amounted to €6,918 million, an overall increase of €1,961 million compared with 2020, essentially reflecting the following factors:

- the recognition of expense on debt management transactions, regarding:
  - Enel Finance International in the amount of €634 million for the recognition of financial expense on the cash consideration paid in connection with voluntary non-binding tender offer ("tender offer") for the repurchase, and subsequent cancellation, of a number of series of outstanding conventional bonds;
  - Enel SpA in the amount of €68 million for the recognition of financial expense connected with the consent solicitation for non-convertible subordinated hybrid bonds converted into perpetual hybrid bonds. This expense represents the difference between the fair value of the hybrid instrument and the carrying amount of the bond.

  With regard to the tender offer and consent solicitation, the amount of the amortized cost adjustment for the bonds involved in these transactions was released to profit or loss, which produced an increase in interest expense compared with 2020. However, the aforementioned debt management transactions, together with the new sustainability-linked bond issues, have reduced the Group's borrowing costs, providing an important tool for protection against potential rate increases;
- an increase in exchange losses in the amount of €1,314 million, primarily attributable to the impact of exchange rate developments on net financial debt denominated in currencies other than the euro;
- an increase in expense from hyperinflation of €332 million, recognized by the Argentine companies as a result of the application of IAS 29 on financial reporting in hyperinflationary economies; for more information, see note 4 of these consolidated financial statements.

These effects were substantially offset by the reduction in financial expense associated with the impairment loss on the financial asset connected with the sale of Slovak Power Holding (€472 million).

15. Share of profit/(loss) of equity-accounted investments – €571 million

IPL ICF

Millions of euro				
	2021	2020	Change	
Share of profit of associates	624	131	493	-
Share of loss of associates	(53)	(430)	377	87.7%
Total	**571**	**(299)**	**870**	**-**

The share of profit/(loss) of equity-accounted investments improved by €870 million compared with the previous year. The change was essentially due to the impairment loss on the investment in Slovak Power Holding (€908 million), partly offset by the change in the share of profit/(loss) attributable to owners of the Parent of, mainly, the Portuguese company Tejo Energia Produção e Distribuição de Energia Eléctrica (€14 million).

16. Income taxes – €1,643 million

IPL ICF

Millions of euro				
	2021	2020	Change	
Current taxes	2,023	1,898	125	6.6%
Adjustments for income taxes relating to prior years	145	(168)	313	-
Total current taxes	**2,168**	**1,730**	**438**	**25.3%**
Deferred tax expense	313	180	133	73.9%
Deferred tax income	(838)	(69)	(769)	-
TOTAL	**1,643**	**1,841**	**(198)**	**-10.8%**

The tax rate for 2021 came to 30%, compared with 34% in 2020. The reduction essentially reflects the combined effect of the following permanent differences:

- a decrease in the tax impact of extraordinary items compared with the previous year (€431 million), taking account of the taxation associated with the revaluation of the assets of Slovenské elektrárne;
- the application of the preferential "participation exemption" mechanism to the capital gain realized on the sale of the investment in Open Fiber (€401 million);
- the adjustments of deferred and current taxation following the tax reforms approved by the Argentine and Colombian governments, which increased the tax rate from 25% to 35% in Argentina and from 30% to 35% in Colombia;
- the adjustment of the tax credit held by Enel Iberia (€211 million);
- the tax effect of the application of hyperinflation accounting in Argentina (€49 million);
- the non-recognition of part of the deferred tax assets associated with the impairment loss recognized on PH Chucas due to the uncertainty about their future recoverability (€27 million);
- the reversal of the tax credit of Enel Green Power SpA (€25 million) following the reorganization of the Enel Green Power Business Line in Latin America, which was completed in April 2021.

For more information on changes in deferred tax assets and liabilities, see note 24.

The following table provides a reconciliation of the theoretical tax rate and the effective tax rate.

Millions of euro				
	2021		**2020**	
Pre-tax profit/(loss)	**5,500**		**5,463**	
Theoretical taxes	1,320	24%	1,311	24%
Change in tax effect on impairment losses, capital gains and negative goodwill	(229)		202	
Net effect on deferred taxation recognized with timing mismatch	70		16	
Tax reforms in Argentina and Colombia	166		-	
Adjustment of tax credit of Enel Iberia	211		-	
Preferential tax treatment of Open Fiber capital gain	(401)		-	
Deferred tax assets not recognized on tax losses	75		-	
Sundry tax effects of hyperinflation accounting in Argentina	49		-	
Reversal of tax credit for Astrid operation	25		-	
IRAP	276		249	
Other differences, effect of different tax rates abroad compared with the theoretical rate in Italy, and other minor items	81		63	
Total	**1,643**		**1,841**	

17. Basic and diluted earnings/(loss) per share

Both of these indicators are calculated on the basis of the average number of ordinary shares for the year, equal to 10,166,679,946, adjusted by the average number of treasury shares held.

The number of treasury shares, with a par value of €1 each, held at December 31, 2021 was equal to 4,889,152 (3,269,152 at December 31, 2020).

Millions of euro		
	2021	**2020**
Profit for the year attributable to owners of the Parent (basic)	**3,189**	**2,610**
of which from:		
- continuing operations	*3,189*	*2,610*
- discontinued operations	-	-
Effect of preference rights on dividends (e.g. preference shares)	-	-
Dividends on equity instruments (e.g., hybrid bonds)	(71)	-
Other	-	-
Profit for the year attributable to ordinary owners of the Parent (basic)	**3,118**	**2,610**
of which from:		
- continuing operations	*3,118*	*2,610*
- discontinued operations	-	-
Number of shares (units)		
Number of ordinary shares issued at 1 January	10,166,679,946	10,166,679,946
Effect of treasury shares held	(4,111,452)	(2,067,594)
Effect of share options exercised	-	-
Other	-	-
Weighted average number of ordinary shares outstanding (total) for basic earnings per share	**10,162,568,494**	**10,164,612,352**
Profit for the year attributable to ordinary owners of the Parent (basic)	**3,118**	**2,610**
Effect of dilution:		
- interest on convertible bonds	-	-
- other	-	-
Profit for the year attributable to ordinary owners of the Parent (diluted)	**3,118**	**2,610**
of which:		
- continuing operations	*3,118*	*2,610*
- discontinued operations	-	-
Number of shares (units)		
Weighted average number of ordinary shares outstanding (total) for basic earnings per share	**10,162,568,494**	**10,164,612,352**
Effect of conversion of convertible notes	-	-
Other	-	-
Weighted average number of ordinary shares outstanding (total) for diluted earnings per share	**10,162,568,494**	**10,164,612,352**
Basic earnings per share		
Basic earnings per share	0.31	0.26
Basic earnings per share from continuing operations	0.31	0.26
Basic earnings/(loss) per share from discontinued operations	-	-
Diluted earnings per share		
Diluted earnings per share	0.31	0.26
Diluted earnings per share from continuing operations	0.31	0.26
Diluted earnings/(loss) per share from discontinued operations	-	-

Information on the statement of consolidated financial position

18. Property, plant and equipment – €84,572 million

The breakdown of and changes in property, plant and equipment for 2021 is given below.

Millions of euro	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Leased assets	Leasehold improvements	Assets under construction and advances	Total
Cost net of accumulated impairment losses	637	10,263	159,411	523	1,487	2,994	443	8,896	184,654
Accumulated depreciation	-	5,456	97,807	380	1,155	819	319	-	105,936
Balance at Dec. 31, 2020	**637**	**4,807**	**61,604**	**143**	**332**	**2,175**	**124**	**8,896**	**78,718**
Capital expenditure	3	39	1,883	22	73	1	9	8,404	10,434
Assets entering service	28	884	4,741	8	55	8	15	(5,739)	-
Exchange differences	(16)	113	(2)	1	(7)	35	1	103	228
Change in the consolidation scope	-	-	129	-	(2)	8	-	147	282
Disposals	(1)	(3)	(110)	(1)	(11)	(19)	-	(15)	(160)
Depreciation	-	(190)	(3,766)	(22)	(88)	(304)	(30)	-	(4,400)
Impairment losses	(8)	(191)	(2,425)	(1)	-	(4)	-	(155)	(2,784)
Reversals of impairment losses	-	-	8	-	-	-	-	-	8
Other changes	-	6	1,312	1	12	731	9	178	2,249
Reclassifications from/to assets held for sale	-	-	-	-	(1)	(2)	-	-	(3)
Total changes	**6**	**658**	**1,770**	**8**	**31**	**454**	**4**	**2,923**	**5,854**
Cost net of accumulated impairment losses	643	11,115	163,443	547	1,551	3,722	482	11,819	193,322
Accumulated depreciation	-	5,650	100,069	396	1,188	1,093	354	-	108,750
Balance at Dec. 31, 2021	**643**	**5,465**	**63,374**	**151**	**363**	**2,629**	**128**	**11,819**	**84,572**

"Plant and machinery" included assets to be relinquished free of charge with a carrying amount of €7,946 million at December 31, 2021 (€8,083 million at December 31, 2020), largely regarding power plants in Iberia and Latin America amounting to €3,672 million at December 31, 2021 (€3,808 million at December 31, 2020), and the electricity distribution grid in Latin America totaling €3,506 million at December 31, 2021 (€3,626 million at December 31, 2020). For more information on "Leased assets", please see note 20 below.

The types of capital expenditure made during 2021 are summarized below by class of asset, comprising the various categories of property, plant and equipment and intangible assets, including the portion classified as held for sale. These expenditures, totaling €12,201 million at December 31, 2021, increased by €2,653 million on 2020, increases that were particularly concentrated in solar power plants.

Millions of euro				
	2021	2020	Change	
Power plants:				
- thermal	550	452	98	21.7%
- hydroelectric	402	332	70	21.1%
- geothermal	120	145	(25)	-17.2%
- nuclear	157	137	20	14.6%
- alternative energy sources	4,947	4,007	940	23.5%
Total power plants	**6,176**	**5,073**	**1,103**	**21.7%**
Electricity distribution grids[(1)]	4,389	3,288	1,101	33.5%
Enel X (e-Mobility, e-City, e-Industries, e-Home)	367	303	64	21.1%
Retail customers	643	460	183	39.8%
Other	626	424	202	47.6%
TOTAL[(2)]	**12,201**	**9,548**	**2,653**	**27.8%**

(1) The figure for 2021 does not include €907 million in respect of infrastructure investments within the scope of IFRIC 12 (€649 million in 2020).
(2) The figure for 2021 includes €111 million regarding units classified as "held for sale".

The Enel Group, in line with the Paris Agreement on CO_2 emissions reductions and guided by energy efficiency and energy-transition objectives, has invested above all in generation plants that exploit alternative energy sources. Capital expenditure on generation plants mainly regards solar plants and wind farms in the United States, Colombia, Iberia, Italy, India, Chile and Russia.
In order to respond to ever more variable climate developments and, therefore, enhance the resilience of grids, the Group continued to invest in the Distribution Business Line (€4,389 million). The €1,101 million increase is mainly attributable to greater investments in Italy, Brazil and Iberia for the Grid Blue Sky project (a new platform operating model that envisages the redesign of systems, processes and work organization to leverage assets more effectively, including through the use of artificial intelligence) and for quality and remote control activities.
In Italy, following the introduction of measures to revive the economy and to encourage energy upgrading and seismic resilience, Enel X has undertaken greater investments in the development of the e-Home business associated with the Vivi Meglio initiative, while in Spain e-Home posted an increase as a result of greater sales volumes compared with 2020. In North America and Korea, its investments in storage increased.

Exchange gains amounted to €228 million.

The "Change in the consolidation scope" in 2021 mainly refers to the consolidation of the Australian renewables companies, which had previously been equity-accounted, following changes in governance arrangements without the purchase of additional interests, as well as the acquisition of 30 renewable energy companies by Enel Green Power España.

"Impairment losses" amounted to €2,784 million and are mainly attributable to the energy-transition process initiated by the Group, which in 2021 led to the recognition of impairment losses on the Italian thermal generation plants of Torrevaldaliga Nord, Fusina, La Spezia and Brindisi, the Spanish generation plants of Baleares, Canarias, Ceuta and Melilla and the Bocamina II plant in Chile.
This item was also affected by the impairment loss on assets in Australia and Mexico.

"Reclassifications from/to assets held for sale" refer mainly to the property and other assets of the Italian companies Enel X Paytipper SpA, Paytipper Network Srl and CityPoste Payment SpA.

"Other changes" include the provision for plant retirement and site restoration costs in the amount of €861 million, mainly in Spain and Italy, new leases of €723 million, impairment losses on the property, plant and equipment of the Argentine companies operating in a hyperinflationary economy in the amount of €576 million and the effect of capitalizing interest on loans specifically dedicated to capital expenditure on property, plant and equipment of €182 million (€154 million in 2020). The following table reports capitalized financial expense on property, plant and equipment and intangible assets, including the portion classified as held for sale, and that on other non-current assets.

Millions of euro						
	2021	Rate %	2020	Rate %	Change	
Enel Green Power	-		-	-	-	-
Enel Green Power Brazil	-		12	2.4%	(12)	-
Enel Green Power North America	17	0.2%	10	0.2%	7	70.0%
Enel Green Power México	10	4.3%	23	4.1%	(13)	-56.5%
Enel Green Power South Africa	61	6.3%	47	6.3%	14	29.8%
Enel Américas Group	23	3.7%	7	5.8%	16	-
Enel Chile Group	80	7.0%	21	7.2%	59	-
Endesa Group[1]	4	1.5%	3	1.7%	1	33.3%
Enel Russia Group	18	8.5%	10	7.2%	8	80.0%
EGP India Group	8	8.3%	1	7.5%	7	-
EGP Australia Group	1	0.2%	1	3.4%	-	-
Enel Green Power Colombia	-		2	1.3%	(2)	-
Enel Produzione	2	2.1%	4	4.3%	(2)	-50.0%
Nuove Energie	1	0.5%	1	0.5%	-	-
Enel Green Power Italia	5	3.3%	1	3.3%	4	-
Enel Green Power Chile	-		4	4.6%	(4)	-
Enel Finance International	12	1.8%	15	1.8%	(3)	-20.0%
Total[2]	**242**		**162**		**80**	**49.4%**

(1) The amount for the EGP Spain Group is included in that for the Endesa Group.
(2) The total for 2021 also includes -€5 million in capitalized financial expense in respect of intangible assets (€7 million in 2020), €4 million in other non-current assets (€1 million in 2020) and €61 million pertaining to assets held for sale.

At December 31, 2021, contractual commitments to purchase property, plant and equipment amounted to €1,437 million.

19. Infrastructure within the scope of "IFRIC 12 - Service concession arrangements"

Service concession arrangements, which are recognized in accordance with IFRIC 12, regard certain infrastructure serving concessions for electricity distribution in Brazil, Costa Rica and Colombia.

The following table summarizes the salient details of those concessions.

Millions of euro

	Grantor	Activity	Country	Concession period	Concession period remaining	Renewal option[1]	Amount recognized among contract assets at Dec. 31, 2021	Amount recognized among financial assets at Dec. 31, 2021	Amount recognized among intangible assets at Dec. 31, 2021
Enel Distribuição Rio de Janeiro	Brazilian government	Electricity distribution	Brazil	1997-2026	5 years	No	112	838	404
Enel Distribuição Ceará	Brazilian government	Electricity distribution	Brazil	1998-2028	7 years	No	63	620	395
Enel Green Power Mourão	Brazilian government	Electricity generation	Brazil	2016-2046	25 years	No	-	5	-
Enel Green Power Paranapanema	Brazilian government	Electricity generation	Brazil	2016-2046	25 years	No	-	23	-
Enel Distribuição Goiás	Brazilian government	Electricity distribution	Brazil	2015-2045	24 years	No	252	69	643
Enel Green Power Volta Grande	Brazilian government	Electricity generation	Brazil	2017-2047	26 years	No	-	243	-
Enel Distribuição São Paulo	Brazilian government	Electricity distribution	Brazil	1998-2028	7 years	No	91	1,001	609
PH Chucas	Costa Rican Electricity Institute	Hydroelectric plant	Costa Rica	2012-2031	10 years	No	-	101	47
USME ZE SAS	Empresa de Transporte del Tercer Milenio - Transmilenio SA	e-Mobility	Colombia	2021-2035	16 years	No	-	6	-
Fontibon ZE SAS	Empresa de Transporte del Tercer Milenio - Transmilenio SA	e-Mobility	Colombia	2021-2035	16 years	No	-	47	-
Total							**518**	**2,953**	**2,098**

(1) There is no automatic renewal option, but the Group concession holders can participate in the renewal procedures in accordance with the rules established by the grantors.

The assets classified under financial assets are measured at fair value at the end of the concessions. For more information, see note 50 "Assets and liabilities measured at fair value".

20. Leases

The table below shows changes in right-of-use assets in 2021.

Millions of euro	Leased land	Leased buildings	Leased plant	Other leased assets	Total
Total at Dec. 31, 2020	**707**	**551**	**479**	**438**	**2,175**
Increases	442	86	1	203	732
Exchange differences	37	1	(2)	(1)	35
Depreciation	(38)	(114)	(34)	(118)	(304)
Other changes	(1)	(7)	(3)	2	(9)
Total at Dec. 31, 2021	**1,147**	**517**	**441**	**524**	**2,629**

Lease liabilities and changes during the year are shown in the table below.

Millions of euro	
Total at Dec. 31, 2020	**2,068**
Increases	526
Payments	(165)
Other changes	118
Total at Dec. 31, 2021	**2,547**
of which medium to long term	*2,288*
of which short term	*259*

Note that in 2021, despite the effects of the pandemic, no changes or renegotiations were made to leases.

Millions of euro	
	2021
Depreciation of right-of-use assets	304
Interest expense on lease liabilities	72
Expense relating to short-term leases (included in costs for services and other materials)	46
Expense relating to leases of low-value assets (included in costs for services and other materials)	-
Variable lease payments (included in costs for services and other materials)	22
Total	**444**

21. Investment property – €91 million

Millions of euro	
Cost net of accumulated impairment losses	159
Accumulated depreciation	56
Balance at Dec. 31, 2020	**103**
Exchange differences	(1)
Depreciation	(3)
Impairment losses	(4)
Other changes	(4)
Total changes	**(12)**
Cost net of accumulated impairment losses	129
Accumulated depreciation	38
Balance at Dec. 31, 2021	**91**

Investment property at December 31, 2021 amounted to €91 million, a decrease of €12 million on the previous year.

The Group's investment property consists of properties in Italy, Spain, Brazil and Chile, which are free of restrictions on their sale or the remittance of income and proceeds of disposal. In addition, the Group has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.
The change in 2021 was mainly due to impairment losses recognized on a number of assets in Italy and Spain.

For more information on the valuation of investment property, see notes 50 "Assets and liabilities measured at fair value", and 50.2 "Assets not measured at fair value in the statement of financial position".

22. Intangible assets – €18,070 million

A breakdown of and changes in intangible assets for 2021 are shown below.

Millions of euro	Development expenditure	Industrial patents & intellectual property rights	Concessions, licenses, trademarks and similar rights	Service concession arrangements	Other	Leasehold improvements	Assets under development and advances	Contract costs	Total
Cost net of accumulated impairment losses	44	2,985	12,988	5,452	4,821	10	1,337	1,581	29,218
Accumulated amortization	23	2,418	1,568	3,344	3,326	4	–	867	11,550
Balance at Dec. 31, 2020	**21**	**567**	**11,420**	**2,108**	**1,495**	**6**	**1,337**	**714**	**17,668**
Capital expenditure	4	91	92	–	117	–	874	478	1,656
Assets entering service	(1)	335	10	–	202	–	(547)	1	–
Exchange differences	(1)	(9)	(238)	23	12	–	(6)	1	(218)
Change in the consolidation scope	–	–	1	–	27	–	85	–	113
Disposals	–	–	(4)	(8)	1	–	(1)	–	(12)
Amortization	(2)	(289)	(162)	(305)	(369)	–	–	(248)	(1,375)
Impairment losses	(1)	(1)	–	(126)	(10)	–	–	–	(138)
Reversals of impairment losses	–	1	–	–	–	–	–	–	1
Other changes	1	49	2	406	(7)	(6)	18	1	464
Reclassifications from/to assets held for sale	(1)	(3)	–	–	(84)	–	–	(1)	(89)
Total changes	**(1)**	**174**	**(299)**	**(10)**	**(111)**	**(6)**	**423**	**232**	**402**
Cost net of accumulated impairment losses	43	3,512	12,842	5,781	5,092	–	1,760	2,063	31,093
Accumulated amortization	23	2,771	1,721	3,683	3,708	–	–	1,117	13,023
Balance at Dec. 31, 2021	**20**	**741**	**11,121**	**2,098**	**1,384**	**–**	**1,760**	**946**	**18,070**

Enel's intellectual property (IP) portfolio comprises a set of critical information for sustainable growth. The Open Innovability® ecosystem generates innovation through the creation and sharing of internal and external solutions that give life to ideas that require appropriate forms of legal protection. Intellectual property plays a dual role: first, it enables control over inventive solutions, technologies and knowledge generated by both the Group and the innovation ecosystems of which Enel is a part with the involvement of universities, research bodies, suppliers, programmers and consultants; second, intellectual property rights enable the safe and sustainable propagation of the technological solutions through which electrification, platformization and stewardship programs are implemented.

At December 31, 2021, the Group had applied for 892 patents in 146 technological families. Of these, 749 have been granted and 143 are pending. The portfolio ensures protection in all the markets in which the Group is present. Enel's portfolio also includes 15 utility models and 170 design registrations. Together with patents, utility models and designs, IP rights also include industrial secrets of both a technical and commercial nature which are constantly codified and maintained in line with the provisions of the Trade Secrets Management procedure (see below). The Group also owns 1,576 trademarks, of which 1,455 have already been registered, with 121 applications pending.

The Enel Green Power and Thermal Generation Global Business Line is involved in the development of innovative technical solutions in solar generation that seek (i) to increase the photovoltaic output of plants by increasing charge transfer mechanisms at the micro and nanometric level in correspondence with different layers both in single and heterojunction cells and in tandem systems and (ii) to create an innovative system for the rapid and automatable installation of photovoltaic panels on prefabricated support structures, generating significant reductions in installation times while increasing in the precision and scalability of installation and, therefore, the Group's competitiveness at the international level. These solutions cover a total of 11 patent families currently comprising 28 national and international patent applications pending and 7 national patents granted.

The patent assets of Global Infrastructure and Networks contribute significantly to the strategy of creating plat-

forms and exploiting network externalities in the services market, as well as to the automation of user management. The Grid Blue Sky project, whose launch was announced last year, is contributing to the creation of a new global operating platform for the Group's grids. In consideration of the high intensity of IP generated, further analysis of the project was conducted, which is discussed in more detail later in this section.

In the Enel X Global Business Line, the development of solutions with an impact on IP assets essentially regarded applications in the telemedicine business and urban liveability platforms. The Smart Axistance eWell app is an especially important example of the former, a health program designed and managed by specialists from the Policlinico Gemelli Foundation and delivered through a telemedicine platform and an app, both created by Enel X and protected by copyright. Urban liveability solutions include the 15 Minutes City Index, an urban planning indicator developed in collaboration with the University of Florence, for which Enel X is the holder of a trade secret and an Italian patent application. Using open data, the 15 Minutes City Index evaluates essential services (public transport, hospitals, schools, etc.), identifying underserved areas for each municipality and individual micro-district (with respect to population density), thereby supporting urban planning. As regards the electric mobility business, the IP portfolio comprises a diversified range of forms of protection, including patents for inventions, designs, trade secrets, utility models and copyrights with a technological content. Notable examples of these include: (i) the patent family for bidirectional high-power charging infrastructures, with applications initially deposited in the United States and subsequently initiated at the international level; (ii) the trade secrets connected with strategic mobility platforms; (iii) the copyright on the Juice Pass app; (iv) the community design to protect the aesthetic form of Juice Media, an innovative product that enables the simultaneous offer of electric charging and multimedia advertising services in a single structure; and (v) the Juice Pole Mini designs, which are protected in Europe, India, Chile, Norway, the United States, Canada and the United Kingdom.

The Group is also using copyright and trade-secret protections for the innovative IP-dense solutions it is developing concerning climate models and advanced quantitative models for the analysis of energy systems in order to support decarbonization and electrification in the main geographical areas in which we operate, using an integrated and future-oriented vision.
At an organizational and communication level, during 2021, Enel followed up on two lines of actions intended at achieving strategic, responsible and sustainable management of its intellectual property. On the one hand, a new Intellectual Property Management procedure was adopted at the Group level. On the other, in the wake of the survey of the Group's IP portfolio in 2020, an intellectual property reporting project was continued, to be incorporated within the broader scope of the Enel Group's non-financial reporting.

The following table reports service concession arrangements that do not fall within the scope of IFRIC 12 and had a balance as at December 31, 2021.

Millions of euro

	Grantor	Activity	Country	Concession period	Concession period remaining	Renewal option	at Dec. 31, 2021	Initial fair value
Endesa Distribución Eléctrica	-	Electricity distribution	Spain	Indefinite	Indefinite	-	5,678	5,673
Codensa	Republic of Colombia	Electricity distribution	Colombia	Indefinite	Indefinite	-	1,176	1,839
Enel Distribución Chile (formerly Chilectra)	Republic of Chile	Electricity distribution	Chile	Indefinite	Indefinite	-	1,254	1,667
Enel Distribución Perú (formerly Empresa de Distribución Eléctrica de Lima Norte)	Republic of Peru	Electricity distribution	Peru	Indefinite	Indefinite	-	525	548
E-Distribuţie Muntenia	Romanian Ministry for the Economy	Electricity distribution	Romania	2005-2054	33 years	Yes	119	191

Assets with an indefinite useful life amounted to €8,633 million (€8,892 million at December 31, 2020), essentially accounted for by concessions for distribution activities in Spain (€5,678 million), Colombia (€1,176 million), Chile (€1,254 million) and Peru (€525 million), for which there was no statutory or currently predictable expiration date.

On the basis of the forecasts developed, cash flows for each CGU, with which the various concessions are associated, were sufficient to recover the carrying amount. The change during the year was essentially attributable to changes in exchange rates. For more information on service concession arrangements, see note 19.
The change in the consolidation scope for 2021 mainly reflected the acquisition by Enel Green Power España of 100% of 30 renewables companies in Spain.

Impairment losses amounted to €138 million in 2021 and mainly regarded impairment losses recognized on the PH Chucas hydro plant. For more information, see note 11.e.

"Other changes" reported the design costs connected with the acquisition of a number of Brazilian vehicle companies.

23. Goodwill – €13,821 million

Millions of euro	at Dec. 31, 2020			Change in consol. scope	Exchange differences	Impairment losses	Offsetting cost with accum. impairment losses	Other changes	at Dec. 31, 2021		
	Cost	Cumulative impairment	Net carrying amount						Cost	Cumulative impairment	Net carrying amount
Iberian Peninsula	11,177	(2,392)	8,785	–	–	–	–	–	11,177	(2,392)	8,785
Chile	1,205	–	1,205	2	2	–	–	–	1,209	–	1,209
Argentina	275	(253)	22	–	–	–	–	–	275	(253)	22
Peru	564	–	564	–	2	–	–	–	566	–	566
Colombia	530	–	530	–	(3)	–	–	–	527	–	527
Brazil	1,273	–	1,273	–	30	–	–	–	1,303	–	1,303
Central America	25	–	25	(1)	1	–	–	–	25	–	25
Mexico	18	(18)	–	–	–	–	–	–	18	(18)	–
Enel Green Power North America	70	–	70	–	–	–	–	–	70	–	70
Enel X North America	184	–	184	–	15	–	–	–	199	–	199
Enel X Asia Pacific	84	–	84	–	–	–	–	–	84	–	84
Enel X Rest of Europe[(1)]	46	(3)	43	–	–	–	–	–	46	(3)	43
Enel X Italy	–	–	–	–	–	–	–	–	–	–	–
Market Italy[(2)]	580	–	580	–	–	–	–	–	580	–	580
Enel Green Power Italy	20	–	20	–	–	–	–	1	21	–	21
Romania	407	(13)	394	–	(7)	–	–	–	400	(13)	387
Total	**16,458**	**(2,679)**	**13,779**	**1**	**40**	**–**	**–**	**1**	**16,500**	**(2,679)**	**13,821**

(1) Includes Tynemouth and Viva Labs.
(2) Includes Enel Energia.

Goodwill matrix at December 31, 2021

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other	Total
Enel Green Power Italy	-	21	-	-	-	-	-	21
Market Italy[1]	-	-	-	580	-	-	-	580
Iberian Peninsula	-	1,190	5,788	1,807	-	-	-	8,785
Argentina	-	3	19	-	-	-	-	22
Brazil	-	423	880	-	-	-	-	1,303
Chile	-	996	213	-	-	-	-	1,209
Colombia	-	304	223	-	-	-	-	527
Peru	44	202	320	-	-	-	-	566
Central America	-	25	-	-	-	-	-	25
Romania	-	-	330	57	-	-	-	387
Enel Green Power North America	-	70	-	-	-	-	-	70
Enel X North America	-	-	-	-	199	-	-	199
Enel X Asia Pacific	-	-	-	-	84	-	-	84
Enel X Rest of Europe[2]	-	-	-	-	43	-	-	43
Total	**44**	**3,234**	**7,773**	**2,444**	**326**	**-**	**-**	**13,821**

(1) Includes Enel Energia.
(2) Includes Tynemouth and Viva Labs.

Goodwill matrix at December 31, 2020

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other	Total
Enel Green Power Italy	-	20	-	-	-	-	-	20
Market Italy[1]	-	-	-	580	-	-	-	580
Iberia	-	1,190	5,788	1,807	-	-	-	8,785
Argentina	-	3	19	-	-	-	-	22
Brazil	-	397	876	-	-	-	-	1,273
Chile	-	992	213	-	-	-	-	1,205
Colombia	-	307	223	-	-	-	-	530
Peru	43	201	320	-	-	-	-	564
Central America	-	25	-	-	-	-	-	25
Romania	-	-	336	58	-	-	-	394
Enel Green Power North America	-	70	-	-	-	-	-	70
Enel X North America	-	-	-	-	184	-	-	184
Enel X Asia Pacific	-	-	-	-	84	-	-	84
Enel X Rest of Europe[2]	-	-	-	-	43	-	-	43
Total	**43**	**3,205**	**7,775**	**2,445**	**311**	**-**	**-**	**13,779**

(1) Includes Enel Energia.
(2) Includes Viva Labs.

The increase of €42 million in goodwill was mainly attributable to "Exchange differences" of €40 million, with the main changes regarding Brazil and the United States.

The criteria used to identify the cash generating units (CGUs) are based on revenue separation, which is considered the main criterion in view of the nature of our business, taking due account of the operational rules and regulations of the markets in which they operate and the corporate organization. For the purposes of impairment testing of goodwill, the CGUs are grouped on the basis of expected synergies, consistent with management's strategic and operational vision, within the operating segments identified for segment reporting purposes.

Note also that in 2021, the existing CGUs underwent extensive analysis to assess the possible presence of significant changes pursuant to IAS 36, paragraph 72.
This analysis led to a modification of existing CGUs for Spain only, where in the Peninsular Territories the characteristics of the market as well as the planning and management levels of certain plants enabled the full implementation of the strategy of integrating generation and commercial portfolios, leveraging the entire value chain.
The situation differs for assets in the Non-Peninsular Territories, which are subject to specific regulation by virtue of the special features of their market.
Under local regulations, the remuneration of the power generation companies for their operations in these territories must be based on rates governed using parameters established by the regulator.
Therefore, given the difference between local regulations and those applicable on the Iberian Peninsula, where plant assets are managed on a fully commercial basis, it is clear that pursuant to IAS 36, paragraph 72, it was necessary to modify the existing CGU for Spain in 2021. More specifically, two separate CGUs have been identified:

- one comprises mainland Iberia (Iberian Peninsula);
- the other comprises the Non-Peninsular Territories (Iberia NPT), for which the related cash flows are largely independent of those generated in the peninsular area, given the regulation of the related market.

Therefore, at December 31, 2021, the CGUs independently underwent impairment testing and an impairment loss of €1,488 million was recognized for plants in the Non-Peninsular Territories.

The recoverable amount of the goodwill recognized was estimated by calculating the value in use of the CGUs using discounted cash flow models, which involve estimating expected future cash flows and applying an appropriate discount rate, selected on the basis of market inputs such as risk-free rates, betas and market-risk premiums.
Cash flows were determined on the basis of the best information available at the time of the estimate, taking account of the specific risks of each CGU, and drawn:

- for the explicit period, from the Business Plan approved by the Board of Directors of the Parent on November 22, 2021, containing forecasts for volumes, revenue, operating costs, capital expenditure, industrial and commercial organization and developments in the main macroeconomic variables (inflation, nominal interest rates and exchange rates) and commodity prices. The explicit period of cash flows considered in impairment testing was three years;
- for subsequent years, from assumptions concerning long-term developments in the main variables that determine cash flows, the average residual useful life of assets or the duration of the concessions.

More specifically, the terminal value is calculated based on the specific characteristics of the businesses related to the various CGUs subject to impairment testing:

- perpetuity, for the businesses of large-hydro (LH) power generation and of distribution, in which the licenses and public concessions are of a long-term nature and are easily renewable; as well as for the Enel X businesses, as they feature the development of specific know-how that is sustainable over the long term;
- annuity, for CGUs that are predominantly characterized by retail business, for which the residual life is, therefore, essentially correlated with the average duration of the customer relationships; as well as for businesses of conventional thermal power generation (Generation and Trading). This method is also used for the renewable energy (Enel Green Power) businesses to take account of: (i) the value resulting from the remaining useful lives of the plants; and (ii) the residual value, in the event of plant decommissioning, associated with licensing rights, the competitiveness of the production facilities (in terms of natural resources), and network interconnectivity.

The nominal growth rate (g-rate) is equal to the long-term rate of growth in electricity and/or inflation (depending on the country and business involved) and in any case no higher than the average long-term growth rate of the reference market.

The analysis of the impact of climate change on factors relevant to the business is a complex activity that requires the construction of a scenario framework and coherent analysis of the various dimensions involved. More information is available in the section at the end of this note entitled "Analysis of energy transition scenarios and climate change impacts used in the valuation models".

The Group confirmed its strategic direction based on the trends associated with the energy transition. The use of capital has been focused on decarbonization through the development of generation assets that use renewable sources, on the enabling infrastructures linked to the development of networks and on the implementation of platform models, making the most of technological and digital evolution, which will foster the electrification of energy consumption, as well as the development of new services for end users. Specifically, in 2021 Enel's decarbonization roadmap was updated to capture the acceleration in the spread of renewables and the reduction in thermal generation capacity envisaged in the new 2022-2024 Strategic Plan and in the 2030 ambitions presented at the 2021 Capital Markets Day, setting the following objectives in line with the Paris Agreement:

Time horizon		Greenhouse gas (GHG) reduction target
Short term	2024	• Direct emissions of Scope 1 greenhouse gases to 140 gCO_{2eq}/kWh (-36% compared with 2021)
Medium term	2030	• Direct emissions of Scope 1 greenhouse gases to 82 gCO_{2eq}/kWh (-80% compared with 2017, consistent with the 1.5 °C path as certified by the SBTi) • 55% reduction in indirect Scope 3 emissions associated with gas consumption by end users compared with 2017
Long term	2040	• Full decarbonization of energy mix

Note also that the Group took account of the impacts of climate change in the long term. More specifically:

- we consider a long-term growth rate in the estimation of the terminal value that is in line with the change in electricity demand over the 2022-2050 period, based on the specific features of the businesses concerned, adopting certain assumptions concerning the increase in temperature due to climate change and trends connected with the energy transition;
- we assume that the Group will incur the costs provisioned for decommissioning of fossil fuel generation plants in line with the goal of zero direct (Scope 1) and indirect emissions from retail activities (Scope 3);
- we perform a sensitivity analysis of the estimation of the long-term growth rate, as detailed below.

The value in use calculated as described above was found to be greater than the amount recognized on the statement of financial position for all CGUs, with the exception indicated below.

In order to verify the robustness of the value in use of the CGUs, sensitivity analyses were conducted for the main value drivers, in particular WACC, the long-term growth rate and margins, the outcomes of which fully supported that value.

The table below reports the composition of the main goodwill values for the companies within each CGU, along with the discount rates applied and the time horizon over which the expected cash flows have been discounted.

Millions of euro	Amount of goodwill	Growth rate[1]	Pre-tax WACC discount rate[2]	Explicit period of cash flows	Terminal value[3]	Amount of goodwill	Growth rate[1]	Pre-tax WACC discount rate[2]	Explicit period of cash flows	Terminal value[3]
	at Dec. 31, 2021					at Dec. 31, 2020				
Iberian Peninsula	8,785	1.64%	3.93%	3 years	Perpetuity/25 years EGP/14 years G&T	8,785	1.65%	4.06%	3 years	Perpetuity/24 years EGP/11 years G&T
Chile	1,209	2.02%	6.58%	3 years	Perpetuity/25 years EGP/6 years G&T	1,205	1.97%	6.95%	3 years	Perpetuity/25 years EGP/7 years G&T
Argentina	22	24.11%	46.75%	3 years	Perpetuity/8 years G&T	275	11.79%	41.61%	3 years	Perpetuity/1 year G&T/5 years LH
Peru	566	2.31%	6.64%	3 years	Perpetuity/23 years EGP/9 years G&T	564	2.30%	6.73%	3 years	Perpetuity/24 years EGP/10 years G&T
Colombia	527	3.11%	8.82%	3 years	Perpetuity/28 years EGP/16 years G&T	530	3.04%	8.54%	3 years	Perpetuity/28 years EGP/17 years G&T
Brazil	1,303	3.30%	9.09%	3 years	Perpetuity/26 years EGP/7 years G&T	1,273	3.25%	9.35%	3 years	Perpetuity/26 years EGP/8 years G&T
Central America	25	2.03%	7.85%	3 years	19 years	25	1.97%	8.15%	3 years	22 years
Enel Green Power North America	70	2.03%	5.01%	3 years	26 years	70	1.97%	5.49%	3 years	25 years
Enel X North America	199	2.03%	7.62%	3 years	Perpetuity	184	1.97%	8.25%	3 years	Perpetuity
Enel X Asia Pacific	84	2.03%	8.81%	3 years	Perpetuity	84	2.02%	9.07%	3 years	Perpetuity
Enel X Rest of Europe	43	2.03%	8.24%	3 years	Perpetuity	39	2.02%	8.70%	3 years	Perpetuity
Enel Green Power Italy	21	1.52%	4.94%	3 years	Perpetuity/23 years	20	1.38%	5.44%	3 years	Perpetuity/24 years
Market Italy	580	1.48%	9.14%	3 years	15 years	580	1.30%	9.98%	3 years	15 years
Romania	387	2.06%	7.56%	3 years	Perpetuity/25 years	394	2.35%	7.98%	3 years	Perpetuity/26 years
CGUs with no recognized goodwill but that underwent impairment testing given the presence of the indicators provided for in IAS 36										
Iberia NPT (Non-Peninsular Territories)[4]	-	-	3.42%	5 years	5 years	n.a.	n.a.	n.a.	n.a.	n.a.
Australia[5]	-	0.91%	5.50%	3 years	25 years	-	1.35%	4.42%	3 years	26 years
Mexico[6]	-	3.36%	8.77%	3 years	24 years	18	1.43%	8.83%	3 years	25 years

(1) Perpetual growth rate for cash flows after the explicit forecast period.
(2) Pre-tax WACC calculated using the iterative method: the discount rate that ensures that the value in use calculated with pre-tax cash flows is equal to that calculated with post-tax cash flows discounted with the post-tax WACC.
(3) The terminal value has been estimated on the basis of a perpetuity or an annuity with a rising yield for the years indicated in the column (G&T = Generation & Trading, EGP = Enel Green Power, LH = Large Hydro).
(4) With Iberia NPT, it became necessary to perform the test following the deterioration in local market and regulatory conditions.
(5) With regard to Australia, it became necessary to perform the test following the deterioration in macroeconomic conditions.
(6) With regard to Mexico, it became necessary to perform the test following the deterioration in industrial and commercial performance.

At December 31, 2021, in the impairment tests performed on the CGUs with no goodwill recognized, a post-tax impairment loss of €1,116 million was found for the Iberia NPT CGU, one of €113 million for the Mexico CGU and one of €21 million for the Australia CGU.

Analysis of energy transition scenarios and climate change impacts used in the valuation models

Analyzing the impact of climate change on factors relevant to our business is a complex endeavor that requires the construction of a scenario framework and consistent analyses along the various dimensions involved.
In particular, the transition scenarios describe the possible industrial and technological configurations in specific contexts of social, economic and policy evolution, corresponding to different greenhouse gas (GHG) emission trends, while the physical scenarios describe the possible future trends in variables.

In 2021, Enel revised the medium- and long-term energy transition scenarios, within the overall framework ensuring their consistency with the climate scenario, and defined three alternative scenario narratives.

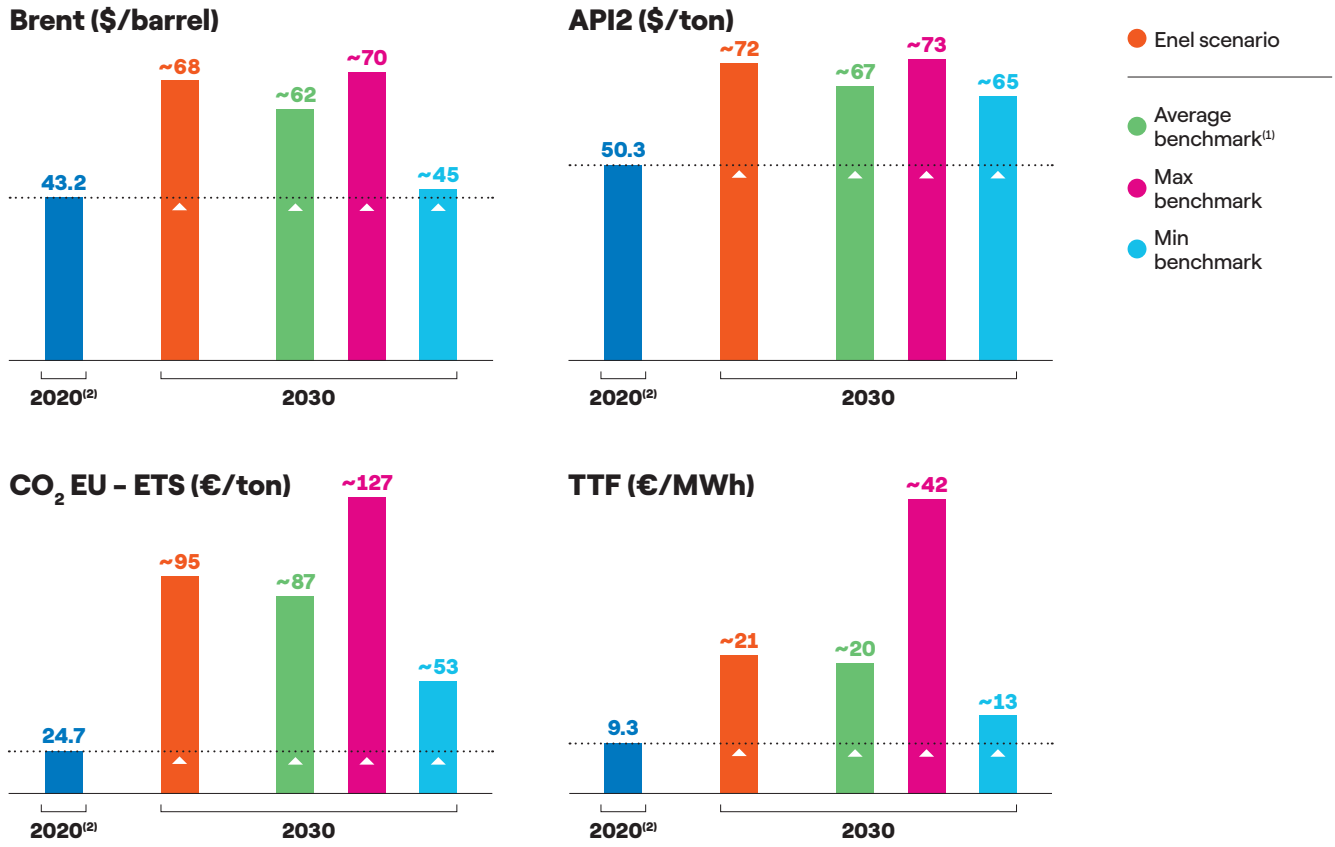
- *Paris* scenario – calls for achieving the objectives of the Paris Agreement, so it is a level of climate ambition that is significantly higher than business as usual. The greater ambition is supported by greater electrification of energy consumption and a growing development of renewables.
- *Slow Transition* scenario – characterized by a slower energy transition that does not achieve the objectives of the Paris Agreement. This scenario involves a slower increase in renewables and in the electrification process that of the Paris scenario, particularly over the short term (i.e., delays in implementation of the energy transition).
- *Best Place* scenario: designed to test assumptions that improve upon the Paris scenario. Here, too, the objectives of the Paris Agreement are achieved, but the scenario considers a wider range of technology options, such as a greater penetration of green hydrogen (i.e., produced using renewable energy) used more widely in hard-to-abate sectors, thereby facilitating the decarbonization process towards net zero emissions.

At Enel, we have selected the *Paris* scenario, which calls for achieving the Paris Agreement objectives, as the benchmark for long-term planning, unlike last year when the benchmark was the stated-policies scenario. We did this on the belief that the world's governments, businesses, organizations, and people will work together effectively to mitigate greenhouse gas emissions. The increased commitment to net zero emissions in 2021 among nations that currently account for 88% of global emissions[25] and the success of COP26 support the decision to select a scenario that achieves the Paris objectives as Enel's long-term benchmark. As for the possibility of assuming achievement of the more challenging Paris Agreement objective, i.e., to stabilize average global temperatures to within +1.5 °C, as a benchmark for long-term planning, there remain evident uncertainties that a number of countries could remain on business-as-usual trajectories, thereby slowing the decarbonization process towards net zero emissions by 2050.
Given this external environment, the Enel Group implements a business model that is in line with the highest ambition of the Paris Agreement and so is consistent with an increase in average global temperatures of 1.5 °C by 2100. Enel has set a long-term objective of reaching zero direct emissions (Scope 1) with fully renewable power generation and zero emissions connected with the retail sale of energy (Scope 3).

The assumptions for trends in commodities prices feeding the *Paris* scenario are consistent with the external scenarios that achieve the objectives of the Paris Agreement. More specifically, we assume sustained growth in the price of CO_2 through 2030, caused by a gradual reduction in the supply of permits as demand increases, as well as stabilization in the price of coal due to declining demand. As for gas, we expect pricing pressures to lessen in the coming years as we see a realignment between global supply and demand. Finally, we are forecasting a gradual stabilization in oil prices, with demand expected to peak by around 2030.

(25) At December 28, 2021.

In the following tables, the values for "Enel scenario" represent the assumptions in the Group's baseline scenario used for various applications, including planning activities and determining impairment.



(1) Sources: IEA, Sustainable Development Scenario and Net Zero Scenario; BNEF; IHS green case scenario, Enerdata green scenario. N.B. The scenarios used as benchmarks have been published at various points throughout the year and may not be up to date with the latest market trends.
(2) Actuals.

The two alternative scenarios, i.e., *Slow Transition* and *Best Place*, are used for strategic stress testing, risk assessment, and the identification of business opportunities.

The Group has selected three of the global climate pathways developed by the Intergovernmental Panel on Climate Change (IPCC):

- SSP1-RCP 2.6: compatible with a range of global warming below 2 °C from pre-industrial levels (1850-1900) by 2100. In the analyses that consider both physical and transition variables, the Group associates this scenario with the *Paris* and *Best Place* scenarios.
- SSP2-RCP 4.5: compatible with an intermediate scenario that calls for an average temperature increase of about 2.7 °C by 2100 from pre-industrial levels. This scenario forecasts global warming in line with the estimates of temperature increases that consider current policy around the world[26]; in the analyses that consider both physical and transition variables, the Group associates the SSP2-RCP 4.5 scenario with the *Slow Transition* scenario.
- SSP5-RCP 8.5: compatible with a scenario where no particular measures to combat climate change are implemented. This scenario forecasts an increase in global temperatures of about +4.4 °C from pre-industrial levels by 2100.

The following describes the overall effects of the transition scenarios and physical scenarios for electricity demand in the main countries in which the Group operates.

(26) Climate Action Tracker Thermometer, estimates of global heating at 2100 considering existing "Policies and action" and "2030 targets only" (November 2021 update).

Italy and Spain

Integrated energy system models enable the quantification of individual demands for service in a country. This level of detail therefore makes it possible to discriminate the specific effects that a change in temperature can have on energy requirements.

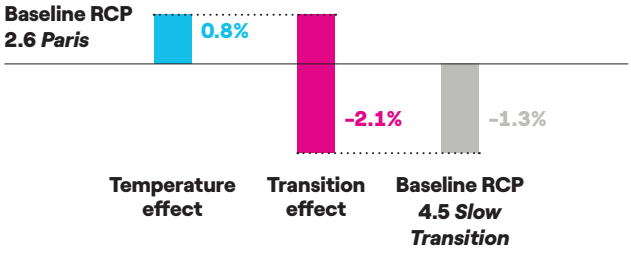
Similarly to the previous year, the speed of the energy transition has had a much greater impact on electricity demand than the increase in temperature as a result of climate change. Decarbonization policies, together with technological innovation, social responsibility, and consequent changes in consumer behavior, will play an active role in trends in electricity demand and in the energy mix generally. However, analysis makes it clear that an increase in temperature as a result of climate change will lead to an increase in electricity demand, even if limited within a range of one percentage point for both Italy and Spain.

Considering the integrated view, the potential effect of more ambitious transition scenarios has a more significant impact on electricity demand than the increase in temperature resulting from climate change.

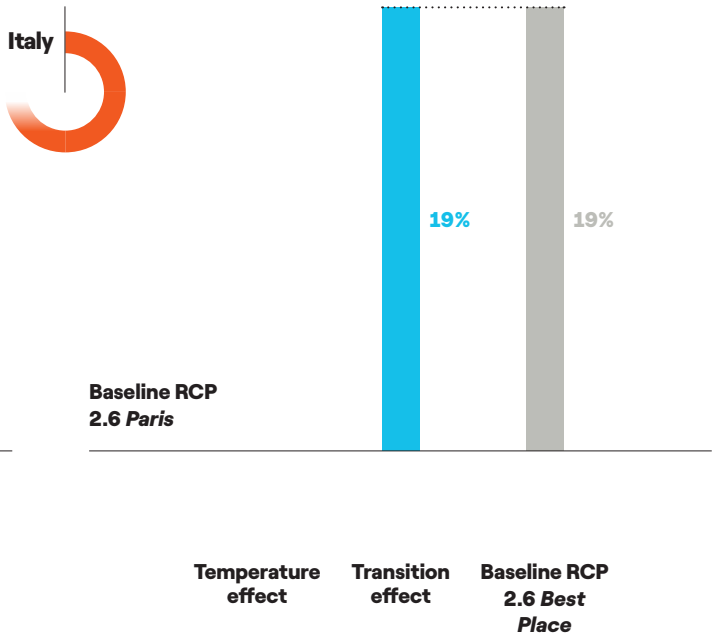
Although the trends in degree days (both HDD and CDD)[27] in the various climate scenarios are similar between the two countries, the percentage differences in electricity demand in Spain for the three scenarios are lower than in Italy. The essential difference concerns the energy system by 2030, for which Spain's existing national energy plan is already very ambitious and in line with RCP 2.6, meaning that the *Slow Transition* scenario is closer to the *Paris* scenario. Therefore, we expect less volatility in energy system trends and in electricity demand over the 2031-2050 period.

Italy - Average impact on electricity demand (2031-2050) of the three transition scenarios paired with RCP 2.6 and 4.5

Paris RCP 2.6 to *Slow Transition* RCP 4.5



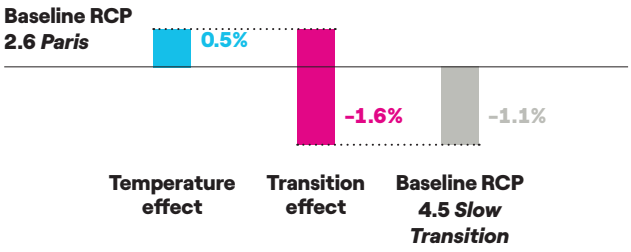
Paris RCP 2.6 to *Best Place* RCP 2.6



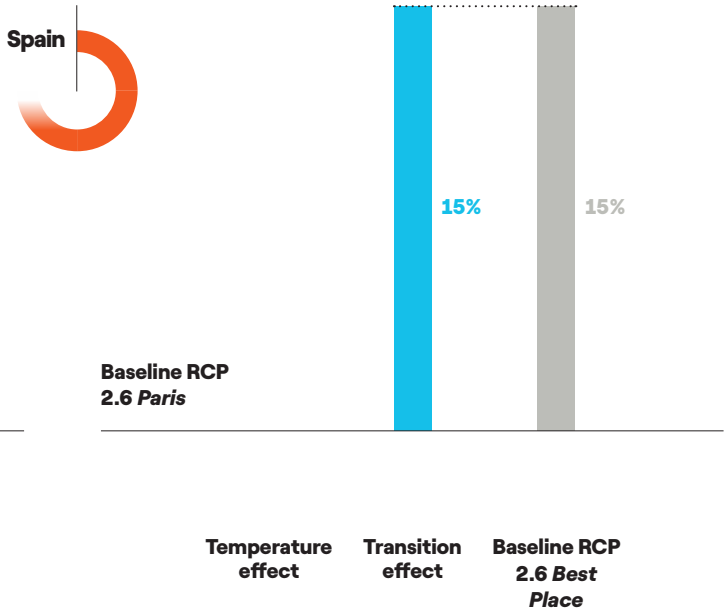
(27) Heating Degree Days (HDD); Cooling Degree Days (CDD).

Spain – Average impact on electricity demand (2031-2050) of the three transition scenarios paired with RCP 2.6 and 4.5

Paris RCP 2.6 to *Slow Transition* RCP 4.5



Paris RCP 2.6 to *Best Place* RCP 2.6



In order to investigate the effect of temperature on transition scenarios further and at the same time expand the range of assumptions regarding climate change, a sensitivity analysis was carried out by associating the *Slow Transition* scenario with RCP 8.5, in addition to RCP 4.5. An assumption of a further temperature increase, without changing the energy transition, results in a more limited change in demand equal to -0.8% for Italy and -0.6% for Spain.

Effect of temperature and transition on electricity demand, average over specified period of temperature and transition contributions for different combinations of transition scenarios and climate pathways

		***Paris* to *Slow Transition* RCP 4.5**			***Paris* to *Slow Transition* RCP 8.5**			***Paris* to *Best Place***		
		Transition effect	Temperature effect from RCP 2.6 to RCP 4.5	Total impact	Transition effect	Temperature effect from RCP 2.6 to RCP 8.5	Total impact	Transition effect	Temperature effect from RCP 2.6 to RCP 2.6	Total impact
Italy	2022-2030	-1.3%	0.0%	-1.3%	-1.3%	0%	-1.3%	2.7%	0.0%	2.7%
	2031-2050	-2.1%	0.8%	-1.3%	-2.1%	1.3%	-0.8%	19.0%	0.0%	19.0%
Spain	2022-2030	-0.9%	0.0%	-0.9%	-0.9%	0.0%	-0.9%	3.1%	0.0%	3.1%
	2031-2050	-1.6%	0.5%	-1.1%	-1.6%	0.9%	-0.6%	15.2%	0.0%	15.2%

As a final consideration, however, note that, in the future, greater than forecast electrification of residential heating could change both the sign and the size of the temperature effect in both countries. It is therefore necessary to monitor developments in the share of electrification of heating during the annual review.

Latin America

In Latin American countries, the impact of temperature trends, quantified through the heating degree days (HDD) and cooling degree days (CDD) metrics, was estimated using econometric forecasting models based on historical elasticity.

The analysis shows that Brazil could experience a significant increase in demand due to the increase in temperature, with an estimated increase of between 0.8% and 1.5% in prospective demand (calculated as the average of the demand forecasts in the 2030-2050 period). The driving factor would be the greater demand for cooling expected in the country. This change is also confirmed using a system modeling approach. However, these forecasts are subject to a significant degree of uncertainty given the volatility of Brazilian economic growth.

Argentina could also experience an increase in demand linked to an increase in temperature, estimated at between 0.3% and 0.6% of prospective demand. Similarly to Brazil, this forecast depends largely on the impact of macroeconomic developments in this country on electricity demand.

The same considerations can also be extended to the other countries in which the Group is present. In particular, in the rest of Latin America, where we again observe the positive elasticity of electricity demand to temperatures, the expected rise in temperature would still have less impact than economic growth. In fact, in Chile and Colombia, historical evidence still shows a strong coupling between the growth of electricity demand and GDP growth, with demand from the industrial sector accounting for around 50% of electricity consumption. Furthermore, the variability of the macroeconomic context could have repercussions on the electrification of the residential and service sectors, which represent the most immediate drivers of the increase in electricity demand in the event of an increase in temperatures.

The following table summarizes the main temperature effects in the Latin American countries, with ranges obtained by applying a 95% confidence interval to our baseline case:

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Upper bound

Country	Temperature effect (annual average)			
	from RCP 2.6 to RCP 4.5		from RCP 2.6 to RCP 8.5	
	TWh	%	TWh	%
Argentina	0.68	0.3	1.37	0.6
Brazil	7.92	0.8	15.83	1.5
Chile	0.05	0.0	0.10	0.1
Colombia	0.08	0.1	0.17	0.1

Lower bound

Country	Temperature effect (annual average)			
	from RCP 2.6 to RCP 4.5		from RCP 2.6 to RCP 8.5	
	TWh	%	TWh	%
Argentina	0.57	0.3	1.15	0.5
Brazil	2.48	0	4.96	0
Chile	0.01	0.0	0.01	0.0
Colombia	0.02	0.0	0.05	0.0

Effect of the variation in temperature on electricity demand in the main Latin American countries in which the Group operates (average 2030-2050).

24. Deferred tax assets and liabilities – €11,034 million and €9,259 million

The following tables detail changes in deferred tax assets and liabilities by type of timing difference and calculated based on the tax rates established by applicable regulations, as well as the amount of deferred tax assets offsettable, where permitted, with deferred tax liabilities.

Millions of euro	at Dec. 31, 2020	Increase/ (Decrease) taken to profit or loss	Increase/ (Decrease) taken to equity	Change in the consolidation scope	Exchange differences	Other changes	Reclassifications of assets held for sale	at Dec. 31, 2021
Deferred tax assets:								
- differences in the carrying amount of property, plant and equipment and intangible assets	2,123	342	-	-	(7)	11	-	2,469
- accruals to provisions for risks and charges and impairment losses with deferred deductibility	1,725	340	1	-	(4)	(27)	-	2,035
- tax loss carried forward	508	249	-	-	10	18	-	785
- measurement of financial instruments	561	53	1,622	-	5	7	-	2,248
- employee benefits	898	(16)	(9)	-	2	(4)	-	871
- other items	2,763	(133)	(6)	-	13	(8)	(3)	2,626
Total	**8,578**	**835**	**1,608**	**-**	**19**	**(3)**	**(3)**	**11,034**
Deferred tax liabilities:								
- differences on non-current and financial assets	5,442	141	3	-	(83)	54	(19)	5,538
- measurement of financial instruments	470	(107)	1,150	-	7	7	-	1,527
- other items	1,885	275	10	10	19	4	(9)	2,194
Total	**7,797**	**309**	**1,163**	**10**	**(57)**	**65**	**(28)**	**9,259**

Non-offsettable deferred tax assets	**6,346**
Non-offsettable deferred tax liabilities	**4,230**
Excess net deferred tax liabilities after any offsetting	**341**

"Deferred tax assets" recognized at December 31, 2021, as the recovery of such assets is considered reasonably certain, totaled €11,034 million (€8,578 million at December 31, 2020).

Deferred tax assets increased by €2,456 million during the year, essentially due to the recognition of greater deferred tax assets associated with the following factors:

- impairment losses, mainly in Italy and Spain;
- developments in the fair value of cash flow hedge derivatives;
- provisions for retirement, renovation and digitalization, mainly in Italy.

Noted that deferred tax assets (in the amount of €187 million) were not recorded on prior and current-year tax losses in the amount of €754 million because, on the basis of current estimates of future taxable income, it is not highly likely that such assets will be recovered.

"Deferred tax liabilities" amounted to €9,259 million at December 31, 2021 (€7,797 million at December 31, 2020). They essentially include the determination of the tax effects of the adjustments to assets acquired as part of the final allocation of the cost of acquisitions made in the various years and the deferred taxation in respect of the differences between depreciation charged for tax purposes, including accelerated depreciation, and depreciation based on the estimated useful lives of assets.

Deferred tax liabilities increased by a total of €1,462 mil-

lion due, in particular, to:

- developments in the fair value of cash flow hedge derivatives;
- tax reforms in Argentina and Colombia.

These effects were partially offset by the reversals of deferred taxes following the depreciation, amortization and impairment of the amounts allocated in the past to property, plant and equipment and intangible assets at the time of the acquisition of control as a result of purchase price allocation.

25. Equity-accounted investments – €704 million

The following table shows changes in the main investments in joint ventures and associates accounted for using the equity method.

Millions of euro		% held	Impact on profit or loss	Change in consolidation scope	Dividends	Reclassifications from/to assets held for sale	Other changes		% held
	at Dec. 31, 2020							at Dec. 31, 2021	
Joint ventures									
Slovak Power Holding	104	50.0%	523	–	–	–	(627)	–	50.0%
EGPNA Renewable Energy Partners	115	20.0%	8	–	–	–	(2)	121	20.0%
Zacapa Topco Sàrl	115	20.6%	(1)	–	–	(2)	2	114	20.6%
Project Kino companies	40	20.0%	(19)	–	–	–	–	21	20.0%
Tejo Energia Produção e Distribuição de Energia Eléctrica	46	43.8%	(17)	–	(16)	–	(1)	12	43.8%
Rocky Caney Holding	45	20.0%	5	–	–	–	–	50	20.0%
Drift Sand Wind Project	35	50.0%	3	–	–	–	2	40	50.0%
Front Marítim del Besòs	33	61.4%	–	–	–	–	–	33	61.4%
Enel Green Power Bungala	31	51.0%	–	(31)	–	–	–	–	100.0%
Rusenergosbyt	46	49.5%	44	–	(42)	–	3	51	49.5%
Energie Electrique de Tahaddart	22	32.0%	1	–	(2)	–	(3)	18	32.0%
Transmisora Eléctrica de Quillota	9	50.0%	–	–	(6)	–	(3)	–	–
PowerCrop	2	50.0%	4	–	(2)	(1)	(3)	–	50.0%
Associates									
CESI	60	42.7%	–	–	–	–	(1)	59	42.7%
Tecnatom	28	45.0%	(2)	–	–	–	1	27	45.0%
Suministradora Eléctrica de Cádiz	12	33.5%	3	–	(5)	–	–	10	33.5%
Compañía Eólica Tierras Altas	8	37.5%	1	–	(1)	–	–	8	37.5%
Cogenio Srl	12	20.0%	2	–	(1)	–	(1)	12	20.0%
Other	98		16	4	(16)	(1)	27	128	
Total	**861**		**571**	**(27)**	**(91)**	**(4)**	**(606)**	**704**	

The investment in Slovak Power Holding is accounted for using the equity method. Under the provisions of specific agreements, its carrying amount can be adjusted to a lower amount resulting from the application of a price formula that governs the possible sale of the investment itself and which is subject to multiple conditions to be assessed based on different scenarios' probability of occurrence. At December 31, 2020, the fair value calculated using that price formula (€104 million) was lower than the amount obtained using the equity method. In 2021, due to the recognition of a significant reduction in the OCI reserves relating to hedging derivatives (€687 million) and the recognition through profit or loss of the profit or loss (€555 million) for the period and previous years not previously recognized (due to the adjustments to the lower fair value), the carrying amount of the investment was reduced to zero. In addition, a provision for impairment losses on investments of €28 million was established.

Apart from these developments, the change in equity-accounted investments is mainly attributable to:

- dividends distributed in the period in the amount of €91 million, mainly by Rusenergosbyt and Tejo Energia Produção e Distribuição de Energia Eléctrica;

- the effects of changes in the consolidation scope, mainly relating to the consolidation of companies belonging to the Enel Green Power Bungala Group, previously measured using the equity method (€31 million).

These negative effects were offset by the "Impact on profit or loss" item, which includes the profit or loss recognized by the companies in proportion to the share held in these companies by the Enel Group. It is mainly accounted for by the profit contributed by Rusenergosbyt (€44 million). The following tables provide a summary of financial information for the main joint ventures and associates of the Group not classified as held for sale in accordance with IFRS 5.

Millions of euro	Non-current assets		Current assets		Total assets	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Joint ventures						
Slovak Power Holding	12,194	10,813	1,854	676	14,048	11,489
Zacapa Topco Sàrl	1,393	1,253	176	117	1,569	1,370
Rusenergosbyt	3	2	141	120	144	122
Tejo Energia Produção e Distribuição de Energia Eléctrica	34	82	107	128	141	210
Energie Electrique de Tahaddart	49	62	22	18	71	80
Associates						
CESI	198	202	28	25	226	227
Tecnatom	61	60	58	58	119	118
Suministradora Eléctrica de Cádiz	64	67	36	32	100	99
Compañía Eólica Tierras Altas	19	21	6	3	25	24

Millions of euro	Total revenue		Pre-tax profit/(loss)		Profit/(Loss) from continuing operations	
	2021	2020	2021	2020	2021	2020
Joint ventures						
Slovak Power Holding	3,417	2,954	190	163	137	120
Zacapa Topco Sàrl	267	221	15	7	(4)	(3)
Rusenergosbyt	2,288	2,198	112	112	90	90
Tejo Energia Produção e Distribuição de Energia Eléctrica	126	114	(7)	17	(16)	8
Energie Electrique de Tahaddart	36	33	7	5	4	3
Associates						
CESI	140	122	(7)	(14)	(8)	(16)
Tecnatom	97	78	7	(5)	7	(5)
Suministradora Eléctrica de Cádiz	14	25	10	21	8	14
Compañía Eólica Tierras Altas	13	8	4	-	3	-

Non-current liabilities		Current liabilities		Total liabilities		Equity	
at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
6,762	6,922	5,369	802	12,131	7,724	1,917	3,765
871	729	143	90	1,014	819	555	551
-	-	120	106	120	106	24	16
25	21	14	33	39	54	102	156
4	5	10	6	14	11	57	69
25	17	-	-	25	17	201	210
24	23	26	33	50	56	69	62
23	18	48	45	71	63	29	36
2	2	3	2	5	4	20	20

26. Derivatives

Millions of euro	Non-current		Current	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Derivative financial assets	2,772	1,236	22,791	3,471
Derivative financial liabilities	3,339	3,606	24,607	3,531

For more information on derivatives classified as non-current financial assets, please see note 49 for hedging derivatives and trading derivatives.

27. Current/Non-current contract assets/(liabilities)

Millions of euro	Non-current		Current	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Contract assets	530	304	121	176
Contract liabilities	6,214	6,191	1,433	1,275

Non-current assets deriving from contracts with customers (contract assets) refer mainly to assets under development resulting from public-to-private service concession arrangements recognized in accordance with IFRIC 12 and which have an expiration of beyond 12 months (€517 million). These cases arise when the concession holder has not yet obtained full right to recognize the asset from the grantor, in that there remains a contractual obligation to ensure that the asset is completed and can be remunerated through rates. The figure at December 31, 2021 includes investments for the year in the amount of €907 million.
Current contract assets mainly concern construction contracts in progress (€98 million) to be invoiced, payments on which are subject to the fulfillment of a performance obligation.

The carrying amount at December 31, 2021 of non-current contract liabilities is mainly attributable to distribution operations in Italy (€3,252 million), Spain (€2,521 million) and Romania (€438 million) as a result of the accounting treatment of revenue from connections of new customers, which are deferred over the average duration of the associated contracts.
Current contract liabilities include the contractual liabilities related to revenue from connections to the electricity grid expiring within 12 months in the amount of €1,016 million, mainly recognized in Italy and Spain, as well as liabilities for construction contracts in progress (€392 million).

As required under IFRS 15, the following table reports the reversal to profit or loss of contract liabilities by time band.

Millions of euro		
	at Dec. 31, 2021	at Dec. 31, 2020
Within 1 year	1,433	1, 275
Within 2 years	498	481
Within 3 years	480	461
Within 4 years	479	460
Within 5 years	477	459
More than 5 years	4,280	4,330
Total	**7,647**	**7,466**

28. Other non-current financial assets – €5,704 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Equity investments in other companies measured at fair value	72	70	2	2.9%
Financial assets and securities included in net financial debt (see note 28.1)	2,692	2,745	(53)	-1.9%
Service concession arrangements	2,890	2,300	590	25.7%
Non-current financial prepayments	50	44	6	13.6%
Total	**5,704**	**5,159**	**545**	**10.6%**

"Other non-current financial assets" increased by €545 million, mainly reflecting the increase in financial assets in respect of service concession arrangements in Brazil and Costa Rica. This factor was partially offset by a decline in financial assets included in net financial debt, as detailed in note 28.1.

The following is a breakdown of equity investments in other companies measured at fair value.

Millions of euro	at Dec. 31, 2021	% held	at Dec. 31, 2020	% held	Change
Empresa Propietaria de la Red SA	5	11.1%	5	11.1%	-
European Energy Exchange	13	2.4%	13	2.4%	-
Athonet Srl	7	16.0%	7	16.0%	-
Korea Line Corporation	1	0.3%	1	0.3%	-
Hubject GmbH	10	12.5%	10	12.5%	-
Termoeléctrica José de San Martín SA	11	4.2%	10	3.3%	1
Termoeléctrica Manuel Belgrano SA	12	4.7%	11	3.7%	1
Other	13		13		-
Total	**72**		**70**		**2**

28.1 Other non-current financial assets included in net financial debt – €2,692 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Securities	403	408	(5)	-1.2%
Other financial assets	2,289	2,337	(48)	-2.1%
Total	**2,692**	**2,745**	**(53)**	**-1.9%**

"Securities" are primarily represented by financial instruments measured at fair value through other comprehensive income in which the Dutch insurance companies invest a portion of their liquidity.

The reduction in "Other financial assets" is mainly attributable to:

- a decline of €271 million in the financial assets of Enel SpA, essentially associated with the disposal of the investment in Open Fiber;
- the reclassification of €90 million of the current portion of the financial assets of e-distribuzione in respect of the Energy and Environmental Services Fund (€55 million) and the amount receivable in respect of the reimbursement of the extraordinary costs incurred by distributors for the early replacement of electromechanical meters with electronic devices (€35 million).

These factors were partially offset by:

- an increase of €198 million the financial assets of Enel Finance International, mainly regarding the Slovak Power Holding BV loan;
- an increase of €42 million in financial assets for deposits;
- an impairment loss of €25 million on the amount due to Enel Produzione from EP Slovakia BV associated with the sale of 50% of the investment in Slovak Power Holding.

29. Other current financial assets – €8,645 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Current financial assets included in net financial debt (see note 29.1)	8,467	4,971	3,496	70.3%
Other	178	142	36	25.4%
Total	**8,645**	**5,113**	**3,532**	**69.1%**

"Other current financial assets" increased by €3,532 million, mainly reflecting the increase in current financial assets included in net financial debt, as detailed in note 29.1, as well as the increase in the current portion of financial assets in respect of service concession arrangements.

29.1 Other current financial assets included in net financial debt – €8,467 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Current portion of long-term financial assets	1,538	1,428	110	7.7%
Securities at FVTPL	1	-	1	-
Securities at FVOCI	87	67	20	29.9%
Financial assets and cash collateral	6,485	3,223	3,262	-
Other	356	253	103	40.7%
Total	**8,467**	**4,971**	**3,496**	**70.3%**

The increase in the item is mainly attributable to:

- €3,262 million in respect of an increase in cash collateral paid to counterparties for derivatives transactions;
- €110 million in respect of the increase in the current portion of long-term financial assets, which essentially reflects:
  - the increase in financial assets relating to the deficit of the Spanish electricity system (€47 million);
  - an increase in financial assets for security deposits (€61 million).

30. Other non-current assets – €3,268 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Amounts due from institutional market operators	242	186	56	30.1%
Other assets	3,026	2,308	718	31.1%
Total	**3,268**	**2,494**	**774**	**31.0%**

"Amounts due from institutional market operators" increased by €56 million, mainly in Spain as a result of the remuneration of distribution operations.

"Other assets" at December 31, 2021 included tax assets in the amount of €2,286 million (€1,539 million at December 31, 2020), security deposits in the amount of €340 million (€330 million at the end of 2020) and non-monetary grants to be received in respect of green certificates amounting to €56 million (€73 million at December 31, 2020).
The change for the year mainly reflected the tax assets recognized by distribution companies connected with the PIS/COFINS dispute in Brazil in the amount of €596 million.

31. Other current assets – €5,002 million

IBS CF

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Amounts due from institutional market operators	2,205	1,265	940	74.3%
Advances to suppliers	326	309	17	5.5%
Amounts due from employees	29	30	(1)	-3.3%
Amounts due from others	1,071	956	115	12.0%
Sundry tax assets	1,164	848	316	37.3%
Current accrued income and prepayments	207	170	37	21.8%
Total	**5,002**	**3,578**	**1,424**	**39.8%**

"Amounts due from institutional market operators" include amounts due in respect of the Italian system in the amount of €1,519 million (€890 million at December 31, 2020) and the Spanish system in the amount of €667 million (€337 million at December 31, 2020). The increase was essentially attributable to the increase in amounts receivable in Italy in respect of the Energy and Environmental Services Fund, mainly held by e-distribuzione (€346 million) and Servizio Elettrico Nazionale (€1,046 million), primarily connected with equalization mechanisms.

The increase of €316 million in sundry tax assets is mainly attributable to an increase in credits for indirect taxes and duties in Spain (€169 million) and Latin America (€194 million), partially offset by a decline in such items in Italy (€42 million).

"Amounts due from others" increased, mainly due to an increase in receivables for settled derivatives transactions in commodities (€303 million), primarily registered in Italy and Spain, partially offset by a decrease in assets in respect of security deposits and an increase in loss allowances.

32. Inventories – €3,109 million

IBS CF

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Raw and ancillary materials, and consumables:				
- fuels	1,023	595	428	71.9%
- materials, equipment and other inventories	1,793	1,542	251	16.3%
Total	**2,816**	**2,137**	**679**	**31.8%**
Environmental certificates:				
- CO_2 emissions allowances	139	159	(20)	-12.6%
- green certificates	3	5	(2)	-40.0%
- white certificates	16	7	9	-
Total	**158**	**171**	**(13)**	**-7.6%**
Buildings held for sale	49	52	(3)	-5.8%
Payments on account	86	41	45	-
TOTAL	**3,109**	**2,401**	**708**	**29.5%**

"Raw and ancillary materials, and consumables" consist of materials and equipment used to operate, maintain, and construct power plants and distribution networks, as well as fuel inventories to cover the Group's requirements for generation and trading activities.

The overall increase in inventories in 2021 (€708 million) is mainly attributable to an increase in inventories of fuel and materials, devices and other inventories recorded above all in Italy (€358 million), Spain (€195 million) and Latin America (€89 million), notably gas inventories to meet the needs of the Group, and an increase in stocks of low- and medium-voltage materials.

33. Trade receivables – €16,076 million

Millions of euro

	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Customers:				
- electricity sales and transport	10,111	7,986	2,125	26.6%
- distribution and sale of gas	2,658	900	1,758	-
- other assets	3,158	2,945	213	7.2%
Total trade receivables due from customers	**15,927**	**11,831**	**4,096**	**34.6%**
Trade receivables due from associates and joint ventures	149	215	(66)	-30.7%
TOTAL	**16,076**	**12,046**	**4,030**	**33.5%**

Trade receivables due from customers are recognized net of loss allowances, which totaled €3,663 million at the end of the year, compared with a balance of €3,287 million at the end of the previous year.
Specifically, the increase in 2021, totaling €4,030 million, mainly recognized in Italy (€1,495 million), Spain (€1,625 million) and Latin America (€728 million), was attributable to an increase in trade receivables for the sale and transport of electricity and gas, partially offset by an increase in net loss allowances.
For more information on trade receivables, see note 46 "Financial instruments by category".

34. Cash and cash equivalents – €8,858 million

Cash and cash equivalents, detailed in the following table, increased by €2,952 million as a result of an increase in cash collateral paid by counterparties in derivatives transactions, partially offset by the decrease, especially for the Parent, attributable to cash outflows linked to the acquisition of additional equity interests in subsidiaries in Latin America.

Millions of euro

	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Bank and postal deposits	8,118	5,699	2,419	42.4%
Cash and cash equivalents on hand	8	42	(34)	-81.0%
Other investments of liquidity	732	165	567	-
Total	**8,858**	**5,906**	**2,952**	**50.0%**

35. Assets classified as held for sale and liabilities included in disposal groups classified as held for sale – €1,242 million and €962 million

Changes in assets classified as held for sale during 2021 break down as follows:

Millions of euro

	at Dec. 31, 2020	Reclassification from/to current and non-current assets	Disposals and changes in the consolidation scope	Investments	Other changes	at Dec. 31, 2021
Property, plant and equipment	781	3	(42)	111	46	899
Intangible assets	58	88	(2)	-	-	144
Goodwill	-	1	-	-	-	1
Deferred tax assets	18	3	-	-	(5)	16
Equity-accounted investments	489	4	(614)	-	125	4
Non-current financial assets	11	30	-	-	(1)	40
Cash and cash equivalents	29	13	(1)	-	3	44
Inventories, trade receivables and other current assets	30	45	(4)	-	23	94
Total	**1,416**	**187**	**(663)**	**111**	**191**	**1,242**

Changes in liabilities included in disposal groups held for sale in 2021 break down as follows:

Millions of euro

	at Dec. 31, 2020	Reclassification from/to current and non-current liabilities	Disposals and change in consolidation scope	Other changes	at Dec. 31, 2021
Long-term borrowings	687	-	-	95	782
Provisions for risks and charges, non-current portion	2	6	(1)	3	10
Deferred tax liabilities	17	28	(1)	2	46
Non-current financial liabilities	57	-	-	(17)	40
Other non-current liabilities	-	5	-	-	5
Short-term borrowings	-	2	-	-	2
Other current financial liabilities	12	-	-	(6)	6
Trade payables and other current liabilities	33	54	(1)	(15)	71
Total	**808**	**95**	**(3)**	**62**	**962**

Assets classified as held for sale and liabilities included in disposal groups classified as held for sale at December 31, 2021 amounted to €1,242 million and €962 million, respectively, and mainly refer to a number of renewables companies held for sale in Africa and certain Enel X companies in Italy, which, following decisions by management, meet the requirements of IFRS 5 for classification within this aggregate.

A number of companies previously classified as available for sale were sold in 2021, in particular the investment held by Enel SpA in Open Fiber, the Enel Green Power companies in Bulgaria and the solar plant owned by the Panamanian company Llano Sanchez Solar Power One SA.

At December 31, 2020, the aggregate included the Enel Produzione business unit formed of the "Ettore Majorana" site at Termini Imerese (€4 million), which at December 31, 2021 was again classified under "Property, plant and equipment" as the preliminary sales contract was terminated.

36. Equity – €42,342 million

36.1 Equity attributable to owners of the Parent – €29,653 million

Millions of euro

	at Dec. 31, 2021	at Dec. 31, 2020	Change
Share capital	**10,167**	**10,167**	**-**
Treasury share reserve	**(36)**	**(3)**	**(33)**
Other reserves	**1,721**	**(39)**	**1,760**
Share premium reserve	7,496	7,476	20
Reserve for equity instruments - perpetual hybrid bonds	5,567	2,386	3,181
Legal reserve	2,034	2,034	-
Other reserves	2,313	2,268	45
Translation reserve	(8,125)	(7,046)	(1,079)
Hedging reserve	(2,268)	(1,917)	(351)
Hedging costs reserve	(39)	(242)	203
Reserve from measurement of financial instruments at FVOCI	10	(1)	11
Reserve from equity-accounted investments	(721)	(128)	(593)
Actuarial reserve	(1,325)	(1,196)	(129)
Reserve from disposal of equity interests without loss of control	(2,378)	(2,381)	3
Reserve from acquisitions of non-controlling interests	(843)	(1,292)	449
Retained earnings	**17,801**	**18,200**	**(399)**
Equity attributable to owners of the Parent	**29,653**	**28,325**	**1,328**

Share capital – €10,167 million

At December 31, 2021, the fully subscribed and paid-up share capital of Enel SpA totaled €10,166,679,946, represented by the same number of ordinary shares with a par value of €1.00 each. Enel SpA's share capital was unchanged compared with the amount reported at December 31, 2020.

At December 31, 2021, based on the shareholders register and the notices submitted to CONSOB and received by the Parent pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information, shareholders with interests of greater than 3% in the Parent's share capital were the Ministry for the Economy and Finance (with a 23.585% stake), BlackRock Inc. (with a 5.000% stake held for asset management purposes) and Capital Research and Management Company (with a 5.000% stake held for asset management purposes).

Treasury share reserve – €(36) million

At December 31, 2021, treasury shares are represented by 4,889,152 ordinary shares of Enel SpA with a par value of €1.00 each (3,269,152 at December 31, 2020), purchased through an authorized intermediary for a total of €36 million. The difference between the amount paid and the par value is recognized as a reduction in equity in the share premium reserve.

Other reserves – €1,721 million

Share premium reserve – €7,496 million

Pursuant to Article 2431 of the Italian Civil Code, the share premium reserve contains, in the case of the issue of shares at a price above par, the difference between the issue price of the shares and their par value, including those resulting from conversion from bonds. The reserve, which is a capital reserve, may not be distributed until the legal reserve has reached the threshold established under Article 2430 of the Italian Civil Code.

Reserve for equity instruments - perpetual hybrid bonds – €5,567 million

This reserve reports the nominal value, net of transaction costs, of the non-convertible subordinated perpetual hybrid bonds denominated in euros for international investors.

The change during the year reflected the subscription of new non-convertible subordinated perpetual hybrid bonds in an amount, net of transaction costs, of €2,214 million and the conversion of bonds already in issue and converted into perpetual hybrid bonds in the amount, net of transaction costs, of €967 million.

In 2021, the Group paid €71 million in coupons to holders of perpetual hybrid bonds.

Legal reserve – €2,034 million

The legal reserve is formed of the part of profits that, pursuant to Article 2430 of the Italian Civil Code, cannot be distributed as dividends.

Other reserves – €2,313 million

These include €2,215 million related to the remaining portion of the adjustments carried out when Enel was transformed from a public entity to a joint-stock company.

Pursuant to Article 47 of the Consolidated Income Tax Code (Testo Unico Imposte sul Reddito, or "TUIR"), this amount does not constitute taxable income when distributed.

Translation reserve – €(8,125) million

The decrease for the year, of €1,079 million, was mainly due to the change in the consolidation scope connected with the purchase of 17.3% of Enel Américas, partially offset by the net depreciation of the functional currencies used by the foreign subsidiaries against the Group presentation currency (the euro).

Hedging reserve – €(2,268) million

This includes the net loss recognized in equity from the measurement of cash flow hedge derivatives.

Hedging costs reserve – €(39) million

In application of IFRS 9, this reserve includes the fair value gains and losses on currency basis points and forward points.

Reserve from measurement of financial instruments at FVOCI – €10 million

This includes net unrealized fair value losses on financial assets.

Reserve from equity-accounted investments – €(721) million

The reserve reports the share of comprehensive income to be recognized directly in equity of equity-accounted investees. The change in 2021 is mainly attributable to the change in the hedging reserve of Slovak Power Holding following the sharp rise in commodity prices.

Actuarial reserve – €(1,325) million

This reserve includes actuarial gains and losses in respect of employee benefit liabilities, net of tax effects.

Reserve from disposal of equity interests without loss of control – €(2,378) million

This item mainly reports:

- the gain posted on the public offering of Enel Green Power shares, net of expenses associated with the disposal and the related taxation;
- the sale of non-controlling interests recognized as a result of the Enersis (now Enel Américas and Enel Chile) capital increase;
- the capital loss, net of expenses associated with the disposal and the related taxation, from the public offering of 21.92% of Endesa;
- the disposal to third parties of the non-controlling interest in Enel Green Power North America Renewable Energy Partners;
- the effects of the merger into Enel Américas of Endesa Américas and Chilectra Américas;
- the disposal to third parties of a non-controlling interest without loss of control in a number of companies in South Africa.

The change in the reserve in 2021 is associated with the sale of additional interests in a number of companies in South Africa.

Reserve from acquisitions of non-controlling interests – €(843) million

This reserve mainly includes the surplus of acquisition prices with respect to the carrying amount of the equity acquired following the acquisition from third parties of further interests in companies already controlled in Latin America.

The change for the year (€449 million) mainly reflects the effects of the increase of 17.3% in the interest held in Enel Américas following the completion of the voluntary partial tender offer and the completion of the merger of EGP Américas into Enel Américas. Following these transactions, Enel owns approximately 82.3% of the outstanding share capital of Enel Américas.

Retained earnings – €17,801 million

This reserve reports earnings from previous years that have not been distributed or allocated to other reserves.

The table below shows the changes in gains and losses recognized directly in other comprehensive income, including non-controlling interests, with specific reporting of the related tax effects.

Millions of euro

	at Dec. 31, 2020			Change						at Dec. 31, 2021		
	Total	*Of which owners of the Parent*	*Of which non-controlling interests*	Gains/ (Losses) recognized in equity during the year	Released to profit or loss	Taxes	Total	*Of which owners of the Parent*	*Of which non-controlling interests*	Total	*Of which owners of the Parent*	*Of which non-controlling interests*
Translation reserve	**(11,700)**	*(6,458)*	*(5,242)*	(90)	-	-	**(90)**	*155*	*(245)*	**(11,790)**	*(6,303)*	*(5,487)*
Hedging reserve	**(2,236)**	*(1,921)*	*(315)*	506	(1,805)	574	**(725)**	*(359)*	*(366)*	**(2,961)**	*(2,280)*	*(681)*
Hedging costs reserve	**(244)**	*(242)*	*(2)*	208	(7)	(6)	**195**	*203*	*(8)*	**(49)**	*(39)*	*(10)*
Reserve from measurement of financial instruments at FVOCI	**-**	*1*	*(1)*	11	-	-	**11**	*11*	-	**11**	*12*	*(1)*
Share of OCI of equity-accounted associates	**(175)**	*(177)*	*2*	(642)	-	(3)	**(645)**	*(648)*	*3*	**(820)**	*(825)*	*5*
Reserve from measurement of equity investments in other companies	**(32)**	*(32)*	-	-	-	-	**-**	-	-	**(32)**	*(32)*	-
Actuarial reserve	**(1,828)**	*(1,276)*	*(552)*	40	-	(10)	**30**	*11*	*19*	**(1,798)**	*(1,265)*	*(533)*
Total gains/(losses) recognized in equity	**(16,215)**	***(10,105)***	***(6,110)***	**33**	**(1,812)**	**555**	**(1,224)**	***(627)***	***(597)***	**(17,439)**	***(10,732)***	***(6,707)***

36.2 Dividends

	Amount distributed (millions of euro)	Dividend per share (euro)
Dividends distributed in 2020		
Dividends for 2019	3,334	0.328
Interim dividends for 2020[1]	-	-
Special dividends	-	-
Total dividends distributed in 2020	**3,334**	**0.328**
Dividends distributed in 2021		
Dividends for 2020	3,638	0.358
Interim dividends for 2021[2]	-	-
Special dividends	-	-
Total dividends distributed in 2021	**3,638**	**0.358**

(1) Approved by the Board of Directors on November 5, 2020, and paid as from January 20, 2021 (interim dividend of €0.175 per share for a total of €1,779 million).
(2) Approved by the Board of Directors on November 4, 2021, and paid as from January 26, 2022 (interim dividend of €0.19 per share for a total of €1,932 million).

The dividend for 2021 is equal to €0.38 per share, for a total of €3,863 million (of which €0.19 per share, for a total of €1,932 million, already paid as an interim dividend as from January 26, 2022). It will be proposed to the Shareholders' Meeting of May 19, 2022 at single call.

These consolidated financial statements do not take account of the effects of the distribution to shareholders of the dividend for 2021, except for the liability in respect of shareholders for the interim dividend for 2021, which was approved by the Board of Directors on November 4, 2021 for a potential maximum of €1,932 million, and paid as from January 26, 2022 net of the portion pertaining to the 4,889,152 treasury shares held as at the record date of January 25, 2021.

In 2021, the Group also paid €71 million to holders of perpetual hybrid bonds.

Capital management

The Group's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Group. In particular, the Group seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

In this context, the Group manages its capital structure and adjusts that structure when changes in economic conditions so require. There were no substantive changes in objectives, policies or processes in 2021.

To this end, the Group constantly monitors developments in the level of its debt in relation to equity. The situation at December 31, 2021 and 2020 is summarized in the following table.

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change
Non-current financial debt	54,620	49,519	5,101
Net current financial position	24	(1,359)	1,383
Non-current financial assets and long-term securities	(2,692)	(2,745)	53
Net financial debt	**51,952**	**45,415**	**6,537**
Equity attributable to owners of the Parent	29,653	28,325	1,328
Non-controlling interests	12,689	14,032	(1,343)
Equity	**42,342**	**42,357**	**(15)**
Debt/equity ratio	**1.23**	**1.07**	**0.16**

The increase in the debt/equity ratio, which measures financial leverage, is essentially attributable to the increase in net financial debt, mainly reflecting the funding requirements of investments in the year, the payment of dividends and extraordinary transactions in non-controlling interests connected with the acquisition of additional interests in Enel Américas.

See note 45 for a breakdown of the individual items in the table.

36.3 Non-controlling interests – €12,689 million

The following table presents the composition of non-controlling interests by geographical segment.

Millions of euro	Non-controlling interests		Profit/(Loss) for the year attributable to non-controlling interests	
	at Dec. 31, 2021	at Dec. 31, 2020	2021	2020
Italy	1	2	-	-
Iberia	5,238	5,869	193	468
Latin America	6,511	7,206	467	477
Europe	635	638	5	55
North America	151	160	6	6
Africa, Asia and Oceania	153	157	(3)	6
Total	**12,689**	**14,032**	**668**	**1,012**

The decrease in the portion attributable to non-controlling interests mainly reflects dividends and the increase in the percentage holding in Enel Américas.

The financial disclosure requirements of IFRS 12 for subsidiaries with significant non-controlling interests are reported below.

Millions of euro	Non-current assets		Current assets		Total assets	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Subsidiaries						
Enel Américas	28,959	21,337	4,711	4,582	33,670	25,919
Enel Chile	9,887	9,295	(642)	170	9,245	9,465
Endesa	43,217	41,819	3,853	1,386	47,070	43,205

Millions of euro	Non-current liabilities		Current liabilities		Total liabilities		Equity		Equity attributable to owners of the Parent		Non-controlling interests	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Subsidiaries												
Enel Américas	11,320	8,827	6,073	5,495	17,393	14,322	16,277	11,597	11,556	6,643	4,721	4,954
Enel Chile	3,356	3,027	1,178	1,066	4,534	4,093	4,711	5,372	2,921	3,326	1,790	2,046
Endesa	15,196	12,869	11,449	7,101	26,645	19,970	20,425	23,235	15,187	17,366	5,238	5,869

Millions of euro	Total revenue[1]		Pre-tax profit/(loss)		Profit/(Loss) from continuing operations		Profit/(Loss) attributable to owners of the Parent		Profit/(Loss) attributable to non-controlling interests	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Subsidiaries										
Enel Américas[2]	13,581	10,437	1,516	1,187	757	738	337	274	420	464
Enel Chile	3,114	2,816	128	(133)	104	(40)	57	(25)	47	(15)
Endesa	20,217	16,614	769	1,965	589	1,551	396	1,082	193	469

(1) In order to ensure a uniform comparison of the data, revenue for 2020 was restated by excluding the part of income from commodity contracts, in line with the presentation of revenue in the notes to the financial statements.

(2) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to the consolidated financial statements.

37. Borrowings

Millions of euro	Non-current		Current	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Long-term borrowings	54,500	49,519	4,031	3,168
Short-term borrowings	-	-	13,306	6,345
Total	**54,500**	**49,519**	**17,337**	**9,513**

For more information on the nature of borrowings, see note 46.2 "Financial liabilities by category".

38. Employee benefits – €2,724 million

The Group provides its employees with a variety of benefits, including deferred compensation benefits, additional months' pay for having reached age limits or eligibility for old-age pension, loyalty bonuses for achievement of seniority milestones, supplemental retirement and healthcare plans, residential electricity discounts and similar benefits. More specifically:

- for Italy, the item "Pension benefits" regards estimated accruals made to cover benefits due under the supplemental retirement schemes of retired executives and the benefits due to personnel under law or contract at the time the employment relationship is terminated. For the foreign companies, the item refers to post-employment benefits, of which the most material regard the pension benefit schemes of Endesa in Spain, which break down into three types that differ on the basis of employee seniority and company. In general, under the framework agreement of October 25, 2000, employees participate in a specific defined contribution pension plan and, in cases of disability or death of employees in service, a defined benefit plan which is covered by appropriate insurance policies. In addition, the group has two other limited-enrollment plans (i) for current and retired Endesa employees covered by the electricity industry collective bargaining agreement prior to the changes introduced with the framework agreement noted earlier and (ii) for employees of the Catalan companies merged in the past (Fecsa/Enher/HidroEmpordà). Both are defined benefit plans and benefits are fully ensured, with the exception of the former plan for benefits in the event of the death of a retired employee. Finally, the Brazilian companies have also established defined benefit plans;
- the item "Electricity discount" comprises benefits regarding electricity supply associated in particular with foreign companies;
- the item "Health insurance" refers to benefits for current or retired employees covering medical expenses;
- "Other benefits" mainly regard the loyalty bonus, which is adopted in various countries and for Italy is represented by the estimated liability for the benefit entitling employees covered by the electricity workers national collective bargaining agreement to a bonus for achievement of seniority milestones (25th and 35th year of service). It also includes other incentive plans, which provide for the award to certain Company managers of a monetary bonus subject to specified conditions.

The following table reports changes in the defined benefit obligation for post-employment and other long-term employee benefits at December 31, 2021, and December 31, 2020, respectively, as well as a reconciliation of that obligation with the actuarial liability.

Millions of euro	2021					2020				
	Pension benefits	Electricity discount	Health insurance	Other benefits	Total	Pension benefits	Electricity discount	Health insurance	Other benefits	Total
CHANGES IN ACTUARIAL OBLIGATION										
Actuarial obligation at the start of the year	**4,408**	**403**	**217**	**222**	**5,250**	**5,691**	**904**	**263**	**242**	**7,100**
Current service cost	17	2	4	28	51	18	3	4	38	63
Interest expense	214	3	7	3	227	249	5	7	4	265
Actuarial (gains)/losses arising from changes in demographic assumptions	192	-	(6)	-	186	45	12	6	1	64
Actuarial (gains)/losses arising from changes in financial assumptions	(664)	(14)	6	(1)	(673)	105	19	(2)	2	124
Experience adjustments	452	31	(9)	-	474	466	(21)	(7)	(8)	430
Past service cost	(17)	-	-	(3)	(20)	(24)	(504)	(13)	(1)	(542)
(Gains)/Losses arising from settlements	(4)	-	-	-	(4)	(584)	-	-	-	(584)
Exchange differences	14	(1)	(1)	-	12	(1,206)	(1)	(30)	(7)	(1,244)
Employer contributions	-	-	-	-	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	1	-	-	-	1
Benefits paid	(379)	(15)	(12)	(58)	(464)	(358)	(16)	(11)	(48)	(433)
Other changes	7	1	-	(1)	7	5	2	-	(1)	6
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-	-	-	-	-
Actuarial obligation at year-end (A)	**4,240**	**410**	**206**	**190**	**5,046**	**4,408**	**403**	**217**	**222**	**5,250**
CHANGES IN PLAN ASSETS										
Fair value of plan assets at the start of the year	**2,299**	**-**	**-**	**-**	**2,299**	**3,374**	**-**	**-**	**-**	**3,374**
Interest income	121	-	-	-	121	160	-	-	-	160
Expected return on plan assets excluding amounts included in interest income	38	-	-	-	38	85	-	-	-	85
Exchange differences	17	-	-	-	17	(782)	-	-	-	(782)
Employer contributions	252	15	12	28	307	342	16	11	21	390
Employee contributions	-	-	-	-	-	1	-	-	-	1
Benefits paid	(379)	(15)	(12)	(28)	(434)	(358)	(16)	(11)	(21)	(406)
Other payments	-	-	-	-	-	(523)	-	-	-	(523)
Changes in the consolidation scope	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets at year-end (B)	**2,348**	**-**	**-**	**-**	**2,348**	**2,299**	**-**	**-**	**-**	**2,299**
EFFECT OF ASSET CEILING										
Asset ceiling at the start of the year	**13**	**-**	**-**	**-**	**13**	**45**	**-**	**-**	**-**	**45**
Interest income	1	-	-	-	1	3	-	-	-	3
Changes in asset ceiling	12	-	-	-	12	(24)	-	-	-	(24)
Exchange differences	-	-	-	-	-	(11)	-	-	-	(11)
Changes in the consolidation scope	-	-	-	-	-	-	-	-	-	-
Asset ceiling at year-end (C)	**26**	**-**	**-**	**-**	**26**	**13**	**-**	**-**	**-**	**13**
Net liability in statement of financial position (A-B+C)	**1,918**	**410**	**206**	**190**	**2,724**	**2,122**	**403**	**217**	**222**	**2,964**

Millions of euro		
	2021	2020
(Gains)/Losses taken to profit or loss		
Service cost and past service cost	9	(509)
Net interest expense	107	108
(Gains)/Losses arising from settlements	(4)	(61)
Actuarial (gains)/losses on other long-term benefits	22	31
Other changes	1	(9)
Total	**135**	**(440)**

Millions of euro		
	2021	2020
Change in (gains)/losses in OCI		
Expected return on plan assets excluding amounts included in interest income	(38)	(85)
Actuarial (gains)/losses on defined benefit plans	(13)	626
Changes in asset ceiling excluding amounts included in interest income	12	(24)
Other changes	(1)	(1)
Total	**(40)**	**516**

The change in the cost recognized in profit or loss was equal to €575 million. The impact on the income statement is, therefore, greater than in the previous year, due mainly to the signing in 2020 of the 5th Endesa Collective Bargaining Agreement, which modified the electricity discount benefit for current and former employees, with the consequent reversal of the associated provision.

The liability recognized in the statement of financial position at the end of the year is reported net of the fair value of plan assets, amounting to €2,348 million at December 31, 2021. Those assets, which are entirely in Spain and Brazil, break down as follows.

	at Dec. 31, 2021	at Dec. 31, 2020
Investments quoted in active markets		
Equity instruments	8%	7%
Fixed-income securities	54%	63%
Investment property	3%	2%
Other	-	-
Unquoted investments		
Assets held by insurance undertakings	-	-
Other	35%	28%
Total	**100%**	**100%**

The main actuarial assumptions used to calculate the liabilities in respect of employee benefits and the plan assets, which are consistent with those used the previous year, are set out in the following table.

	Italy	Iberia	Latin America	Other countries	Italy	Iberia	Latin America	Other countries
	2021				2020			
Discount rate	0.00%-0.80%	0.00%-1.16%	5.60%-9.67%	0.80%-8.40%	0.00%-0.50%	0.00%-0.61%	2.55%-7.95%	0.75%-6.30%
Inflation rate	1.50%	2.20%	3.00% -8.00%	1.50%-4.01%	0.50%	1.00%	3.00%-4.85%	0.75%-3.83%
Rate of wage increases	0.80%-1.80%	2.20%	3.80%-8.00%	2.50%-10.00%	0.50%-2.50%	1.00%	3.80%-5.04%	2.25%-3.83%
Rate of increase in healthcare costs	2.50%	4.40%	7.12%-8.00%	-	1.50%	3.20%	7.12%-8.00%	-
Expected rate of return on plan assets	-	0.57%	9.30%-9.46%	-	-	0.57%	6.08%-7.33%	-

The following table reports the outcome of a sensitivity analysis that demonstrates the effects on the defined benefit obligation of changes reasonably possible at the end of the year in the actuarial assumptions used in estimating the obligation.

	Pension benefits	Electricity discount	Health insurance	Other benefits	Pension benefits	Electricity discount	Health insurance	Other benefits
	at Dec. 31, 2021				at Dec. 31, 2020			
Decrease of 0.5% in discount rate	225	27	11	-	239	30	11	(1)
Increase of 0.5% in discount rate	(184)	(30)	(14)	(10)	(190)	(30)	(15)	(11)
Increase of 0.5% in inflation rate	2	(4)	(2)	(6)	(1)	(5)	(3)	(7)
Decrease of 0.5% in inflation rate	28	(2)	9	(2)	33	2	7	(4)
Increase of 0.5% in remuneration	14	(3)	(2)	-	14	(2)	(3)	(3)
Increase of 0.5% in pensions currently being paid	14	(3)	(2)	(5)	15	(2)	(3)	(6)
Increase of 1% in healthcare costs	-	-	20	1	-	-	(2)	-
Increase of 1 year in life expectancy of active and retired employees	98	(3)	14	(5)	27	(11)	2	(34)

The sensitivity analysis used an approach that extrapolates the effect on the defined benefit obligation of reasonable changes in an individual actuarial assumption, leaving the other assumptions unchanged.

The contributions expected to be paid into defined benefit plans in the subsequent year amount to €196 million.

The following table reports expected benefit payments in the coming years for defined benefit plans.

Millions of euro		
	at Dec. 31, 2021	at Dec. 31, 2020
Within 1 year	392	366
In 1-2 years	364	337
In 2-5 years	1,077	971
More than 5 years	1,714	1,534

Expected payments are increasing in general. This is mainly due to Brazil, where forecasts have been impacted by rising life expectancy and a significant increase in expected inflation. The amount of future payments shown in the table, not being subject to discounting, is significantly affected by this increase. Finally, it should be noted that the liability does not increase in the same manner, as the inflationary effects are offset by the effects of discounting.

39. Provisions for risks and charges – €8,323 million

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Provision for litigation, risks and other charges:						
- nuclear decommissioning	666	-	666	596	-	596
- site retirement, removal and restoration	3,066	203	3,269	2,017	99	2,116
- litigation	790	44	834	734	86	820
- environmental certificates	-	32	32	-	42	42
- taxes and duties	267	28	295	288	43	331
- other	821	347	1,168	757	343	1,100
Total	**5,610**	**654**	**6,264**	**4,392**	**613**	**5,005**
Provision for early retirement incentives and other restructuring plans	435	293	728	623	444	1,067
Provision for restructuring programs connected with the energy transition	1,152	179	1,331	759	-	759
TOTAL	**7,197**	**1,126**	**8,323**	**5,774**	**1,057**	**6,831**

Millions of euro	at Dec. 31, 2020	Accrual	Reversal	Utilization	Discounting	Provisions for site retirement and restoration	Change in the consolidation scope	Exchange differences	Other changes	Reclassifications of liabilities included in disposal groups held for sale	at Dec. 31, 2021
Provision for litigation, risks and other charges:											
- nuclear decommissioning	596	-	-	-	1	69	-	-	-	-	666
- site retirement, removal and restoration	2,116	455	(13)	(87)	3	799	8	(14)	2	-	3,269
- litigation	820	213	(113)	(124)	44	-	-	(3)	(3)	-	834
- environmental certificates	42	15	(4)	(21)	-	-	-	-	-	-	32
- taxes and duties	331	64	(41)	(21)	6	-	-	-	(44)	-	295
- other	1,100	338	(95)	(162)	14	(7)	-	(3)	(11)	(6)	1,168
Total	**5,005**	**1,085**	**(266)**	**(415)**	**68**	**861**	**8**	**(20)**	**(56)**	**(6)**	**6,264**
Provision for early retirement incentives and other restructuring plans	1,067	16	(15)	(361)	-	-	-	-	21	-	728
Provision for restructuring programs connected with the energy transition	759	687	(18)	(95)	16	-	-	(1)	(17)	-	1,331
TOTAL	**6,831**	**1,788**	**(299)**	**(871)**	**84**	**861**	**8**	**(21)**	**(52)**	**(6)**	**8,323**

Nuclear decommissioning provision

At December 31, 2021, the provision reflected solely the costs that would be incurred at the time of decommissioning of nuclear plants by Enresa, a Spanish public entity responsible for such activities in accordance with Royal Decree 1349/2003 and Law 24/2005.

In general, the costs are quantified on the basis of a standard contract between Enresa and the electricity companies approved by the Ministry for the Economy in September 2001, which regulates the retirement and closing of nuclear power plants. The time horizon envisaged, three years, corresponds to the period from the termination of power generation to the transfer of plant management to Enresa (so-called "post-operational costs") and takes account, among the various assumptions used to estimate the amount, of the quantity of unused nuclear fuel expected at the date of closure of each of the Spanish nuclear plants on the basis of the provisions of the concession agreement.

Site retirement, removal and restoration provision

This provision represents the present value of the estimated cost for the retirement and removal of non-nuclear plants where there is a legal or constructive obligation to

do so. The provision mainly regarded the Endesa Group and Enel Produzione. The change in the provision in 2021 was mainly linked to the redetermination of the future retirement costs of certain plants in Iberia and Italy and an increase in provisions for retirement costs resulting from the Group's decision to promote the termination of generation from coal-fired power plants and reconvert plans as part of the energy transition.

The following table summarizes the temporal breakdown of payments connected with the site retirement, removal and restoration provision.

Millions of euro		
	Payments by time bracket (nominal value)	**Discounted amount**
Within 1 year	652	651
In 1-5 years	929	896
More than 5 years	2,671	1,722
Total	**4,252**	**3,269**

Litigation provision

The litigation provision covers contingent liabilities in respect of pending litigation and other disputes. It includes an estimate of the potential liability relating to disputes that arose during the year, as well as revised estimates of the potential costs associated with disputes initiated in prior years. The balance for litigation mainly regards the companies in Spain (€181 million), Italy (€133 million) and Latin America (€497 million).
The increase compared with the previous year, equal to €14 million, mainly reflects the increase in the provision in Italy, Iberia and Brazil, reflecting provisions for new disputes, offset by an increase in uses in Peru following the resolution of a number of disputes.

Provision for environmental certificates

The provision for environmental certificates covers costs in respect of shortfalls in the environmental certificates needed for compliance with national or supranational environmental protection requirements and mainly regards Enel Energía and Endesa Energía.

Provision for taxes and duties

The provision for taxes and duties covers the estimated liability deriving from tax disputes concerning direct and indirect taxes.
The balance of the provision also includes the provision for current and potential disputes concerning local property tax (whether the *Imposta Comunale sugli Immobili* (ICI) or the *Imposta Municipale Unica* (IMU)) in Italy. In Italy, the Group has taken due account of developments in land registry regulations (which with effect from January 1, 2016 excluded machinery, devices, equipment and other plant specific to a production process from the calculation of the imputed rent for buildings classified in land registry group D, which includes generation plants) in estimating the liability for such taxes, both for the purposes of quantifying the probable risk associated with pending litigation and generating a reasonable valuation of probable future charges on positions that have not yet been assessed by the Revenue Agency and municipalities.

Other provisions

Other provisions cover various risks and charges, mainly in connection with regulatory disputes and disputes with local authorities regarding various duties and fees or other charges.
The increase of €68 million in other provisions is, in addition to provisions for new insurance indemnities, mainly attributable to Enel Global Trading for provisions recognized by the company in view of a possible adjustment of the gas contract price to the market price by the supplier.

Provision for early retirement incentives and other restructuring plans

The provision for early retirement incentives and other restructuring plans includes the estimated charges related to binding agreements for the voluntary termination of employment contracts in response to organizational needs. The reduction of €339 million for the year mainly reflects uses of provisions for incentives established in Spain (*Acuerdo de Salida Voluntaria*) and Italy in previous years to cover the early termination of employment for certain employees.

Provision for restructuring programs connected with the energy transition

Enel, in its role as a leader of the energy transition, has placed decarbonization and growth of renewables around the world at the center of its strategy.

In this context, Enel has begun restructuring the activities associated with the energy-transition process, which involves thermal generation plants in all the geographical areas in which the Group operates. The consequent revision of processes and operating models will require changes in the roles and skills of employees, which the Group intends to implement with highly sustainable plans based on redeployment programs, with major upskilling and reskilling plans and voluntary individual early retirement agreements. The energy transition is also based on the progressive and expansive development of digital tools, as digitization is essential to responding to multiple external forces and making informed and well-considered decisions at every level within the Group.
A provision was therefore established in 2020 for restructuring programs, which at December 31, 2021 amounted to €1,331 million, which is mainly attributable to Spain and Italy, and represents the estimated costs that the Group will incur following the acceleration of the energy transition, for all direct and indirect activities related to the review of processes and operating models and the roles and skills of employees.

40. Other non-current financial liabilities – €120 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Other non-current financial liabilities	120	-	120	-
Total	**120**	**-**	**120**	**-**

"Other non-current financial liabilities" report the non-current portion of liabilities in respect of the Spanish electrical system deficit in the amount of €120 million (€0 million at December 31, 2020), which are included in net financial debt.

41. Other non-current liabilities – €4,525 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Accrued operating expenses and deferred income	498	500	(2)	-0.4%
Other items	4,027	2,958	1,069	36.1%
Total	**4,525**	**3,458**	**1,067**	**30.9%**

The change in "Other items" reflected an increase of €42 million in amounts due to institutional market operators, an increase of €156 million in liabilities for tax partnerships beyond 12 months in the United States and an increase in liabilities relating to the outcome of the PIS/COFINS dispute in Brazil (already discussed under "Other non-current assets") in the amount of €766 million.

42. Other current liabilities – €12,959 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Amounts due to customers	1,950	1,481	469	31.7%
Amounts due to institutional market operators	2,961	4,012	(1,051)	-26.2%
Amounts due to employees	471	438	33	7.5%
Other tax liabilities	1,274	886	388	43.8%
Amounts due to social security institutions	205	207	(2)	-1.0%
Contingent consideration	45	53	(8)	-15.1%
Put options granted to non-controlling shareholders	4	1	3	-
Current accrued expenses and deferred income	395	346	49	14.2%
Dividends	2,191	2,135	56	2.6%
Other	3,463	2,092	1,371	65.5%
Total	**12,959**	**11,651**	**1,308**	**11.2%**

"Amounts due to customers" include €1,169 million (€822 million at December 31, 2020) in security deposits related primarily to amounts received from customers in Spain as part of electricity and gas supply contracts. Following the finalization of the contract, deposits for electricity sales, the use of which is not restricted in any way, are classified as current liabilities given that the Parent does not have an unconditional right to defer repayment beyond 12 months.
Amounts due to institutional market operators include liabilities arising from the application of equalization mechanisms to electricity purchases on the Italian market amounting to €1,976 million (€2,444 million at December 31, 2020), on the Spanish market amounting to €938 million (€1,538 million at December 31, 2020) and on the Latin American market amounting to €47 million (€30 million at December 31, 2020).
The increase in "Other" liabilities is mainly attributable to Italy in respect of expired derivatives on energy commodities.
The increase in "Other tax liabilities" is mainly attributable to Italy following the start in 2021 of the Group settlement mechanism for VAT obligations by the Parent, Enel SpA.

43. Trade payables – €16,959 million

The item amounted to €16,959 million (€12,859 million at December 31, 2020) and includes payables in respect of electricity supplies, fuel, materials, equipment associated with tenders, and other services.

More specifically, trade payables falling due in less than 12 months amounted to €16,865 million (€12,282 million at December 31, 2020), while those falling due in more than 12 months amounted to €94 million (€577 million at December 31, 2020).

44. Other current financial liabilities – €625 million

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Accrued financial expense and deferred financial income	539	535	4	0.7%
Other items	86	87	(1)	-1.1%
Total	**625**	**622**	**3**	**0.5%**

Other current financial liabilities are virtually unchanged on December 31, 2020.

Other items mainly regard liabilities for accrued interest.

45. Net financial position and long-term financial assets and securities – €51,952 million

The following table shows the net financial position and long-term financial assets and securities on the basis of the items on the statement of consolidated financial position.

Millions of euro	Notes	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Long-term borrowings	37	54,500	49,519	4,981	10.1%
Other non-current financial borrowings[(1)]	40	120	-	120	-
Short-term borrowings	37	13,306	6,345	6,961	-
Other current financial borrowings[(2)]		12	5	7	-
Current portion of long-term borrowings	37	4,031	3,168	863	27.2%
Other non-current financial assets included in net financial debt	28.1	(2,692)	(2,745)	53	1.9%
Other current financial assets included in net financial debt	29.1	(8,467)	(4,971)	(3,496)	-70.3%
Cash and cash equivalents	34	(8,858)	(5,906)	(2,952)	-50.0%
Total		**51,952**	**45,415**	**6,537**	**14.4%**

(1) The item "Other non-current financial borrowings" is represented by "Other non-current financial liabilities" in the statement of financial position.
(2) The item "Other current financial borrowings" is included under "Other current financial liabilities" in the statement of financial position.

The net financial debt of the Enel Group at December 31, 2021 and December 31, 2020 is reported below in accordance with Guideline 39, issued on March 4, 2021, by ESMA, applicable as from May 5, 2021, and with warning notice no. 5/2021 issued by CONSOB on April 29, 2021, reconciled with net financial debt as provided for in the presentation methods of the Enel Group.

The references to the CESR Recommendations contained in previous CONSOB communications shall be considered to have been replaced by references to the ESMA Guideline cited above, including the references in Communication no. DEM/6064293 of July 28, 2006 regarding the net financial position.

Millions of euro				
	at Dec. 31, 2021	at Dec. 31, 2020	Change	
Liquidity				
Cash and cash equivalents on hand	8	42	(34)	-81.0%
Bank and post office deposits	8,118	5,699	2,419	42.4%
Liquid assets	**8,126**	**5,741**	**2,385**	**41.5%**
Cash equivalents	**732**	**165**	**567**	**-**
Securities	88	67	21	31.3%
Short-term loan assets	6,841	3,476	3,365	96.8%
Current portion of long-term loan assets	1,538	1,428	110	7.7%
Other current financial assets	**8,467**	**4,971**	**3,496**	**70.3%**
Liquidity	**17,325**	**10,877**	**6,448**	**59.3%**
Current financial debt				
Bank debt	(1,329)	(711)	(618)	-86.9%
Commercial paper	(10,708)	(4,854)	(5,854)	-
Other short-term borrowings[1]	(1,281)	(785)	(496)	-63.2%
Current financial debt (including debt instruments)	**(13,318)**	**(6,350)**	**(6,968)**	**-**
Current portion of long-term bank borrowings	(989)	(1,369)	380	27.8%
Bonds issued (current portion)	(2,700)	(1,412)	(1,288)	-91.2%
Other borrowings (current portion)	(342)	(387)	45	11.6%
Non-current financial debt (current portion)	**(4,031)**	**(3,168)**	**(863)**	**-27.2%**
Current financial debt	**(17,349)**	**(9,518)**	**(7,831)**	**-82.3%**
Net current financial debt	**(24)**	**1,359**	**(1,383)**	**-**
Non-current financial debt				
Bank borrowings	(12,579)	(8,663)	(3,916)	-45.2%
Other borrowings[2]	(2,942)	(2,499)	(443)	-17.7%
Non-current financial debt (excluding current portion and debt instruments)	**(15,521)**	**(11,162)**	**(4,359)**	**-39.1%**
Bonds	(39,099)	(38,357)	(742)	-1.9%
Trade payables and other non-interest-bearing non-current liabilities with a significant financing component	-	-	-	-
Non-current financial debt	**(54,620)**	**(49,519)**	**(5,101)**	**-10.3%**
Net financial debt as per CONSOB instructions	**(54,644)**	**(48,160)**	**(6,484)**	**-13.5%**
Long-term financial assets and securities	2,692	2,745	(53)	-1.9%
NET FINANCIAL DEBT	**(51,952)**	**(45,415)**	**(6,537)**	**-14.4%**

(1) Includes current financial borrowings included in "Other current financial liabilities" in the statement of financial position.
(2) Includes other non-current financial borrowings presented under "Other non-current financial liabilities" in the statement of financial position.

This statement of the net financial position does not include financial assets and liabilities in respect of derivatives, since derivative contracts, even if not designated as hedges for hedge accounting purposes, are in any case entered into by the Group for hedging purposes.
At December 31, 2021, those financial assets and liabilities are reported separately in the statement of financial position under the following items: "Non-current financial derivative assets" in the amount of €2,772 million (€1,236 million at December 31, 2020), "Current financial derivative assets" in the amount of €22,791 million (€3,471 million at December 31, 2020), "Non-current financial derivative liabilities" in the amount of €3,339 million (€3,606 million at 31 December, 2020) and "Current financial derivative liabilities" in the amount of €24,607 million (€3,531 million at December 31, 2020).

Financial instruments

46. Financial instruments by category

This note provides disclosures necessary for users to assess the significance of financial instruments for the Group's financial position and performance.

46.1 Financial assets by category

The following table reports the carrying amount for each category of financial asset provided for under IFRS 9, broken down into current and non-current financial assets, showing hedging derivatives and derivatives measured at fair value through profit or loss separately.

Millions of euro		Non-current		Current	
	Notes	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Financial assets at amortized cost	46.1.1	**4,092**	**3,966**	**34,671**	**22,967**
Financial assets at FVOCI	46.1.2	**443**	**448**	**87**	**67**
Financial assets at fair value through profit or loss					
Derivative financial assets at FVTPL	46.1.3	277	52	19,664	2,765
Other financial assets at FVTPL	46.1.3	2,662	2,087	141	301
Total financial assets at fair value through profit or loss		**2,939**	**2,139**	**19,805**	**3,066**
Derivative financial assets designated as hedging instruments					
Fair value hedge derivatives	46.1.4	61	50	-	28
Cash flow hedge derivatives	46.1.4	2,434	1,134	3,127	678
Total derivative financial assets designated as hedging instruments		**2,495**	**1,184**	**3,127**	**706**
TOTAL		**9,969**	**7,737**	**57,690**	**26,806**

For more information on the recognition and classification of current and non-current derivative assets, please see note 49 "Derivatives and hedge accounting".

For more information on fair value measurement, see note 50 "Assets and liabilities measured at fair value".

46.1.1 Financial assets measured at amortized cost

The following table reports financial assets measured at amortized cost by nature, broken down into current and non-current financial assets.

Millions of euro		Non-current			Current	
	Notes	at Dec. 31, 2021	at Dec. 31, 2020	Notes	at Dec. 31, 2021	at Dec. 31, 2020
Cash and cash equivalents		-	-	34	8,759	5,702
Trade receivables	33	1,301	1,200	33	14,775	10,846
Current portion of long-term loan assets		-	-	29.1	1,538	1,331
Cash collateral		-	-	29.1	6,485	3,223
Other financial assets	28.1	2,289	2,337	29.1	315	253
Financial assets from service concession arrangements at amortized cost	28	260	243	29	64	9
Other financial assets at amortized cost		242	186		2,735	1,603
Total		**4,092**	**3,966**		**34,671**	**22,967**

Impairment of financial assets at amortized cost

Financial assets measured at amortized cost amounted to €38,763 million at December 31, 2021 (€26,933 million at December 31, 2020) and are recognized net of loss allowances for expected credit losses totaling €4,051 million at December 31, 2021 (€3,624 million at the end of the previous year).

The Group mainly has the following types of financial assets measured at amortized cost subject to impairment testing:

- cash and cash equivalents;
- trade receivables and contract assets;
- loan assets;
- other financial assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The expected credit loss (ECL) – determined using probability of default (PD), loss given default (LGD) and exposure at default (EAD) – is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (i.e., all shortfalls) discounted at the original effective interest rate (EIR).

For calculating ECL, the Group applies two different approaches:

- the general approach, for financial assets other than trade receivables, contract assets and lease receivables. This approach, based on an assessment of any significant increase in credit risk since initial recognition, is performed comparing PD at origination with PD at the reporting date, at each reporting date.
  Then, based on the results of the assessment, a loss allowance is recognized based on 12-month ECL or lifetime ECL (i.e., staging):
  - 12-month ECL, for financial assets for which there has not been a significant increase in credit risk since initial recognition;
  - lifetime ECL, for financial assets for which there has been a significant increase in credit risk or which are credit impaired (i.e., defaulted based on past due information);
- the simplified approach, for trade receivables, contract assets and lease receivables with or without a significant financing component, based on lifetime ECL without tracking changes in credit risk.

A forward-looking adjustment can be applied considering qualitative and quantitative information in order to reflect future events and macroeconomic developments that could impact the risk associated with the portfolio or financial instrument.

Depending on the nature of the financial assets and the credit risk information available, the assessment of the increase in credit risk can be performed on:

- an individual basis, if the receivables are individually significant and for all receivables which have been individually identified for impairment based on reasonable and supportable information;
- a collective basis, if no reasonable and supportable information is available without undue cost or effort to measure expected credit losses on an individual instrument basis.

When there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof, the gross carrying amount of the financial asset shall be reduced.

A write-off represents a derecognition event (e.g., the right to cash flows is legally or contractually extinguished, transferred or expired).

The following table reports expected credit losses on financial assets measured at amortized cost on the basis of the general simplified approach.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Gross amount	Loss allowance for expected credit losses	Total	Gross amount	Loss allowance for expected credit losses	Total
Cash and cash equivalents	8,759	-	8,759	5,702	-	5,702
Trade receivables	19,739	3,663	16,076	15,333	3,287	12,046
Loan assets	10,861	234	10,627	7,352	208	7,144
Other financial assets at amortized cost	3,455	154	3,301	2,170	129	2,041
Total	**42,814**	**4,051**	**38,763**	**30,557**	**3,624**	**26,933**

To measure expected losses, the Group assesses trade receivables and contract assets with the simplified approach, both on an individual basis (e.g., government entities, authorities, financial counterparties, wholesale sellers, traders and large companies, etc.) and a collective basis (e.g., retail customers).

In the case of individual assessments, PD is generally obtained from external providers.
Otherwise, in the case of collective assessments, trade receivables are grouped on the basis of their shared credit risk characteristics and information on past due positions, considering a specific definition of default.
Based on each business and local regulatory framework, as well as differences between customer portfolios, including their default and recovery rates (comprising expectations for recovery beyond 90 days):

- the Group mainly defines a defaulted position as one that is 180 days past due. Accordingly, beyond this time limit, trade receivables are presumed to be credit impaired; and
- specific clusters are defined on the basis of specific markets, business and risk characteristics.

Contract assets substantially have the same risk characteristics as trade receivables for the same types of contracts.
In order to measure ECL for trade receivables on a collective basis, as well as for contract assets, the Group uses the following assumptions regarding the ECL parameters:

- PD, assumed equal to the average default rate, is calculated by cluster and considering historical data from at least 24 months;
- LGD is a function of the recovery rates for each cluster, discounted using the effective interest rate; and
- EAD is estimated as equal to the carrying amount at the reporting date net of cash deposits, including invoices issued but not past due and invoices to be issued.

The following table reports changes in the loss allowance for expected credit losses on loan assets in accordance with the general approach.

Millions of euro	ECL 12-month allowance	ECL lifetime allowance
Opening balance at Jan. 1, 2020	**78**	**153**
Accruals	354	8
Uses	-	-
Reversals to profit or loss	(4)	(4)
Other changes	(363)	(14)
Closing balance at Dec. 31, 2020	**65**	**143**
Opening balance at Jan. 1, 2021	**65**	**143**
Accruals	-	9
Uses	-	-
Reversals to profit or loss	(25)	(9)
Other changes	25	26
Closing balance at Dec. 31, 2021	**65**	**169**

The following table reports changes in the loss allowance for expected credit losses on trade receivables in accordance with the simplified approach.

Millions of euro	
Opening balance at Jan. 1, 2020	**2,980**
Accruals	1,505
Uses	(819)
Reversals to profit or loss	(194)
Other changes	(185)
Closing balance at Dec. 31, 2020	**3,287**
Opening balance at Jan. 1, 2021	**3,287**
Accruals	1,361
Uses	(709)
Reversals to profit or loss	(258)
Other changes	(18)
Closing balance at Dec. 31, 2021	**3,663**

The following table reports changes in the loss allowance for expected credit losses on other financial assets at amortized cost in accordance with the simplified approach.

Millions of euro	ECL lifetime allowance
Opening balance at Jan. 1, 2020	**159**
Accruals	22
Uses	-
Reversals to profit or loss	(23)
Other changes	(29)
Closing balance at Dec. 31, 2020	**129**
Opening balance at Jan. 1, 2021	**129**
Accruals	87
Uses	-
Reversals to profit or loss	(21)
Other changes	(41)
Closing balance at Dec. 31, 2021	**154**

Note 47 "Risk management" provides additional information on the exposure to credit risk and expected losses.

46.1.2 Financial assets at fair value through other comprehensive income

The following table shows financial assets at fair value through other comprehensive income by nature, broken down into current and non-current financial assets.

Millions of euro	Non-current			Current		
	Notes	at Dec. 31, 2021	at Dec. 31, 2020	Notes	at Dec. 31, 2021	at Dec. 31, 2020
Investments in other companies at FVOCI	28	40	40		-	-
Securities	28.1	403	408	29.1	87	67
Total		**443**	**448**		**87**	**67**

Changes in financial assets at FVOCI

Investments in other companies

Millions of euro	Non-current	Current
Opening balance at Jan. 1, 2020	**64**	**-**
Purchases	6	-
Sales	-	-
Changes in fair value through OCI	(21)	-
Other changes	(9)	-
Closing balance at Dec. 31, 2020	**40**	**-**
Opening balance at Jan. 1, 2021	**40**	**-**
Purchases	2	-
Sales	-	-
Changes in fair value through OCI	-	-
Other changes	(2)	-
Closing balance at Dec. 31, 2021	**40**	**-**

Securities at FVOCI

Millions of euro	Non-current	Current
Opening balance at Jan. 1, 2020	**416**	**61**
Purchases	124	-
Sales	(54)	-
Changes in fair value through OCI	(3)	-
Reclassifications	(75)	75
Other changes	-	(69)
Closing balance at Dec. 31, 2020	**408**	**67**
Opening balance at Jan. 1, 2021	**408**	**67**
Purchases	165	-
Sales	(87)	-
Changes in fair value through OCI	2	-
Reclassifications	(85)	85
Other changes	-	(65)
Closing balance at Dec. 31, 2021	**403**	**87**

46.1.3 Financial assets at fair value through profit or loss

The following table shows financial assets at fair value through profit or loss by nature, broken down into current and non-current financial assets.

Millions of euro	Non-current			Current		
	Notes	at Dec. 31, 2021	at Dec. 31, 2020	Notes	at Dec. 31, 2021	at Dec. 31, 2020
Derivatives at FVTPL	49	277	52	49	19,664	2,765
Investments in liquid assets		-	-	34	99	204
Financial assets at FVTPL		-	-	29, 29.1	41	97
Securities		-	-	29.1	1	-
Equity investments in other companies at FVTPL	28	32	30		-	-
Financial assets from service concession arrangements at FVTPL	28	2,630	2,057		-	-
Total		**2,939**	**2,139**		**19,805**	**3,066**

46.1.4 Derivative financial assets designated as hedging instruments

For more information on derivative financial assets, please see note 49 "Derivatives and hedge accounting".

46.2 Financial liabilities by category

The following table shows the carrying amount for each category of financial liability provided for under IFRS 9, broken down into current and non-current financial liabilities, showing hedging derivatives and derivatives measured at fair value through profit or loss separately.

Millions of euro		Non-current		Current	
	Notes	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Financial liabilities measured at amortized cost	46.2.1	**54,914**	**50,254**	**42,330**	**29,598**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities at FVTPL	46.4	169	29	19,696	2,887
Total financial liabilities at fair value through profit or loss		**169**	**29**	**19,696**	**2,887**
Derivative financial liabilities designated as hedging instruments					
Fair value hedge derivatives	46.4	5	-	-	-
Cash flow hedge derivatives	46.4	3,165	3,577	4,911	644
Total derivative financial liabilities designated as hedging instruments		**3,170**	**3,577**	**4,911**	**644**
TOTAL		**58,253**	**53,860**	**66,937**	**33,129**

For more information on fair value measurement, please see note 50 "Assets and liabilities measured at fair value".

46.2.1 Financial liabilities measured at amortized cost

The following table shows financial liabilities at amortized cost by nature, broken down into current and non-current financial liabilities.

Millions of euro		Non-current			Current	
	Notes	at Dec. 31, 2021	at Dec. 31, 2020	Notes	at Dec. 31, 2021	at Dec. 31, 2020
Long-term borrowings	46.3	54,500	49,519	46.3	4,031	3,168
Short-term borrowings		-	-	46.3	13,306	6,345
Trade payables	43	94	577	43	16,865	12,282
Other financial liabilities		320	158		8,128	7,803
Total		**54,914**	**50,254**		**42,330**	**29,598**

46.3 Borrowings

46.3.1 Long-term borrowings (including the portion falling due within 12 months) – €58,531 million

The following table reports the nominal value, carrying amount and fair value of long-term borrowings including the portion falling due within 12 months.

Long-term borrowings by category and type of interest rate[(1)]

Millions of euro	Nominal value	Carrying amount	Current portion	Portion due in more than 12 months	Fair value	Nominal value	Carrying amount	Current portion	Portion due in more than 12 months	Fair value	Changes in carrying amount 2021-2020
	at Dec. 31, 2021					at Dec. 31, 2020					
Bonds:											
- listed, fixed rate	27,857	27,413	2,119	25,294	30,279	23,629	23,052	1,041	22,011	27,470	4,361
- listed, floating rate	2,574	2,557	434	2,123	2,545	2,817	2,800	260	2,540	2,937	(243)
- unlisted, fixed rate	11,293	11,207	50	11,157	12,670	13,262	13,184	-	13,184	15,753	(1,977)
- unlisted, floating rate	622	622	97	525	728	733	733	111	622	828	(111)
Total bonds	**42,346**	**41,799**	**2,700**	**39,099**	**46,222**	**40,441**	**39,769**	**1,412**	**38,357**	**46,988**	**2,030**
Bank borrowings:											
- fixed rate	2,414	2,405	238	2,167	2,298	790	782	254	528	833	1,623
- floating rate	10,139	10,109	751	9,358	10,037	9,278	9,250	1,115	8,135	9,259	859
- use of revolving credit lines	1,054	1,054	-	1,054	1,054	-	-	-	-	-	1,054
Total bank borrowings	**13,607**	**13,568**	**989**	**12,579**	**13,389**	**10,068**	**10,032**	**1,369**	**8,663**	**10,092**	**3,536**
Leases:											
- fixed rate	2,477	2,477	242	2,235	2,477	1,979	1,979	225	1,754	1,979	498
- floating rate	70	70	17	53	70	89	89	22	67	89	(19)
Total leases	**2,547**	**2,547**	**259**	**2,288**	**2,547**	**2,068**	**2,068**	**247**	**1,821**	**2,068**	**479**
Other non-bank borrowings:											
- fixed rate	571	595	69	526	569	607	639	74	565	630	(44)
- floating rate	34	22	14	8	25	191	179	66	113	160	(157)
Total other non-bank borrowings	**605**	**617**	**83**	**534**	**594**	**798**	**818**	**140**	**678**	**790**	**(201)**
Total fixed-rate borrowings	**44,612**	**44,097**	**2,718**	**41,379**	**48,293**	**40,267**	**39,636**	**1,594**	**38,042**	**46,665**	**4,461**
Total floating-rate borrowings	**14,493**	**14,434**	**1,313**	**13,121**	**14,459**	**13,108**	**13,051**	**1,574**	**11,477**	**13,273**	**1,383**
TOTAL	**59,105**	**58,531**	**4,031**	**54,500**	**62,752**	**53,375**	**52,687**	**3,168**	**49,519**	**59,938**	**5,844**

(1) Does not include other non-current financial borrowings reported under "Other non-current financial liabilities" in the statement of financial position that are included in long-term financial debt.

The table below reports long-term financial debt by currency and interest rate.

Long-term financial debt by currency and interest rate[1]

Millions of euro	Carrying amount	Nominal value	Carrying amount	Nominal value	Current average nominal interest rate	Current effective interest rate	Current average nominal interest rate	Current effective interest rate
	at Dec. 31, 2021		at Dec. 31, 2020		at Dec. 31, 2021		at Dec. 31, 2020	
Euro	**32,041**	**32,387**	**25,581**	**26,089**	**1.6%**	**1.9%**	**2.2%**	**2.6%**
US dollar	17,518	17,629	18,500	18,589	4.2%	4.3%	4.5%	4.7%
Pound sterling	3,901	3,976	3,955	3,998	5.0%	5.2%	5.1%	5.3%
Colombian peso	1,341	1,341	1,283	1,283	6.5%	6.5%	6.8%	6.8%
Brazilian real	1,720	1,753	1,832	1,864	8.8%	8.9%	5.3%	5.3%
Swiss franc	343	344	328	329	1.8%	1.8%	1.8%	1.8%
Chilean peso/UF	423	428	368	374	5.2%	5.2%	4.9%	5.0%
Peruvian sol	415	415	388	388	5.2%	5.2%	5.8%	5.8%
Russian ruble	427	427	281	286	6.8%	7.3%	7.1%	7.1%
Other currencies	402	405	171	175				
Total non-euro currencies	**26,490**	**26,718**	**27,106**	**27,286**				
TOTAL	**58,531**	**59,105**	**52,687**	**53,375**				

(1) Does not include other non-current financial borrowings reported under "Other non-current financial liabilities" in the statement of financial position.

Long-term financial debt denominated in currencies other than the euro decreased by €616 million, largely attributable to the changes in debt denominated in US dollars.

Change in the nominal value of long-term debt[1]

Millions of euro	Nominal value	Repayments	Change in the consolidation scope	New borrowings	Other changes	Exchange differences	Nominal value
	at Dec. 31, 2020						at Dec. 31, 2021
Bonds	40,441	(9,049)	-	10,368	(900)	1,486	42,346
Borrowings	12,934	(2,272)	183	5,527	(131)	518	16,759
- of which leases	*2,068*	*(165)*	*2*	*526*	*-*	*116*	*2,547*
Total financial debt	**53,375**	**(11,321)**	**183**	**15,895**	**(1,031)**	**2,004**	**59,105**

(1) Does not include changes in the nominal value of other non-current financial borrowings reported under "Other non-current financial liabilities" in the statement of financial position.

The nominal value of long-term debt amounted to €59,105 million at December 31, 2021, an increase of €5,730 million compared with December 31, 2020. The increase in debt reflected new borrowings of €15,895 million, exchange losses of €2,004 million and the consolidation of the debt of a number of Australian companies amounting to €183 million. These factors were only partially offset by repayments of €11,321 million and other changes in the debt equal to €1,031 million, of which €900 million were attributable to the change in the accounting treatment of non-convertible subordinated hybrid bonds in euros issued by Enel SpA and converted into perpetual hybrid bonds in 2021.

Repayments in 2021 involved bonds in the amount of €9,049 million and loans in the amount of €2,272 million.

Specifically, repayments in 2021 included:

- €1,069 million in respect of the repurchase and subsequent cancellation of part of four series of conventional bonds in euros by Enel Finance International in June 2021 through a non-binding voluntary tender offer;
- $6,000 million (equivalent to €5,101 million at the repayment date) in respect of the cash repurchase of four conventional bonds denominated in US dollars by Enel Finance International in July 2021 following the exercise of a repurchase option;
- $1,472 million (equivalent to €1,275 million at the repayment date) in respect of the repurchase and subsequent cancellation of part of two series of conventional bonds denominated in US dollars by Enel Finance International in October 2021 through a voluntary non-binding tender offer;
- €533 million in respect of fixed-rate bonds issued by Enel Finance International, maturing in July 2021;
- the equivalent of €292 million in respect of hybrid bonds denominated in British pounds issued by Enel SpA, maturing in September 2021;
- the equivalent of €171 million in respect of the repayment of bonds in local currency by Emgesa, maturing in January 2021;
- the equivalent of €114 million in respect of the repayment of bonds in local currency by Enel Distribuição São Paulo, maturing in September 2021.

The main repayments of loans made during the year included:

- €200 million in respect of a floating-rate loan of Enel SpA;
- the equivalent of €196 million in respect of a floating-rate loan in US dollars of Enel SpA;
- €178 million in respect of Endesa loans, of the which €166 million in sustainable loans;
- €294 million in respect of sustainable loans of the Group's Italian companies;
- the equivalent of €1,019 million relating to South American companies.

New borrowings in 2021 involved €10,368 million in bonds and €5,527 million in loans.

The table below shows the main characteristics of financial transactions carried out in 2021 and translated into euros at the exchange rate prevailing at December 31, 2021.

	Issuer/Borrower	Issue/ Grant date	Amount in millions of euro	Currency	Interest rate	Interest rate type	Maturity
Bonds							
	Enel Finance International	17.06.2021	1,000	EUR	0.00%	Fixed rate	17.06.2027
	Enel Finance International	17.06.2021	1,250	EUR	0.50%	Fixed rate	17.06.2030
	Enel Finance International	17.06.2021	1,000	EUR	0.875%	Fixed rate	17.06.2036
	Enel Finance International	12.07.2021	1,104	USD	1.375%	Fixed rate	12.07.2026
	Enel Finance International	12.07.2021	883	USD	1.875%	Fixed rate	12.07.2028
	Enel Finance International	12.07.2021	883	USD	2.250%	Fixed rate	12.07.2031
	Enel Finance International	12.07.2021	662	USD	2.875%	Fixed rate	12.07.2041
	Enel Finance International	28.09.2021	1,250	EUR	-	Fixed rate	28.05.2026
	Enel Finance International	28.09.2021	1,000	EUR	0.375%	Fixed rate	28.05.2029
	Enel Finance International	28.09.2021	1,250	EUR	0.875%	Fixed rate	28.09.2034
	Enel Distribuição São Paulo	30.04.2021	114	BRL	IPCA + 4.26%	Floating rate	15.04.2031
	Enel Distribuição São Paulo	04.10.2021	91	BRL	CDI + 1.64% a.a	Floating rate	04.10.2028
Total bonds			**10,487**				
Bank borrowings							
	Enel SpA	05.05.2021	200	EUR	Euribor 6M + 0.3%	Floating rate	03.05.2024
	Enel SpA	12.10.2021	308	USD	USD SOFR 3M CMP 5LB + 0.7%	Floating rate	12.10.2025
	Enel SpA	30.12.2021	1,000	EUR	Euribor 6M + 0.4%	Floating rate	05.03.2026
	e-distribuzione	30.07.2021	150	EUR	Euribor 6M + 0.257%	Floating rate	30.07.2036
	e-distribuzione	22.12.2021	150	EUR	Euribor 6M + 0.275%	Floating rate	22.12.2036
	Endesa	15.04.2021	150	EUR	Euribor 3M + 0.82%	Floating rate	18.04.2028
	Endesa	28.06.2021	75	EUR	0.27%	Fixed rate	28.06.2028
	Endesa	30.07.2021	75	EUR	0.26%	Fixed rate	30.07.2028
	Endesa	30.07.2021	50	EUR	0.26%	Fixed rate	30.07.2028
	Endesa	15.10.2021	125	EUR	0.09%	Fixed rate	15.10.2026
	Endesa	15.10.2021	75	EUR	0.11%	Fixed rate	15.10.2026
	Endesa	27.10.2021	100	EUR	0.25%	Fixed rate	27.10.2028
	Endesa	22.11.2021	250	EUR	Euribor 6M + 0.313%	Floating rate	22.11.2036
	Endesa	09.12.2021	275	EUR	0.00%	Fixed rate	09.12.2024
	Endesa	17.12.2021	225	EUR	0.156%	Fixed rate	17.12.2024
	Enel Distribuição Ceará	06.01.2021	69	USD	1.225%	Fixed rate	06.01.2023
	Enel Distribuição São Paulo	19.04.2021	74	USD	1.974%	Fixed rate	19.04.2024
	Enel Distribuição São Paulo	09.09.2021	68	USD	2.365%	Fixed rate	09.09.2025
	Codensa	14.05.2021	87	COP	COP IBR 3M + 0.75%	Floating rate	14.05.2026
	Codensa	15.07.2021	65	COP	COP IBR 6M + 0.5%	Floating rate	15.07.2026
	Codensa	30.11.2021	56	COP	COP IBR 3M + 0.085%	Floating rate	30.11.2026
	Enel Chile	03.12.2021	132	USD	USD LIBOR + 1.10%	Floating rate	03.12.2026
	Enel Brasil	15.09.2021	61	USD	1.91%	Fixed rate	16.09.2024
Total bank borrowings			**3,820**				

The following table reports the impact on gross long-term debt of hedges to mitigate currency risk.

Structure of long-term financial debt by currency after hedging[(1)]

Millions of euro	at Dec. 31, 2021						at Dec. 31, 2020					
	Initial debt structure			Impact of hedge	Debt structure after hedging		Initial debt structure			Impact of hedge	Debt structure after hedging	
	Carrying amount	Nominal value	%				Carrying amount	Nominal value	%			
Euro	**32,041**	**32,387**	**54.8%**	**16,657**	**49,044**	**83.0%**	**25,581**	**26,089**	**48.9%**	**18,423**	**44,512**	**83.4%**
US dollar	17,518	17,629	29.8%	(13,423)	4,206	7.1%	18,500	18,589	34.8%	(14,955)	3,634	6.8%
Pound sterling	3,901	3,976	6.7%	(3,976)	-	-	3,955	3,998	7.5%	(3,998)	-	-
Colombian peso	1,341	1,341	2.3%	-	1,341	2.3%	1,283	1,283	2.4%	-	1,283	2.4%
Brazilian real	1,720	1,753	3.0%	1,028	2,781	4.7%	1,832	1,864	3.5%	794	2,658	5.0%
Swiss franc	343	344	0.6%	(344)	-	-	328	329	0.6%	(329)	-	-
Chilean peso/ UF	423	428	0.7%	-	428	0.7%	368	374	0.7%	-	374	0.7%
Peruvian sol	415	415	0.7%	-	415	0.7%	388	388	0.7%	-	388	0.7%
Russian ruble	427	427	0.7%	-	427	0.7%	281	286	0.5%	-	286	0.5%
Other currencies	402	405	0.7%	58	463	0.8%	171	175	0.4%	65	240	0.5%
Total non-euro currencies	**26,490**	**26,718**	**45.2%**	**(16,657)**	**10,061**	**17.0%**	**27,106**	**27,286**	**51.1%**	**(18,423)**	**8,863**	**16.6%**
TOTAL	**58,531**	**59,105**	**100.0%**	**-**	**59,105**	**100.0%**	**52,687**	**53,375**	**100.0%**	**-**	**53,375**	**100.0%**

(1) Does not include other non-current financial borrowings reported under "Other non-current financial liabilities" in the statement of financial position.

The amount of floating-rate debt that is not hedged against interest rate risk is the main risk factor that could adversely impact profit or loss (raising borrowing costs) in the event of an increase in market interest rates.

Millions of euro	2021				2020			
	Pre-hedge	%	Post-hedge	%	Pre-hedge	%	Post-hedge	%
Floating rate	27,811	38.4%	22,478	31.0%	19,458	32.6%	13,672	22.9%
Fixed rate	44,612	61.6%	49,945	69.0%	40,267	67.4%	46,053	77.1%
Total	**72,423**		**72,423**		**59,725**		**59,725**	

At December 31, 2021, 38.4% of financial debt was floating rate (32.6% at December 31, 2020). Taking account of hedges of interest rates considered effective pursuant to the IFRS-EU, 31.0% of net financial debt at December 31, 2021 (22.9% at December 31, 2020) was exposed to interest rate risk. These figures are in line with the limits established in the risk management policy.

The following table shows the impact of the IBOR reform on long-term financial debt for the main indices (for more details, please see the section "Reform of benchmarks for the determination of interest rates - IBOR reform" in note 49.1).

Millions of euro	Notional amount	
	at Dec. 31, 2021	
Long-term financial debt	**Phase 1**	**Phase 2**
USD LIBOR/SOFR	888	-
GBP LIBOR/SONIA	-	-
Total	**888**	**-**

Long-term debt - Main covenants

The Group's main long-term financial liabilities are governed by covenants that are commonly adopted in international business practice. These liabilities primarily regard bond issues carried out within the framework of the Global/Euro Medium Term Notes program, issues of subordinated unconvertible hybrid bonds (so-called "hybrid bonds") and loans granted by banks and other financial institutions (including the European Investment Bank and Cassa Depositi e Prestiti SpA).

The main covenants regarding bond issues carried out within the framework of the Global/Euro Medium Term Notes program of Enel and Enel Finance International NV (including the green bonds of Enel Finance International NV guaranteed by Enel SpA, which are used to finance the Group's so-called "eligible green projects") and those regarding bonds issued by Enel Finance International NV on the US market guaranteed by Enel SpA can be summarized as follows:

- negative pledge clauses under which the issuer and the guarantor may not establish or maintain mortgages, liens or other encumbrances on all or part of its assets or revenue to secure certain financial liabilities, unless the same encumbrances are extended equally or pro rata to the bonds in question;
- *pari passu* clauses, under which the bonds and the associated security constitute a direct, unconditional and unsecured obligation of the issuer and the guarantor and are issued without preferential rights among them and have at least the same seniority as other present and future unsubordinated and unsecured bonds of the issuer and the guarantor;
- cross-default clauses, under which the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the issuer, the guarantor or, in some cases, "significant" subsidiaries, constitutes a default in respect of the liabilities in question, which become immediately repayable.

Since 2019, Enel Finance International NV has issued a number of "sustainable" bonds on the European market (as part of the Euro Medium Term Notes - EMTN bond issue program) and on the American market, both guaranteed by Enel SpA, linked to the achievement of a number of the Sustainable Development Goals (SDGs) of the United Nations that contain the same covenants as other bonds of the same type.

The main covenants covering Enel's hybrid bonds, including the perpetual hybrid bond issues, which will only be repaid in the event of the dissolution or liquidation of the Company, can be summarized as follows:

- subordination clauses, under which each hybrid bond is subordinate to all other bonds issued by the company and has the same seniority with all other hybrid financial instruments issued, being senior only to equity instruments;
- prohibition on mergers with other companies, the sale or leasing of all or a substantial part of the company's assets to another company, unless the latter succeeds in all obligations of the issuer.

The main covenants envisaged in the loan contracts of Enel and Enel Finance International NV and the other Group companies, including the sustainability-linked loan facility agreements obtained by Enel SpA, can be summarized as follows:

- negative pledge clauses, under which the borrower and, in some cases, the guarantor are subject to limitations on the establishment of mortgages, liens or other encumbrances on all or part of their respective assets, with the exception of expressly permitted encumbrances;
- disposals clauses, under which the borrower and, in some cases, the guarantor may not dispose of their assets or operations, with the exception of expressly permitted disposals;
- *pari passu* clauses, under which the payment undertakings of the borrower have the same seniority as its other unsecured and unsubordinated payment obligations;
- change of control clauses, under which the borrower and, in some cases, the guarantor could be required to renegotiate the terms and conditions of the financing or make compulsory early repayment of the loans granted;
- rating clauses, which provide for the borrower or the guarantor to maintain their rating above a certain specified level;
- cross-default clauses, under which the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the issuer or, in some cases, the guarantor constitutes a default in respect of the liabilities in question, which become immediately repayable.

In some cases, the covenants are also binding for the significant companies or subsidiaries of the obligated parties. All the borrowings considered specify "events of default" typical of international business practice, such as, for example, insolvency, bankruptcy proceedings or the entity ceasing trading.

In addition, the guarantees issued by Enel in the interest of e-distribuzione SpA for certain loans to e-distribuzione SpA from Cassa Depositi e Prestiti SpA require that at the end of each six-month measurement period Enel's net consolidated financial debt shall not exceed 4.5 times annual consolidated gross operating profit.

Finally, the debt of Endesa SA, Enel Américas SA, Enel Chile SA and the other Spanish and Latin American subsidiaries (notably Enel Generación Chile SA) contain covenants and events of default typical of international business practice.

46.3.2 Short-term borrowings – €13,306 million

At December 31, 2021 short-term borrowings totaled €13,306 million, an increase of €6,961 million compared with December 31, 2020, and break down as follows:

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change
Short-term bank borrowings	1,329	711	618
Commercial paper	10,708	4,854	5,854
Cash collateral and other financing on derivatives	918	370	548
Other short-term borrowings[1]	351	410	(59)
Short-term borrowings	**13,306**	**6,345**	**6,961**

(1) Does not include other current borrowings included in "Other current financial liabilities" of the statement of financial position included in financial debt.

Commercial paper liabilities totaling €10,708 million concerned issues by Enel Finance International, Enel Finance America and Endesa.

The main commercial paper programs include:

- €6,000 million of Enel Finance International linked to sustainability objectives;
- €4,000 million of Endesa linked to sustainability objectives;
- $5,000 million (equivalent to €4,414 million at December 31, 2021) of Enel Finance America linked to sustainability objectives. During 2021, Enel Finance America expanded its commercial paper program from $3,000 million to $5,000 million.

At December 31, 2021 commercial paper issues linked to sustainability objectives amounted to €10,343 million.

46.4 Derivative financial liabilities

For more information on derivative financial liabilities, please see note 49 "Derivatives and hedge accounting".

46.5 Net gains and losses

The following table shows net gains and losses by category of financial instruments, excluding derivatives.

Millions of euro	2021		2020	
	Net gain/(loss)	*Of which impairment loss/gain*	Net gain/(loss)	*Of which impairment loss/gain*
Financial assets at amortized cost	**(915)**	***(1,194)***	**(1,326)**	***(1,334)***
Financial assets at FVOCI				
Equity investments at FVOCI	–	–	1	–
Other financial assets at FVOCI	15	–	6	–
Total financial assets at FVOCI	**15**	**–**	**7**	**–**
Financial assets at FVTPL				
Financial assets at FVTPL	28	*25*	(125)	*(346)*
Financial assets designated upon initial recognition (fair value option)	–	–	–	–
Total financial assets at FVTPL	**28**	***25***	**(125)**	***(346)***
Financial liabilities measured at amortized cost	**(4,325)**	**–**	**(1,385)**	**–**
Financial liabilities at FVTPL				
Financial liabilities held for trading	–	–	–	–
Financial liabilities designated upon initial recognition (fair value option)	–	–	–	–
Total financial liabilities at FVTPL	**–**	**–**	**–**	**–**

For more details on net gains and losses on derivatives, please see note 13 "Net financial income/(expense) from derivatives".

47. Risk management

Financial risk management governance and objectives

As part of its operations, the Enel Group is exposed to a variety of financial risks, notably interest rate risk, commodity risk, currency risk, credit and counterparty risk and liquidity risk.

The Group's governance arrangements for financial risks include internal committees and the establishment of specific policies and operational limits. Enel's primary objective is to mitigate financial risks appropriately so that they do not give rise to unexpected changes in results.

The Group's policies for managing financial risks provide for the mitigation of the effects on performance of changes in interest rates and exchange rates with the exclusion of translation risk (connected with consolidation of the accounts). This objective is achieved at the source of the risk, through the diversification of both the nature of the financial instruments and the sources of revenue, and by modifying the risk profile of specific exposures with derivatives entered into on over-the-counter markets or with specific commercial agreements.

As part of its governance of compliance risks, the Enel Group monitors non-risk-reducing positions in OTC derivatives contracts in relation to the threshold values established under the EMIR (Regulation (EU) no. 648/2012) for the various asset classes. In 2021, the Group was positioned below those clearing thresholds for all asset classes, maintaining its classification as a non-financial counterparty.

There were no changes in the sources of exposure to such risks compared with the previous year.

Finally, the impact of COVID-19 on risk management issues was limited and in any case not such as to directly and materially influence the valuation of derivative instruments and the outcome of the assessment of the effectiveness of hedges of exchange rates, interest rates and commodities.

The financial underlyings were not affected by the adverse impact of COVID-19 either, and no changes were recorded in the exposures.

Interest rate risk

Interest rate risk derives primarily from the use of financial instruments and manifests itself as unexpected changes in charges on financial liabilities, if indexed to floating rates and/or exposed to the uncertainty of financial terms and conditions in negotiating new debt instruments, or as an unexpected change in the value of financial instruments measured at fair value (such as fixed-rate debt).

The main financial liabilities held by the Group include bonds, bank borrowings, borrowings from other lenders, commercial paper, derivatives, cash deposits received to secure commercial or derivative contracts (guarantees, cash collateral).

The Enel Group mainly manages interest rate risk through the definition of an optimal financial structure, with the dual goal of stabilizing borrowing costs and containing the cost of funds.

This goal is pursued through the diversification of the portfolio of financial liabilities by contract type, maturity and interest rate, and modifying the risk profile of specific exposures using OTC derivatives, mainly interest rate swaps and interest rate options. The term of such derivatives does not exceed the maturity of the underlying financial liability, so that any change in the fair value and/or expected cash flows of such contracts is offset by a corresponding change in the fair value and/or cash flows of the hedged position.

Proxy hedging techniques can be used in a number of residual circumstances, when the hedging instruments for the risk factors are not available on the market or are not sufficiently liquid.

For the purpose of EMIR compliance, in order to test the actual effectiveness of the hedging techniques adopted, the Group subjects its hedge portfolios to periodic statistical assessment.

Using interest rate swaps, the Enel Group agrees with the counterparty to periodically exchange floating-rate interest flows with fixed-rate flows, both calculated on the same notional principal amount.

Floating-to-fixed interest rate swaps transform floating-rate financial liabilities into fixed rate liabilities, thereby neutralizing the exposure of cash flows to changes in interest rates.

Fixed-to-floating interest rate swaps transform fixed rate financial liabilities into floating-rate liabilities, thereby neutralizing the exposure of their fair value to changes in interest rates.

Floating-to-floating interest rate swaps transform the indexing criteria for floating-rate financial liabilities.

Some structured borrowings have multi-stage cash flows hedged by interest rate swaps that at the reporting date, and for a limited time, provide for the exchange of fixed-rate interest flows.

Interest rate options involve the exchange of interest differences calculated on a notional principal amount once certain thresholds (strike prices) are reached. These thresholds specify the effective maximum rate (cap) or the minimum rate (floor) to which the synthetic financial instrument will be indexed as a result of the hedge. Certain hedging strategies provide for the use of combinations of options (collars) that establish the minimum and maximum rates at the same time. In this case, the strike prices are normally set so that no premium is paid on the contract (zero cost collars).

Such contracts are normally used when the fixed interest rate that can be obtained in an interest rate swap is considered too high with respect to market expectations for future interest rate developments. In addition, interest rate

options are also considered most appropriate in periods of greater uncertainty about future interest rate developments because they make it possible to benefit from any decrease in interest rates.

The following table reports the notional amount of interest rate derivatives at December 31, 2021 and December 31, 2020 broken down by type of contract.

Millions of euro	Notional amount	
	at Dec. 31, 2021	at Dec. 31, 2020
Floating-to-fixed interest rate swaps	7,700	7,323
Fixed-to-floating interest rate swaps	722	173
Fixed-to-fixed interest rate swaps	-	-
Floating-to-floating interest rate swaps	391	276
Interest rate options	50	50
Total	**8,863**	**7,822**

For more details on interest rate derivatives, please see note 49 "Derivatives and hedge accounting".

Interest rate risk sensitivity analysis

Enel analyzes the sensitivity of its exposure by estimating the effects of a change in interest rates on the portfolio of financial instruments.

More specifically, sensitivity analysis measures the potential impact on profit or loss and on equity of market scenarios that would cause a change in the fair value of derivatives or in the financial expense associated with unhedged gross debt.

These market scenarios are obtained by simulating parallel increases and decreases in the yield curve as at the reporting date.

There were no changes introduced in the methods and assumptions used in the sensitivity analysis compared with the previous year.

With all other variables held constant, the Group's pre-tax profit would be affected by a change in the level of interest rates as follows.

Millions of euro	2021				
		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Basis points	Increase	Decrease	Increase	Decrease
Change in financial expense on gross long-term floating-rate debt after hedging	25	23	(23)	-	-
Change in fair value of derivatives classified as non-hedging instruments	25	38	(38)	-	-
Change in fair value of derivatives designated as hedging instruments					
Cash flow hedges	25	-	-	67	(67)
Fair value hedges	25	-	-	-	-

At December 31, 2021, 24.5% (24.6% at December 31, 2020) of gross long-term financial debt was floating rate. Taking account of effective cash flow hedges of interest rate risk (in accordance with the provisions of the IFRS-EU), 84.5% of gross long-term financial debt was hedged at December 31, 2021 (86.3% at December 31, 2020).

Currency risk

Currency risk mainly manifests itself as unexpected changes in the financial statement items associated with transactions denominated in a currency other than the presentation currency. The Group's consolidated financial statements are also exposed to translation risk as a result of the conversion of the financial statements of foreign subsidiaries, which are denominated in local currencies, into euros as the Group's presentation currency.

The Group's exposure to currency risk is connected with the purchase or sale of fuels and power, investments (cash flows for capitalized costs), dividends and the purchase or sale of equity investments, commercial transactions and financial assets and liabilities.

The Group policies for managing currency risk provide for the mitigation of the effects on profit or loss of changes in the level of exchange rates, with the exception of the translation effects connected with consolidation.

In order to minimize the exposure to currency risk, Enel implements diversified revenue and cost sources geographically, and uses indexing mechanisms in commercial con-

tracts. Enel also uses various types of derivatives, typically on the OTC market.
The derivatives in the Group's portfolio of financial instruments include cross currency interest rate swaps, currency forwards and currency swaps. The term of such contracts does not exceed the maturity of the underlying instrument, so that any change in the fair value and/or expected cash flows of such instruments offsets the corresponding change in the fair value and/or cash flows of the hedged position.
Cross currency interest rate swaps are used to transform a long-term financial liability denominated in a currency other than the presentation currency into an equivalent liability in the presentation currency.
Currency forwards are contracts in which the counterparties agree to exchange principal amounts denominated in different currencies at a specified future date and exchange rate (the strike). Such contracts may call for the actual exchange of the two principal amounts (deliverable forwards) or payment of the difference generated by differences between the strike exchange rate and the prevailing exchange rate at maturity (non-deliverable forwards). In the latter case, the strike rate and/or the spot rate can be determined as averages of the rates observed in a given period.
Currency swaps are contracts in which the counterparties enter into two transactions of the opposite sign at different future dates (normally one spot, the other forward) that provide for the exchange of principal denominated in different currencies.

The following table reports the notional amount of transactions outstanding at December 31, 2021 and December 31, 2020, broken down by type of hedged item.

Millions of euro	Notional amount	
	at Dec. 31, 2021	at Dec. 31, 2020
Cross currency interest rate swaps (CCIRSs) hedging debt denominated in currencies other than the euro	21,123	20,636
Currency forwards hedging currency risk on commodities	6,183	5,469
Currency forwards/CCIRSs hedging future cash flows in currencies other than the euro	5,034	3,971
Other currency forwards	926	990
Total	**33,266**	**31,066**

More specifically, these include:
- CCIRSs with a notional amount of €21,123 million to hedge the currency risk on debt denominated in currencies other than the euro (€20,636 million at December 31, 2020);
- currency forwards and cross currency swaps with a total notional amount of €11,217 million used to hedge the currency risk associated with purchases of natural gas and fuel and expected cash flows in currencies other than the euro (€9,440 million at December 31, 2020);
- other currency forwards, which include OTC derivatives transactions carried out to mitigate currency risk on expected cash flows in currencies other than the presentation currency connected with the purchase of investment goods in the renewables and infrastructure and networks sectors (new generation digital meters), on operating costs for the supply of cloud services and on revenue from the sale of renewable energy.

At December 31, 2021, 45% (51% at December 31, 2020) of Group long-term debt was denominated in currencies other than the euro.

Taking account of hedges of currency risk, the percentage of debt not hedged against that risk amounted to 17% at December 31, 2021 (17% at December 31, 2020).

Currency risk sensitivity analysis

The Group analyzes the sensitivity of its exposure by estimating the effects of a change in exchange rates on the portfolio of financial instruments.
More specifically, sensitivity analysis measures the potential impact on profit or loss and equity of market scenarios that would cause a change in the fair value of derivatives or in the financial expense associated with unhedged gross medium/long-term debt.
These scenarios are obtained by simulating the appreciation/depreciation of the euro against all of the currencies compared with the value observed as at the reporting date.
There were no changes in the methods or assumptions used in the sensitivity analysis compared with the previous year.
With all other variables held constant, the pre-tax profit would be affected by changes in exchange rates as follows.

Millions of euro	2021				
		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Exchange rate	Increase	Decrease	Increase	Decrease
Change in fair value of derivatives classified as non-hedging instruments	10%	485	(592)	-	-
Change in fair value of derivatives designated as hedging instruments					
Cash flow hedges	10%	-	-	(2,458)	3,003
Fair value hedges	10%	(50)	61	-	-

Commodity price risk

The risk of fluctuations in the price of energy commodities such as electricity, gas, oil, CO_2, etc. is generated by the volatility of prices and structural correlations between them, which create uncertainty in the margin on purchases and sales of electricity and fuels at variable prices (e.g., indexed bilateral contracts, transactions on the spot market, etc.).

The exposures on indexed contracts are quantified by breaking down the contracts that generate exposure into the underlying risk factors.

To contain the effects of fluctuations and stabilize margins, in accordance with the policies and operating limits determined by the Group's governance and leaving an appropriate margin of flexibility to seize any short-term opportunities that may present themselves, Enel develops and plans strategies that impact the various phases of the industrial process linked to the production and sale of electricity and gas (such as forward procurement and long-term commercial agreements), as well as risk mitigation plans and techniques using derivative contracts (hedging).

As regards electricity sold by the Group, Enel mainly uses fixed-price contracts in the form of bilateral physical contracts (PPAs) and financial contracts (e.g., contracts for differences, VPP contracts, etc.) in which differences are paid to the counterparty if the market electricity price exceeds the strike price and to Enel in the opposite case. The residual exposure in respect of the sale of energy on the spot market not hedged with such contracts is aggregated by uniform risk factors that can be managed with hedging transactions on the market. Proxy hedging techniques can be used for the industrial portfolios when the hedging instruments for the specific risk factors generating the exposure are not available on the market or are not sufficiently liquid. In addition, Enel uses portfolio hedging techniques to assess opportunities for netting intercompany exposures.

The Group mainly uses plain vanilla derivatives for hedging (more specifically, forwards, swaps, options on commodities, futures, contracts for differences).

Some of these products can be indexed to a variety of underlyings (coal, gas, oil, CO_2, different geographical areas, etc.) and the approaches can be assessed and adapted to specific needs.

Enel also engages in proprietary trading in order to maintain a presence in the Group's reference energy commodity markets. These operations consist in taking on exposures in energy commodities (oil products, gas, coal, CO_2 certificates and electricity) using financial derivatives and physical contracts traded on regulated and over-the-counter markets, optimizing profits through transactions carried out on the basis of expected market developments.

The following table reports the notional amount of outstanding transactions at December 31, 2021 and December 31, 2020, broken down by type of instrument.

Millions of euro	Notional amount	
	at Dec. 31, 2021	at Dec. 31, 2020
Forward and futures contracts	90,273	48,064
Swaps	12,122	1,862
Options	1,076	576
Embedded	-	7
Total	**103,471**	**50,509**

For more details, please see note 49 "Derivatives and hedge accounting".

Sensitivity analysis of commodity price risk

The following table presents the results of the analysis of sensitivity to a reasonably possible change in the commodity prices underlying the valuation model used in the scenario at the same date, with all other variables held constant.

The impact on pre-tax profit of shifts of +15% and -15% in the price curve for the main commodities that make up the fuel scenario and the basket of formulas used in the

contracts is mainly attributable to the change in the price of electricity, gas and petroleum products and, to a lesser extent, of CO_2. The impact on equity of the same shifts in the price curve is primarily due to changes in the price of electricity, petroleum products and, to a lesser extent, CO_2. The Group's exposure to changes in the prices of other commodities is not material.

Millions of euro	2021				
		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Commodity price	Increase	Decrease	Increase	Decrease
Change in the fair value of trading derivatives on commodities	15%	(621)	632	-	-
Change in the fair value of derivatives on commodities designated as hedging instruments	15%	-	-	72	(88)

Credit and counterparty risk

The Group's commercial, commodity and financial transactions expose it to credit and counterparty risk, i.e., the possibility of a deterioration in the creditworthiness of a counterparty that has an adverse impact on the expected value of the creditor position or, for trade payables only, increases average collection times.

Accordingly, the exposure to credit risk is attributable to the following types of transactions:

- the sale and distribution of electricity and gas in free and regulated markets and the supply of goods and services (trade receivables);
- trading activities that involve the physical exchange of assets or transactions in financial instruments (the commodity portfolio);
- trading in derivatives, bank deposits and, more generally, financial instruments (the financial portfolio).

In order to minimize credit risk, credit exposures are managed at the region/country/Global Business Line level by different units, thereby ensuring the necessary segregation of risk management and control activities. Monitoring the consolidated exposure is carried out by Enel SpA.

In addition, at the Group level the policy provides for the use of uniform criteria – in all the main regions/countries/Global Business Lines and at the consolidated level – in measuring commercial credit exposures in order to promptly identify any deterioration in the quality of outstanding receivables and any mitigation actions to be taken.

The policy for managing credit risk associated with commercial activities provides for a preliminary assessment of the creditworthiness of counterparties and the adoption of mitigation instruments, such as obtaining collateral or unsecured guarantees.

In addition, the Group undertakes transactions to factor receivables without recourse, which results in the complete derecognition of the corresponding assets involved in the factoring, as the risks and rewards associated with them have been transferred.

Finally, with regard to financial and commodity transactions, risk mitigation is pursued with a uniform system for assessing counterparties at the Group level, including implementation at the level of regions/countries/Global Business Lines, as well as with the adoption of specific standardized contractual frameworks that contain risk mitigation clauses (e.g., netting arrangements) and possibly the exchange of cash collateral.

Despite the deterioration in the collection status of some customer segments, which was taken into account in the assessment of the impairment of trade receivables, to date the Group portfolio has displayed resilience to the global pandemic. This reflects the strengthening of digital collection channels and a sound diversification of commercial customers with a low exposure to the impacts of COVID (e.g., utilities and distribution companies).

Loan assets

Millions of euro	at Dec. 31, 2021				
Staging	Basis for recognition of expected credit loss allowance	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
Performing	12 m ECL	0.6%	10,585	65	10,520
Underperforming	Lifetime ECL	27.8%	72	20	52
Non-performing	Lifetime ECL	73.0%	204	149	55
Total			**10,861**	**234**	**10,627**

Contract assets, trade receivables and other financial assets: individual measurement

Millions of euro

	at Dec. 31, 2021			
	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
Contract assets	**-**	**110**	**-**	**110**
Trade receivables				
Trade receivables not past due	0.7%	5,339	39	5,300
Trade receivables past due:				
- 1-30 days	1.2%	489	6	483
- 31-60 days	3.4%	89	3	86
- 61-90 days	10.2%	59	6	53
- 91-120 days	50.0%	34	17	17
- 121-150 days	31.6%	19	6	13
- 151-180 days	26.9%	26	7	19
- more than 180 days (credit impaired)	77.1%	1,813	1,397	416
Total trade receivables		**7,868**	**1,481**	**6,387**
Other financial assets				
Other financial assets not past due	1.9%	1,712	32	1,680
Other financial assets past due:				
- 1-30 days	-	352	-	352
- 31-60 days	-	244	-	244
- 61-90 days	-	-	-	-
- 91-120 days	-	2	-	2
- 121-150 days	-	-	-	-
- 151-180 days	-	-	-	-
- more than 180 days (credit impaired)	13.9%	332	46	286
Total other financial assets		**2,642**	**78**	**2,564**
TOTAL		**10,620**	**1,559**	**9,061**

Millions of euro

	at Dec. 31, 2020			
	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
Contract assets	**4.3%**	**23**	**1**	**22**
Trade receivables				
Trade receivables not past due	1.3%	4,953	66	4,887
Trade receivables past due:				
- 1-30 days	1.5%	453	7	446
- 31-60 days	2.8%	106	3	103
- 61-90 days	12.8%	39	5	34
- 91-120 days	28.0%	25	7	18
- 121-150 days	12.9%	31	4	27
- 151-180 days	100.0%	53	53	-
- more than 180 days (credit impaired)	83.8%	1,692	1,418	274
Total trade receivables		**7,352**	**1,563**	**5,789**
Other financial assets				
Other financial assets not past due	3.1%	1,243	38	1,205
Other financial assets past due:				
- 1-30 days	15.6%	499	78	421
- 31-60 days	-	11	-	11
- 61-90 days	-	-	-	-
- 91-120 days	-	-	-	-
- 121-150 days	-	-	-	-
- 151-180 days	40.0%	5	2	3
- more than 180 days (credit impaired)	6.3%	79	5	74
Total other financial assets		**1,837**	**123**	**1,714**
TOTAL		**9,212**	**1,687**	**7,525**

Contract assets, trade receivables and other financial assets: collective measurement

Millions of euro

	at Dec. 31, 2021			
	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
Contract assets	**11.5%**	**26**	**2**	**24**
Trade receivables				
Trade receivables not past due	1.7%	4,603	77	4,526
Trade receivables past due:				
- 1-30 days	2.8%	3,321	94	3,227
- 31-60 days	9.9%	272	27	245
- 61-90 days	15.3%	183	28	155
- 91-120 days	26.1%	111	29	82
- 121-150 days	32.4%	111	36	75
- 151-180 days	33.3%	90	30	60
- more than 180 days (credit impaired)	58.5%	3,180	1,861	1,319
Total trade receivables		**11,871**	**2,182**	**9,689**
Other financial assets				
Other financial assets not past due	-	804	76	728
Other financial assets past due:				
- 1-30 days	-	7	-	7
- 31-60 days	-	-	-	-
- 61-90 days	-	-	-	-
- 91-120 days	-	-	-	-
- 121-150 days	-	-	-	-
- 151-180 days	-	1	-	1
- more than 180 days (credit impaired)	-	1	-	1
Total other financial assets		**813**	**76**	**737**
TOTAL		**12,710**	**2,260**	**10,450**

Millions of euro

	at Dec. 31, 2020			
	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
Contract assets	**1.2%**	**163**	**2**	**161**
Trade receivables				
Trade receivables not past due	0.6%	5,487	32	5,455
Trade receivables past due:				
- 1-30 days	7.2%	554	40	514
- 31-60 days	16.2%	154	25	129
- 61-90 days	26.4%	110	29	81
- 91-120 days	36.6%	71	26	45
- 121-150 days	43.1%	58	25	33
- 151-180 days	100.0%	79	79	-
- more than 180 days (credit impaired)	100.0%	1,468	1,468	-
Total trade receivables		**7,981**	**1,724**	**6,257**
Other financial assets				
Other financial assets not past due	2.2%	274	6	268
Other financial assets past due:				
- 1-30 days	-	3	-	3
- 31-60 days	-	1	-	1
- 61-90 days	-	-	-	-
- 91-120 days	-	-	-	-
- 121-150 days	-	-	-	-
- 151-180 days	-	-	-	-
- more than 180 days (credit impaired)	-	55	-	55
Total other financial assets		**333**	**6**	**327**
TOTAL		**8,477**	**1,732**	**6,745**

Liquidity risk

Liquidity risk manifests itself as uncertainty about the Group's ability to discharge its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Enel manages liquidity risk by implementing measures to ensure an appropriate level of liquid financial resources, minimizing the associated opportunity cost and maintaining a balanced debt structure in terms of its maturity profile and funding sources.

In the short term, liquidity risk is mitigated by maintaining an appropriate level of unconditionally available resources, including liquidity on hand and short-term deposits, available committed credit lines and a portfolio of highly liquid assets.

In the long term, liquidity risk is mitigated by maintaining a balanced maturity profile for our debt, access to a range of sources of funding on different markets, in different currencies and with diverse counterparties.

The mitigation of liquidity risk enables the Group to maintain a credit rating that ensures access to the capital market and limits the cost of funds, with a positive impact on its financial position and performance.

The Group holds the following undrawn lines of credit and commercial paper programs.

Millions of euro	at Dec. 31, 2021		at Dec. 31, 2020	
	Expiring within one year	Expiring beyond one year	Expiring within one year	Expiring beyond one year
Committed credit lines	438	14,822	4,028	14,531
Uncommitted credit lines	888	-	802	-
Commercial paper	3,709	-	7,591	-
Total	**5,035**	**14,822**	**12,421**	**14,531**

Maturity analysis

The table below summarizes the maturity profile of the Group's long-term debt.

Millions of euro

At Dec. 31, 2021	Maturing in						
	Less than 3 months	From 3 months to 1 year	2023	2024	2025	2026	Beyond
Bonds:							
- listed, fixed rate	59	2,060	2,078	4,691	2,150	3,782	12,593
- listed, floating rate	128	306	466	357	298	191	811
- unlisted, fixed rate	50	-	-	1,320	-	1,094	8,743
- unlisted, floating rate	-	97	97	97	97	97	137
Total bonds	**237**	**2,463**	**2,641**	**6,465**	**2,545**	**5,164**	**22,284**
Bank borrowings:							
- fixed rate	65	173	206	945	197	334	485
- floating rate	96	655	756	1,261	1,072	2,313	3,956
- use of revolving credit lines	-	-	50	-	4	1,000	-
Total bank borrowings	**161**	**828**	**1,012**	**2,206**	**1,273**	**3,647**	**4,441**
Leases:							
- fixed rate	67	175	213	166	151	147	1,558
- floating rate	4	13	15	13	13	9	3
Total leases	**71**	**188**	**228**	**179**	**164**	**156**	**1,561**
Other non-bank borrowings[(1)]:							
- fixed rate	11	58	73	80	66	74	233
- floating rate	3	11	-	120	5	1	2
Total other non-bank borrowings	**14**	**69**	**73**	**200**	**71**	**75**	**235**
TOTAL	**483**	**3,548**	**3,954**	**9,050**	**4,053**	**9,042**	**28,521**

(1) Includes other non-current financial borrowings reported under "Other non-current financial liabilities" in the statement of financial position.

Commitments to purchase commodities

In conducting its business, the Enel Group has entered into contracts to purchase specified quantities of commodities at a certain future date for its own use, which qualify for the own use exemption provided for under IFRS 9.

The following table reports the undiscounted cash flows associated with outstanding commitments at December 31, 2021.

Millions of euro	at Dec. 31, 2021	2022-2025	2026-2030	2031-2035	Beyond
Commitments to purchase commodities:					
- electricity	71,244	22,916	16,201	13,932	18,195
- fuels	58,042	11,542	34,027	8,038	4,435
Total	**129,286**	**34,458**	**50,228**	**21,970**	**22,630**

48. Offsetting financial assets and financial liabilities

At December 31, 2021, the Group did not hold offset positions in assets and liabilities, as it is not the Enel Group's policy to settle financial assets and liabilities on a net basis.

49. Derivatives and hedge accounting

The following tables show the notional amount and the fair value of derivative financial assets and derivative financial liabilities eligible for hedge accounting or measured at FVTPL, classified on the basis of the type of hedge relationship and the hedged risk, broken down into current and non-current instruments.

The notional amount of a derivative contract is the amount on the basis of which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euros by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are translated at the official closing exchange rates provided by the World Markets Refinitiv (WMR) Company.

Millions of euro	Non-current				Current			
	Notional		Fair value		Notional		Fair value	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
DERIVATIVE ASSETS								
Fair value hedge derivatives:								
- on interest rates	139	138	19	22	-	-	-	-
- on exchange rates	672	639	42	28	-	79	-	28
Total	**811**	**777**	**61**	**50**	**-**	**79**	**-**	**28**
Cash flow hedge derivatives:								
- on interest rates	404	161	19	21	-	-	-	-
- on exchange rates	14,980	5,061	1,356	685	2,690	698	104	51
- on commodities	2,693	2,541	1,059	428	3,469	2,165	3,023	627
Total	**18,077**	**7,763**	**2,434**	**1,134**	**6,159**	**2,863**	**3,127**	**678**
Trading derivatives:								
- on interest rates	-	50	-	2	50	-	1	-
- on exchange rates	26	71	-	4	2,154	3,430	23	79
- on commodities	1,147	379	277	46	48,304	21,424	19,640	2,686
Total	**1,173**	**500**	**277**	**52**	**50,508**	**24,854**	**19,664**	**2,765**
TOTAL DERIVATIVE ASSETS	**20,061**	**9,040**	**2,772**	**1,236**	**56,667**	**27,796**	**22,791**	**3,471**

Millions of euro	Non-current				Current			
	Notional		Fair value		Notional		Fair value	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
DERIVATIVE LIABILITIES								
Fair value hedge derivatives:								
- on interest rates	660	-	5	-	-	-	-	-
- on exchange rates	-	-	-	-	-	-	-	-
Total	**660**	**-**	**5**	**-**	**-**	**-**	**-**	**-**
Cash flow hedge derivatives:								
- on interest rates	6,807	7,201	620	938	653	122	9	2
- on exchange rates	7,224	16,310	1,244	2,491	1,892	3,766	49	263
- on commodities	3,312	1,535	1,301	148	2,067	1,466	4,853	379
Total	**17,343**	**25,046**	**3,165**	**3,577**	**4,612**	**5,354**	**4,911**	**644**
Trading derivatives:								
- on interest rates	-	50	-	4	150	100	73	88
- on exchange rates	73	28	2	3	3,555	984	60	41
- on commodities	884	89	167	22	41,595	20,910	19,563	2,758
Total	**957**	**167**	**169**	**29**	**45,300**	**21,994**	**19,696**	**2,887**
TOTAL DERIVATIVE LIABILITIES	**18,960**	**25,213**	**3,339**	**3,606**	**49,912**	**27,348**	**24,607**	**3,531**

49.1 Derivatives designated as hedging instruments

Derivatives are initially recognized at fair value, on the trade date of the contract and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Hedge accounting is applied to derivatives entered into in order to reduce risks such as interest rate risk, currency risk, commodity price risk and net investments in foreign operations when all the criteria provided by IFRS 9 are met.

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether hedging instruments are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges of forecast transactions designated as hedged items, the Group assesses and documents that they are highly probable and present an exposure to changes in cash flows that affect profit or loss.

Depending on the nature of the risk exposure, the Group designates derivatives as either:

- fair value hedges;
- cash flow hedges.

For more details about the nature and the extent of risks arising from financial instruments to which the Group is exposed, please see note 47 "Risk management".

To be effective a hedge relationship shall meet all of the following criteria:

- existence of an economic relationship between hedging instrument and hedged item;
- the effect of credit risk does not dominate the value changes resulting from the economic relationship;
- the hedge ratio defined at initial designation shall be equal to the one used for risk management purposes (i.e., same quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge the quantity of the hedged item).

Based on the IFRS 9 requirements, the existence of an economic relationship is evaluated by the Group through a qualitative assessment or a quantitative computation, depending on the following circumstances:

- if the underlying risk of the hedging instrument and the hedged item is the same, the existence of an economic relationship will be provided through a qualitative analysis;
- on the other hand, if the underlying risk of the hedging instrument and the hedged item is not the same, the existence of the economic relationship will be demonstrated through a quantitative method in addition to a qualitative analysis of the nature of the economic relationship (i.e., linear regression).

In order to demonstrate that the behavior of the hedging instrument is in line with those of the hedged item, different scenarios will be analyzed.

For hedging of commodity price risk, the existence of an economic relationship is deduced from a ranking matrix that defines, for each possible risk component, a set of all standard derivatives available in the market whose ranking is based on their effectiveness in hedging the considered risk.
In order to evaluate the credit risk effects, the Group considers the existence of risk mitigating measures (collateral, mutual break-up clauses, netting agreements, etc.).

The Group has established a hedge ratio of 1:1 for all the hedge relationships (including commodity price risk hedging) as the underlying risk of the hedging derivative is identical to the hedged risk, in order to minimize hedging ineffectiveness.
The hedge ineffectiveness will be evaluated through a qualitative assessment or a quantitative computation, depending on the following circumstances:

- if the critical terms of the hedged item and hedging instrument match and there are no other sources of ineffectiveness included the credit risk adjustment on the hedging derivative, the hedge relationship will be considered fully effective on the basis of a qualitative assessment;
- if the critical terms of the hedged item and hedging instrument do not match or there is at least one source of ineffectiveness, the hedge ineffectiveness will be quantified applying the dollar offset cumulative method with hypothetical derivative. This method compares changes in fair value of the hedging instrument and the hypothetical derivative between the reporting date and the inception date.

The main causes of hedge ineffectiveness can be the following:

- basis differences (i.e., the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change);
- timing differences (i.e., the hedged item and hedging instrument occur or are settled at different dates);
- quantity or notional amount differences (i.e., the hedged item and hedging instrument are based on different quantities or notional amounts);
- other risks (i.e., changes in the fair value or cash flows of a derivative hedging instrument or hedged item relate to risks other than the specific risk being hedged);
- credit risk (i.e., the counterparty credit risk differently impacts the changes in the fair value of the hedging instruments and hedged items).

Fair value hedges

Fair value hedges are used to protect the Group against exposures to changes in the fair value of assets, liabilities or firm commitment attributable to a particular risk that could affect profit or loss.
Changes in the fair value of derivatives that qualify and are designated as hedging instruments are recognized in the income statement, together with changes in the fair value of the hedged item that are attributable to the hedged risk.
If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to profit or loss over the period to maturity.

Cash flow hedges

Cash flow hedges are applied in order to hedge the Group exposure to changes in future cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable transaction that could affect profit or loss.
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.
Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the hedged forecast sale takes place).
If the hedged item results in the recognition of a non-financial asset (i.e., property, plant and equipment or inventories, etc.) or a non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the amount accumulated in equity (i.e., hedging reserve) shall be removed and included in the initial amount (cost or other carrying amount) of the asset or the liability hedged (i.e., "basis adjustment").
When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.
For hedge relationships using forwards as a hedging instrument, where only the change in the value of the spot element is designated as the hedging instrument, accounting for the forward element (profit or loss vs. OCI) is defined case by case. This approach is actually applied by the Group for hedging of currency risk on renewables assets.
Conversely, for hedge relationships using cross currency interest rate swaps as hedging instruments, the Group

separates foreign currency basis spread, in designating the hedging derivative, and presents them in other comprehensive income (OCI) as hedging costs.

With specific regard to cash flow hedges of commodity risk, in order to improve their consistency with the risk management strategy, the Enel Group applies a dynamic hedge accounting approach based on specific liquidity requirements (the so-called "liquidity-based approach").

This approach requires the designation of hedges through the use of the most liquid derivatives available on the market and replacing them with others that are more effective in covering the risk in question.

Consistent with the risk management strategy, the liquidity-based approach allows the roll-over of a derivative by replacing it with a new derivative, not only in the event of expiry but also during the hedge relationship, if and only if the new derivative meets both of the following requirements:

- it represents a best proxy of the old derivative in terms of ranking;
- it meets specific liquidity requirements.

Satisfaction of these requirements is verified quarterly.

At the roll-over date, the hedge relationship is not discontinued. Accordingly, starting from that date, changes in the effective fair value of the new derivative will be recognized in equity (the hedging reserve), while changes in the fair value of the old derivative are recognized through profit or loss.

Reform of benchmarks for the determination of interest rates – IBOR reform

Overview

Interbank Offered Rates ("IBORs") are benchmark rates at which banks can borrow funds on the interbank market on an unsecured basis for a given period ranging from overnight to 12 months, in a specific currency.

In recent years there have been a number of cases of manipulation of these rates by the banks contributing to their calculation. For this reason, regulators around the world have begun a sweeping reform of interest rate benchmarks that includes the replacement of some benchmarks with alternative risk-free rates (the IBOR reform).

The Group's main exposure is based on Euribor, USD LIBOR and GBP LIBOR.

Euribor is still considered compliant with the European Benchmarks Regulation (BMR) and this permits market participants to continue to use it for both existing and new contracts.

In line with the most recent guidance issued by the major regulatory bodies:

- the 1-month, 3-month and 6-month USD LIBOR benchmarks will become unrepresentative after June 30, 2023 and the alternative reference rate will be the Secured Overnight Financing Rate (SOFR);
- the 1-month, 3-month and 6-month GBP LIBOR benchmarks will become unrepresentative after December 31, 2021 and the alternative reference rate will be the Sterling Overnight Index Average (SONIA).

As a result of the IBOR reform, a number of temporary exceptions to the rules on hedge relationships have been allowed in implementation of the amendments to IFRS 9 issued in September 2019 (Phase 1) and August 2020 (Phase 2) to address, respectively:

- pre-replacement issues that impact financial reporting in the period preceding the replacement of an existing interest rate benchmark with an alternative risk-free rate (Phase 1); and
- post-replacement issues that could impact financial reporting when an existing interest rate benchmark is reformed or replaced and there is there no longer any initial uncertainty, but hedge contracts and relationships still need to be updated to reflect the new benchmark rates (Phase 2).

Impact of the IBOR reform on the Group

In a context of uncertainty regarding the IBOR transition in the various countries, the Group has determined the overall number and nominal value of the contracts impacted by the reform. In addition, a number of contractual amendments have already been implemented in contracts previously indexed to GBP LIBOR and others will be amended in 2022-2023 on the basis of the evolution of the IBOR reform and best market practice.

Debt and derivatives

The Group's floating rate debt is mainly benchmarked against Euribor and USD LIBOR and is almost entirely hedged using financial derivatives.

At the reporting date, the Group is planning to take no action with regard to Euribor since, as stated above, this benchmark has been comprehensively reformed to comply with the European Benchmarks Regulation. Despite the continuity with Euribor, replacement clauses may be required and could therefore be implemented by the Group in the new contracts in accordance with the evolution of accepted market practice.

During 2021, the Group obtained new US dollar loans indexed to SOFR and proactively changed its existing exposure in derivatives by switching from GPB LIBOR to SONIA. The main focus over the coming months will be how to change existing USD LIBOR to USD SOFR exposures and how to use the new, alternative risk-free rates for new financial transactions.

The Group's derivative instruments are managed through contracts that are mainly based on framework agreements defined by the International Swaps and Derivatives Association (ISDA).

The ISDA has revised its standardized contracts in light of the IBOR reform and amended the choices for floating rates within the 2006 ISDA definitions to include replacement clauses that would apply upon the permanent discontinuation of specific key benchmarks. These changes took effect on January 25, 2021. Transactions represented in the 2006 ISDA definitions carried out on January 25, 2021 or later include adjusted floating-rate options (e.g., the choice of floating rate with replacement clause), while transactions completed before that date (previous derivative contracts) continue to be based on the 2006 ISDA definitions.

For this reason, the ISDA published an IBOR Fallback Protocol to facilitate multilateral amendments to include the amended definitions.

The Group is assessing whether to: (i) adopt that protocol in the light of its exposure and developments in the IBOR reform or (ii) adjust in advance any contracts impacted bilaterally by the reform.

Hedge relationships

At the reporting date, hedged items and hedging instruments are primarily indexed to Euribor, USD LIBOR and GBP SONIA.

The Group has assessed the impact of uncertainty engendered by the IBOR reform on hedge relationships at December 31, 2021 with reference to both hedging instruments and hedged items. Both the hedged items and the hedging instruments will change their parameterization from interbank market-based benchmarks (IBORs) to alternative risk-free rates (RFRs) as a result of the contractual amendments that will take effect in the coming years.

In particular, uncertainty remains as to how the replacement will take place with regard to both hedging instruments and hedged items indexed to USD LIBOR. The Group manages the uncertainty associated with these hedge relationships by continuing to apply the temporary exceptions provided for in the amendments to IFRS 9 issued in September 2019 (Phase 1). It was therefore felt that the benchmark indices for determining the interest rates on which the cash flows of the hedged items or the hedging instruments are based would not change as a consequence of the IBOR reform. The exception was applied for the following hedge relationship requirements:

- determine if a forecast transaction is highly probable;
- establish whether the future hedged cash flows will arise in a discontinued cash flow hedge relationship;
- assess the economic relationship between the hedged item and the hedging instrument.

The hedge relationships impacted may become ineffective attributable to different replacements of existing benchmarks with alternative risk-free benchmarks. In any case, the Group will seek to implement the replacements at the same time.

In addition, the Group changed the reference to GBP LIBOR in its interest rate hedging instruments used in cash flow hedge relationships with the new, economically equivalent, SONIA benchmark at the end of 2021. There is therefore no longer any uncertainty as to how and when the replacement can take place both with reference to the hedged items and the hedging instruments. Consequently, the Group no longer applies the amendments to IFRS 9 issued in September 2019 (Phase 1) to these hedge relationships and, consequently, has begun to apply the amendments to IFRS 9 issued in August 2020 (Phase 2), modifying the formal designation of the hedge relationship as required by the IBOR reform and without considering this event as a termination of the hedge relationship.

Furthermore, for cash flow hedge relationships, in modifying the description of the hedged item in the hedge relationship, the amounts accumulated in the hedging reserve were considered on the basis of the alternative benchmark index in relation to which the future hedged cash flows are determined.

The following table provides details of the notional amounts of the hedging instruments for which the amendments to IFRS 9 (both Phase 1 and Phase 2) were applied as at December 31, 2021, broken down by the alternative benchmark index used for determining the interest rate.

Millions of euro	Notional amount at Dec. 31, 2021	
Hedging instruments[1]	**Phase 1**	**Phase 2**
USD LIBOR/SOFR	1,315	-
GBP LIBOR/SONIA	-	1,309
Total	**1,315**	**1,309**

(1) Since the hedge relationships mentioned are considered highly effective, the amounts specified in the table as de facto "hedging instruments" represent the equivalent amounts of the associated hedged items.

Unamended contracts including those with specific replacement clauses

The Group is monitoring the evolution of the transition from the old interest rate benchmarks to the new rates, reviewing the overall amounts of contracts that have not yet been indexed to the new benchmark rates and, among these, the amounts of contracts which already include specific replacement clauses. The Group considers a contract to have not yet incorporated an alternative benchmark rate when the interest rate of the contract is indexed to an interest rate benchmark still involved in the IBOR reform and, therefore, when uncertainties still exist as to how and when replacement with the new benchmark will take place.

49.1.1 Hedge relationships by type of risk hedged

Interest rate risk

The following table shows the notional amount and the average interest rate of instruments hedging the interest rate risk on transactions outstanding at December 31, 2021 and December 31, 2020, broken down by maturity.

Millions of euro	Maturity						
	2022	2023	2024	2025	2026	Beyond	Total
At Dec. 31, 2021							
Interest rate swaps							
Total notional amount	653	169	729	582	942	5,588	8,663
Notional amount related to IRS in euro	128	169	639	582	729	4,582	6,829
Average IRS rate in euro	5.0651	4.2791	0.8596	1.9099	2.2703	1.6826	
Notional amount related to IRS in US dollars	353	-	44	-	-	674	1,071
Average IRS rate in US dollars	3.5227		0.6950			2.4672	

Millions of euro	Maturity						
	2021	2022	2023	2024	2025	Beyond	Total
At Dec. 31, 2020							
Interest rate swaps							
Total notional amount	122	461	178	155	591	6,115	7,622
Notional amount related to IRS in euro	-	135	178	155	591	5,295	6,354
Average IRS rate in euro		5.0139	4.1593	4.4380	1.9058	1.8321	
Notional amount related to IRS in US dollars	122	326	-	-	-	639	1,087
Average IRS rate in US dollars	2.0350	3.5227				2.4648	

The following table shows the notional amount and the fair value of the hedging instruments on the interest rate risk of transactions outstanding as at December 31, 2021 and December 31, 2020, broken down by type of hedged item.

Millions of euro		Fair value		Notional amount	Fair value		Notional amount
		Assets	Liabilities		Assets	Liabilities	
Hedging instrument	**Hedged item**	**at Dec. 31, 2021**			**at Dec. 31, 2020**		
Fair value hedges							
Interest rate swaps	Floating-rate borrowings/bonds	13	(1)	241	15	-	126
Interest rate swaps	Fixed-rate borrowings/bonds	6	(4)	558	7	-	12
Cash flow hedges							
Interest rate swaps	Floating-rate bonds	-	(167)	1,190	-	(232)	1,190
Interest rate swaps	Floating-rate loan assets	13	(1)	164	21	-	161
Interest rate swaps	Floating-rate borrowings	6	(461)	6,510	-	(708)	6,133
Total		**38**	**(634)**	**8,663**	**43**	**(940)**	**7,622**

The following table shows the notional amount and the fair value of hedging derivatives on interest rate risk as at December 31, 2021 and December 31, 2020, broken down by type of hedge.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
Derivatives	**at Dec. 31, 2021**	**at Dec. 31, 2020**	**at Dec. 31, 2021**	**at Dec. 31, 2020**	**at Dec. 31, 2021**	**at Dec. 31, 2020**	**at Dec. 31, 2021**	**at Dec. 31, 2020**
Fair value hedges								
Interest rate swaps	139	138	19	22	660	-	(5)	-
Total	**139**	**138**	**19**	**22**	**660**	**-**	**(5)**	**-**
Cash flow hedges								
Interest rate swaps	404	161	19	21	7,460	7,323	(629)	(940)
Total	**404**	**161**	**19**	**21**	**7,460**	**7,323**	**(629)**	**(940)**
TOTAL INTEREST RATE DERIVATIVES	**543**	**299**	**38**	**43**	**8,120**	**7,323**	**(634)**	**(940)**

The notional amount of derivatives classified as hedging instruments at December 31, 2021 came to €8,663 million, with a corresponding negative fair value of €596 million.

Compared with December 31, 2020, the notional amount increased by €1,041 million, mainly reflecting:

- the expiry of interest rate swaps amounting to €122 million;
- the consolidation of Australian companies holding interest rate swaps amounting to €340 million;
- new interest rate swaps amounting to €952 million.

The amount also reflects the reduction of €129 million in the notional amount of amortizing interest rate swaps. The improvement in the fair value of €301 million mainly reflects developments in the yield curve.

Fair value hedge derivatives

The following table reports net gains and losses recognized through profit or loss in respect of fair value hedge derivatives and the hedged item that are attributable to interest rate risk both in 2021 and the previous year.

Millions of euro	2021	2020
	Net gain/(loss)	**Net gain/(loss)**
Interest rate hedging instruments	(11)	15
Hedged item	(8)	(14)
Ineffective portion	**(19)**	**1**

The following table shows the impact of fair value hedges of interest rate risk in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Notional amount	**Carrying amount**	**Fair value used to measure ineffectiveness in the year**	**Notional amount**	**Carrying amount**	**Fair value used to measure ineffectiveness in the year**
Interest rate swaps	799	14	14	138	22	22

The following table shows the impact of the hedged item of fair value hedges in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in the year	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in the year
Fixed-rate borrowings	518	6	(5)	20	7	(7)
Floating-rate borrowings	306	(11)	9	146	15	(15)
Total	**824**	**(5)**	**4**	**166**	**22**	**(22)**

Cash flow hedge derivatives

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on interest rate risk.

Millions of euro	Fair value	Distribution of expected cash flows					
	at Dec. 31, 2021	2022	2023	2024	2025	2026	Beyond
Cash flow hedge derivatives on interest rates							
Positive fair value	19	3	2	1	3	3	5
Negative fair value	(629)	(139)	(121)	(96)	(78)	(66)	(163)

The following table shows the impact of cash flow hedges of interest rate risk in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year
Interest rate swaps	7,864	(610)	(610)	7,484	(919)	(919)

The following table shows the impact of the hedged item of cash flow hedges in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021					at Dec. 31, 2020				
	Fair value used to measure ineffectiveness in the year	Fair value at the designation date of CFH derivatives through profit or loss	Hedging reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives	Fair value used to measure ineffectiveness in the year	Fair value at the designation date of CFH derivatives through profit or loss	Hedging reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives
Floating-rate bonds	167	-	(167)	-	-	232	-	(232)	-	-
Floating-rate loan assets	(12)	-	12	-	-	(21)	-	21	-	-
Floating-rate borrowings	417	(32)	(417)	-	(6)	653	(44)	(653)	-	(11)
Total	**572**	**(32)**	**(572)**	**-**	**(6)**	**864**	**(44)**	**(864)**	**-**	**(11)**

Currency risk

The following table reports the maturity profile of the notional amount and associated average contractual exchange rate for the instruments hedging currency risk on transactions outstanding at December 31, 2021 and December 31, 2020.

Millions of euro	Maturity						
	2022	2023	2024	2025	2026	Beyond	Total
At Dec. 31, 2021							
Cross currency interest rate swaps (CCIRS)							
Total notional amount of CCIRS	258	1,574	4,638	1,002	1,153	12,814	21,439
Notional amount for CCIRS EUR/USD	-	1,104	2,158	661	1,104	8,632	13,659
Average exchange rate EUR/USD		1.3350	1.1345	1.1742	1.1790	1.2094	
Notional amount for CCIRS EUR/GBP	-	-	1,012	-	-	3,678	4,690
Average exchange rate EUR/GBP			0.8765			0.8241	
Notional amount for CCIRS EUR/CHF	-	-	218	-	-	126	344
Average exchange rate EUR/CHF			1.0642			1.2100	
Notional amount for CCIRS USD/BRL	98	132	295	155	49	244	973
Average exchange rate USD/BRL	4.8123	5.2217	5.5483	5.2921	5.3875	3.5655	
Notional value for CCIRS EUR/BRL	160	339	402	79	-	77	1,057
Average exchange rate EUR/BRL	6.4122	6.4379	6.2482	6.7126		3.9197	
Currency forwards							
Total notional amount of forwards	4,324	1,320	371	4	-	-	6,019
Notional amount - currency forwards EUR/USD	3,064	1,268	371	4	-	-	4,707
Average currency forward rate - EUR/USD	1.1600	1.1900	1.1800	1.1800			
Notional amount - currency forwards USD/BRL	311	-	-	-	-	-	311
Average currency forward rate - USD/BRL	5.6500						
Notional amount - currency forwards USD/COP	284	-	-	-	-	-	284
Average currency forward rate - USD/COP	3,964						
Notional amount - currency forwards EUR/CLP	145	-	-	-	-	-	145
Average currency forward rate - EUR/CLP	818.9400						
Notional amount - currency forwards EUR/CAD	107	-	-	-	-	-	107
Average currency forward rate - EUR/CAD	1.2400						

Millions of euro	Maturity						
	2021	**2022**	**2023**	**2024**	**2025**	**Beyond**	**Total**
At Dec. 31, 2020							
Cross currency interest rate swaps (CCIRS)							
Total notional amount of CCIRS	859	1,702	3,120	3,088	1,336	10,882	20,987
Notional amount for CCIRS EUR/USD	185	1,630	2,038	1,223	1,223	6,928	13,227
Average exchange rate EUR/USD	1.1348	1.1213	1.2493	1.1039	1.1593	1.2397	
Notional amount for CCIRS EUR/GBP	278	-	-	946	-	3,443	4,667
Average exchange rate EUR/GBP	0.8248			0.8765		0.7876	
Notional amount for CCIRS EUR/CHF	-	-	-	208	-	120	328
Average exchange rate EUR/CHF				1.0642		0.9040	
Notional amount for CCIRS USD/BRL	395	71	64	-	-	244	774
Average exchange rate USD/BRL	4.3935	4.1779	5.1967			3.4489	
Currency forwards							
Total notional amount of forwards	3,684	1,871	12	-	-	-	5,567
Notional amount - currency forwards EUR/USD	2,671	1,786	12	-	-	-	4,469
Average currency forward rate - EUR/USD	1.1473	1.1535	1.1976				
Notional amount - currency forwards USD/BRL	379	37	-	-	-	-	416
Average currency forward rate - USD/BRL	5.2226	5.4405					
Notional amount - currency forwards USD/COP	187	-	-	-	-	-	187
Average currency forward rate - USD/COP	3,782						
Notional amount - currency forwards EUR/CLP	121	-	-	-	-	-	121
Average currency forward rate - EUR/CLP	716.8847						
Notional amount - currency forwards EUR/RUB	100	-	-	-	-	-	100
Average currency forward rate - EUR/RUB	91.8464						

The following table shows the notional amount and the fair value of the hedging instruments on the currency risk of transactions outstanding as at December 31, 2021 and December 31, 2020, broken down by type of hedged item.

Millions of euro		Fair value		Notional amount	Fair value		Notional amount
Hedging instrument	**Hedged item**	**Assets**	**Liabilities**		**Assets**	**Liabilities**	
		at Dec. 31, 2021			**at Dec. 31, 2020**		
Fair value hedges							
Cross currency interest rate swaps (CCIRS)	Fixed-rate borrowings/bonds in foreign currencies	12	-	595	28	-	639
Cross currency interest rate swaps (CCIRS)	Floating-rate borrowings in foreign currencies	30	-	77	28	-	79
Cash flow hedges							
Cross currency interest rate swaps (CCIRS)	Floating-rate borrowings/ financial assets in foreign currencies	88	(19)	953	67	(15)	579
Cross currency interest rate swaps (CCIRS)	Fixed-rate borrowings in foreign currencies	43	(58)	2,553	50	-	484
Cross currency interest rate swaps (CCIRS)	Floating-rate bonds in foreign currencies	37	-	344	12	-	356
Cross currency interest rate swaps (CCIRS)	Fixed-rate bonds in foreign currencies	1,159	(1,095)	16,601	588	(2,374)	18,499
Cross currency interest rate swaps (CCIRS)	Future cash flows denominated in foreign currencies	-	(75)	316	7	(4)	351
Currency forwards	Future cash flows denominated in foreign currencies	7	(3)	378	3	(12)	574
Currency forwards	Future commodity purchases denominated in foreign currencies	106	(36)	4,802	5	(309)	4,167
Currency forwards	Purchases of investment goods and other in foreign currency	20	(7)	839	4	(40)	825
Total		**1,502**	**(1,293)**	**27,458**	**792**	**(2,754)**	**26,553**

Cash flow hedges and fair value hedges include:

- CCIRSs with a notional amount of €19,749 million used to hedge the currency risk on fixed-rate debt denominated in currencies other than the euro, with a positive fair value of €61 million;
- CCIRSs with a notional amount of €1,690 million used to hedge the currency risk on floating-rate debt denominated in currencies other than the euro, with a positive fair value of €61 million;
- currency forwards with a notional amount of €5,180 million used to hedge the currency risk associated with purchases of natural gas, purchases of fuel and expected cash flows in currencies other than the euro, with a positive fair value of €74 million;
- currency forwards with a notional amount of €839 million and a positive fair value of €13 million in respect of OTC transactions to mitigate the currency risk on expected cash flows in currencies other than the presentation currency connected with the purchase of investment goods in the renewables and infrastructure and networks sectors (new generation digital meters), on operating costs for the supply of cloud services and on revenue from the sale of renewable energy.

The following table reports the notional amount and fair value of foreign exchange derivatives at December 31, 2021 and December 31, 2020, broken down by type of hedge.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
Derivatives	**at Dec. 31, 2021**	**at Dec. 31, 2020**	**at Dec. 31, 2021**	**at Dec. 31, 2020**	**at Dec. 31, 2021**	**at Dec. 31, 2020**	**at Dec. 31, 2021**	**at Dec. 31, 2020**
Fair value hedges								
CCIRS	672	718	42	56	-	-	-	-
Total	**672**	**718**	**42**	**56**	**-**	**-**	**-**	**-**
Cash flow hedges								
Currency forwards	4,117	476	133	12	1,902	5,090	(46)	(361)
CCIRS	13,553	5,582	1,327	724	7,214	14,687	(1,247)	(2,393)
Total	**17,670**	**6,058**	**1,460**	**736**	**9,116**	**19,777**	**(1,293)**	**(2,754)**
TOTAL EXCHANGE RATE DERIVATIVES	**18,342**	**6,776**	**1,502**	**792**	**9,116**	**19,777**	**(1,293)**	**(2,754)**

The notional amount of CCIRSs at December 31, 2021 amounted to €21,439 million (€20,987 million at December 31, 2020), an increase of €452 million. Cross currency interest rate swaps with a total amount of €859 million expired, while new derivatives amounted to €6,470 million, of which €3,532 million in respect of bond issues denominated in US dollars in July 2021. In addition, following the early redemption of conventional bonds in US dollars by Enel Finance International during the year, cross currency interest rate swaps of €5,909 million were terminated early. The amount also reflects developments in the exchange rate of the euro against the main other currencies and the effect of amortization, which caused their notional amount to increase by €750 million.

The notional amount of currency forwards at December 31, 2021 amounted to €6,019 million (€5,566 million at December 31, 2020), an increase of €453 million. The exposure to currency risk, especially that associated with the US dollar, is mainly due to purchases of natural gas, purchases of fuel and cash flows in respect of investments. Changes in the notional amount are connected with normal developments in operations.

Fair value hedge derivatives

The following table reports net gains and losses recognized through profit or loss, reflecting changes in the fair value of fair value hedge derivatives and the hedged item that are attributable to currency risk for 2021 and the previous year.

Millions of euro	2021	2020
	Net gain/(loss)	**Net gain/(loss)**
Interest rate hedging instruments	1	44
Hedged item	(2)	(51)
Ineffective portion	**(1)**	**(7)**

The following table shows the impact of fair value hedges of currency risk in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Notional amount	**Carrying amount**	**Fair value used to measure ineffectiveness in the year**	**Notional amount**	**Carrying amount**	**Fair value used to measure ineffectiveness in the year**
Cross currency interest rate swaps (CCIRS)	672	42	37	718	56	56

The following table shows the impact of the hedged item of fair value hedges in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in the year	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in the year
Fixed-rate borrowings in foreign currency	639	(35)	(44)	637	34	(34)
Floating-rate borrowings in foreign currency	-	-	-	79	28	(28)
Total	**639**	**(35)**	**(44)**	**716**	**62**	**(62)**

Cash flow hedge derivatives

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on currency risk.

Millions of euro	Fair value	Distribution of expected cash flows					
	at Dec. 31, 2021	2022	2023	2024	2025	2026	Beyond
Cash flow hedge derivatives on exchange rates							
Positive fair value	1,460	305	407	247	180	205	1,780
Negative fair value	(1,293)	(9)	13	(66)	(49)	(27)	(256)

The following table shows the impact of cash flow hedges of currency risk in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year
Cross currency interest rate swaps (CCIRS)	20,767	80	82	20,269	(1,669)	(1,463)
Currency forwards	6,019	87	89	5,566	(349)	(342)
Total	**26,786**	**167**	**171**	**25,835**	**(2,018)**	**(1,805)**

The following table shows the impact of the hedged item of cash flow hedges in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021				at Dec. 31, 2020			
	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives
Floating-rate borrowings in foreign currencies	(69)	69	-	-	(52)	52	-	-
Fixed-rate borrowings in foreign currencies	15	(15)	-	-	(50)	50	-	-
Floating-rate bonds in foreign currencies	(37)	37	-	-	(12)	12	-	-
Fixed-rate bonds in foreign currencies	(66)	66	(2)	-	1,580	(1,580)	(205)	-
Future cash flows denominated in foreign currencies (hedged with CCIRSs)	75	(75)	-	-	(3)	3	-	-
Future cash flows denominated in foreign currencies (hedged with forwards)	(2)	2	1	-	7	(7)	(3)	-
Future commodity purchases denominated in foreign currencies	(72)	72	-	-	305	(305)	-	1
Purchases of investment goods and other in foreign currency	(15)	15	(3)	-	30	(30)	(5)	(1)
Total	**(171)**	**171**	**(4)**	**-**	**1,805**	**(1,805)**	**(213)**	**-**

Commodity price risk

Millions of euro	Maturity						
	2022	2023	2024	2025	2026	Beyond	Total
At Dec. 31, 2021							
Commodity swaps							
Notional value on power	124	164	168	149	146	472	1,223
Average commodity swap price on power (€/MWh)	51.8	53.7	47.5	46.6	46.0	33.2	
Notional value on gas	131	372	129	11	17	93	753
Average commodity swap price on gas (€/MWh)	63.8	13.7	12.1	9.4	12.0	9.6	
Notional amount on oil	669	244	99	-	-	-	1,012
Average commodity swap price on oil ($/bbl)	86.4	92.9	79.4				
Commodity forwards/futures							
Notional value on power	319	637	302	288	248	856	2,650
Average commodity forward/future price on power (€/MWh)	29.7	43.3	20.0	19.7	18.7	16.6	
Notional value on coal/shipping	14	-	-	-	-	-	14
Average commodity forward/future price on coal/shipping ($/ton)	90.8						
Notional value on gas	3,315	1,048	5	-	-	-	4,368
Average commodity forward/future price on gas (€/MWh)	15.1	18.9	18.0				
Notional value on CO_2	476	61	-	-	-	-	537
Average commodity forward/future price on CO_2 (€/ton)	46.1	38.4					
Notional value on oil	600	57	-	-	-	-	657
Average commodity forward/future price on oil ($/bbl)	37.7	51.6					
Commodity options							
Notional value on power	10	21	21	21	21	134	228
Average commodity option price on power (€/MWh)	26.3	29.3	29.9	29.8	29.8	32.6	
Notional value on gas	99	-	-	-	-	-	99
Average commodity option price on gas (€/MWh)	50.5						

Millions of euro	Maturity						
	2021	2022	2023	2024	2025	Beyond	Total
At Dec. 31, 2020							
Commodity swaps							
Notional value on power	78	65	64	65	53	281	606
Average commodity swap price on power (€/MWh)	40.3	37.9	37.7	37.7	37.6	37.7	
Notional value on coal/shipping	32	2	-	-	-	-	34
Average commodity swap price on coal/shipping ($/ton)	51.2	57.9					
Notional value on gas	-	-	-	-	-	-	-
Average commodity swap price on gas (€/MWh)							
Commodity forwards/futures							
Notional value on power	1,065	244	246	197	191	741	2,684
Average commodity forward/future price on power (€/MWh)	43.2	25.0	19.1	17.9	17.4	15.2	
Notional value on gas	1,521	973	17	20	20	108	2,659
Average commodity forward/future price on gas (€/MWh)	14.3	14.9	15.2	4.9	4.9	2.5	
Notional value on CO_2	317	134	37	-	-	-	488
Average commodity forward/future price on CO_2 (€/ton)	24.2	26.6	27.9				
Notional value on oil	744	413	-	-	-	-	1,157
Average commodity forward/future price on oil ($/bbl)	45.0	44.3					
Commodity options							
Notional value on power	-	8	9	9	9	45	80
Average commodity option price on power (€/MWh)		29.7	26.4	26.4	26.4	31.7	

The following table reports the notional amount and fair value of instruments hedging commodity price risk on transactions outstanding at December 31, 2021 and December 31, 2020, broken down by type of commodity.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Derivatives								
Cash flow hedges								
Derivatives on power:								
- swaps	820	369	640	70	401	236	(263)	(56)
- forwards/futures	769	2,066	351	361	1,881	571	(598)	(16)
- options	229	70	49	-	-	-	(18)	-
Total derivatives on power	**1,818**	**2,505**	**1,040**	**431**	**2,282**	**807**	**(879)**	**(72)**
Derivatives on coal/shipping:								
- swaps	-	34	-	11	-	-	-	-
- forwards/futures	14	-	3	-	-	-	-	-
- options	-	-	-	-	-	-	-	-
Total derivatives on coal/shipping	**14**	**34**	**3**	**11**	**-**	**-**	**-**	**-**
Derivatives on gas and oil:								
- swaps	669	-	69	-	1,095	-	(99)	-
- forwards/futures	3,094	1,674	2,557	456	1,932	2,189	(5,150)	(455)
- options	30	11	3	18	70	-	(26)	-
Total derivatives on gas and oil	**3,793**	**1,685**	**2,629**	**474**	**3,097**	**2,189**	**(5,275)**	**(455)**
Derivatives on CO_2:								
- swaps	-	-	-	-	-	-	-	-
- forwards/futures	537	482	410	139	-	5	-	-
- options	-	-	-	-	-	-	-	-
Total derivatives on CO_2	**537**	**482**	**410**	**139**	**-**	**5**	**-**	**-**
TOTAL COMMODITY DERIVATIVES	**6,162**	**4,706**	**4,082**	**1,055**	**5,379**	**3,001**	**(6,154)**	**(527)**

The table reports the notional amount and fair value of derivatives hedging commodity price risk at December 31, 2021 and at December 31, 2020, broken down by type of hedge.

The positive fair value of cash flow hedge derivatives on commodities regards derivatives on gas and oil commodities in the amount of €2,629 million, derivatives on CO_2 (€410 million), derivatives on power (€1,040 million) and, to a lesser extent, hedges of coal purchases requested by the generation companies in the amount of €3 million.

The first category primarily regards hedges of fluctuations in the price of natural gas, for both purchases and sales, carried out for oil commodities and gas products.

The CO_2 category mainly includes hedging transactions undertaken for Enel Group compliance purposes.

The power category mainly includes medium/long-term hedging transactions, especially in Spain and North America.

Cash flow hedge derivatives on commodities included in liabilities regard derivatives on gas and oil commodities in the amount of €5,275 million (mainly for derivatives hedging sales) and derivatives on power in the amount of €879 million.

Cash flow hedge derivatives

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on commodity price risk.

Millions of euro	Fair value	Distribution of expected cash flows					
	at Dec. 31, 2021	2022	2023	2024	2025	2026	Beyond
Cash flow hedge derivatives on commodities							
Positive fair value	4,082	2,960	720	122	72	45	163
Negative fair value	(6,154)	(4,892)	(858)	(126)	(84)	(58)	(136)

The following table shows the impact of cash flow hedges of commodity price risk in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021			at Dec. 31, 2020		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year
Power swaps	1,221	377	377	605	23	23
Coal/shipping swaps	-	-	-	34	11	11
Gas and oil swaps	1,764	(30)	(30)	-	-	-
Power forwards/futures	2,675	(223)	(223)	2,717	375	356
Coal/shipping forwards/futures	14	3	3	-	-	-
Gas and oil forwards/futures	5,027	(2,592)	(2,592)	3,794	(20)	(20)
CO_2 forwards/futures	537	410	410	487	139	139
Power options	204	7	7	70	-	-
Gas and oil options	99	(24)	(24)	-	-	-
Total	**11,541**	**(2,072)**	**(2,072)**	**7,707**	**528**	**509**

The following table shows the impact of the hedged item of cash flow hedges in the statement of financial position at December 31, 2021 and December 31, 2020.

Millions of euro	at Dec. 31, 2021				at Dec. 31, 2020			
	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives
Future transactions in power	(297)	297	-	(29)	(316)	374	-	24
Future transactions in coal/ shipping	(3)	3	-	-	(11)	11	-	-
Future transactions in gas and oil	2,751	(2,751)	-	(2)	20	(20)	-	-
Future transactions in CO_2	(410)	410	-	-	(139)	139	-	-
Total	**2,041**	**(2,041)**	**-**	**(31)**	**(446)**	**504**	**-**	**24**

Finally, with regard to cash flow hedge derivatives on commodity prices, in 2021 the entire commodities market experienced major price swings. The greatest impact in terms of changes in the hedging reserve is attributable to future transactions in gas, which of all commodities was the one most affected by the high volatility.

49.2 Derivatives at fair value through profit or loss

The following table shows the notional amount and the fair value of derivatives at FVTPL as at December 31, 2021 and December 31, 2020.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020	at Dec. 31, 2021	at Dec. 31, 2020
Derivatives at FVTPL								
on interest rates:								
- interest rate swaps	50	50	1	2	100	100	(71)	(88)
- interest rate options	-	-	-	-	50	50	(2)	(4)
on exchange rates:								
- currency forwards	2,180	3,501	23	83	3,628	1,012	(62)	(44)
- CCIRSs	-	-	-	-	-	-	-	-
on commodities								
Derivatives on power:								
- swaps	777	144	(78)	14	1,088	109	(198)	(18)
- forwards/futures	23,207	5,493	3,368	75	17,970	5,626	(2,927)	(428)
- options	3	137	78	24	113	9	(16)	(12)
Total derivatives on power	**23,987**	**5,774**	**3,368**	**113**	**19,171**	**5,744**	**(3,141)**	**(458)**
Derivatives on coal:								
- swaps	35	47	4	4	133	16	23	(1)
- forwards/futures	213	200	63	40	455	144	(148)	(27)
- options	-	-	-	-	-	-	-	-
Total derivatives on coal	**248**	**247**	**67**	**44**	**588**	**160**	**(125)**	**(28)**
Derivatives on gas and oil:								
- swaps	2,904	635	(1,049)	81	4,199	259	1,843	(34)
- forwards/futures	19,001	13,993	16,706	2,108	16,755	14,121	(17,374)	(1,999)
- options	232	185	268	165	399	170	(402)	(173)
Total derivatives on gas and oil	**22,137**	**14,813**	**15,925**	**2,354**	**21,353**	**14,550**	**(15,933)**	**(2,206)**
Derivatives on CO_2:								
- swaps	-	-	-	-	-	-	-	-
- forwards/futures	3,079	770	557	209	1,366	290	(530)	(72)
- options	-	-	-	-	-	5	-	(5)
Total derivatives on CO_2	**3,079**	**770**	**557**	**209**	**1,366**	**295**	**(530)**	**(77)**
Derivatives on other:								
- swaps	-	-	-	-	1	13	(1)	(7)
- forwards/futures	-	195	-	9	-	234	-	(1)
- options	-	-	-	-	-	-	-	-
Total derivatives on other	**-**	**195**	**-**	**9**	**1**	**247**	**(1)**	**(8)**
Embedded derivatives	-	4	-	3	-	3	-	(3)
TOTAL	**51,681**	**25,354**	**19,941**	**2,817**	**46,257**	**22,161**	**(19,865)**	**(2,916)**

At December 31, 2021 the notional amount of trading derivatives on interest rates came to €200 million. The negative fair value of €72 million improved by €18 million on the previous year, mainly due to developments in the yield curve.

At December 31, 2021, the notional amount of derivatives on exchange rates was €5,808 million. The overall increase in their notional value of €1,295 million and the decrease in the associated net fair value of €78 million mainly reflected normal operations and developments in exchange rates.

At December 31, 2021, the notional amount of derivatives on commodities came to €91,930 million. The fair value of trading derivatives on commodities classified as assets mainly reflects the market valuation of hedges of gas and oil amounting to €15,925 million, derivatives on power amounting to €3,368 million, derivatives on CO_2 amounting to €557 million and, to a lesser extent, derivatives on coal totaling €67 million.

The fair value of trading derivatives on commodities classified as liabilities mainly regards hedges of gas and oil amounting to €15,933 million, derivatives on power amounting to €3,141 million and derivatives on CO_2 and coal in the amount of €530 million and €125 million, respectively.

These amounts include transactions managed within the trading portfolios and transactions that, although established for hedging purposes, did not meet the requirements for hedge accounting.

The "other" category includes hedges using weather derivatives. In addition to commodity risk, the Group companies are also exposed to changes in volumes associated with weather conditions (for example, temperature impacts the consumption of gas and power).

Fair value measurement

50. Assets and liabilities measured at fair value

The Group determines fair value in accordance with IFRS 13 whenever such measurement is required by the IFRSs as a recognition or measurement criterion.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price).

The best proxy of fair value is market price, i.e., the current publicly available price actually used on a liquid and active market.

The fair value of assets and liabilities is classified in accordance with the three-level hierarchy described below, depending on the inputs and valuation techniques used in determining their fair value:

- Level 1, where the fair value is determined on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2, where the fair value is determined on the basis of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices);
- Level 3, where the fair value is determined on the basis of unobservable inputs.

This note also provides detailed disclosures concerning the valuation techniques and inputs used to perform these measurements.

To that end:

- recurring fair value measurements of assets or liabilities are those required or permitted by the IFRSs in the statement of financial position at the close of each period;
- non-recurring fair value measurements are those required or permitted by the IFRSs in the statement of financial position in particular circumstances.

For general information or specific disclosures on the accounting treatment of these circumstances, please see note 2 "Accounting policies".

50.1 Assets measured at fair value in the statement of financial position

The following table shows, for each class of assets measured at fair value on a recurring or non-recurring basis in the statement of financial position, the fair value measurement at the end of the reporting period and the level in the fair value hierarchy into which the fair value measurements of those assets are classified.

Millions of euro		Non-current assets				Current assets			
	Notes	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3
Equity investments in other companies at FVOCI	28	**41**	4	15	22	**-**	-	-	-
Securities at FVOCI	28.1, 29.1	**404**	404	-	-	**87**	87	-	-
Securities at FVTPL	29.1	**-**	-	-	-	**1**	1	-	-
Equity investments in other companies at FVTPL	28	**32**	23	-	9	**-**	-	-	-
Financial assets from service concession arrangements at FVTPL	28	**2,630**	-	2,630	-	**-**	-	-	-
Loan assets and other financial assets measured at fair value	28	**25**	-	-	25	**140**	140	-	-
Fair value hedge derivatives:									
- on interest rates	49	**19**	-	19	-	**-**	-	-	-
- on exchange rates	49	**42**	-	42	-	**-**	-	-	-
Cash flow hedge derivatives:									
- on interest rates	49	**19**	-	19	-	**-**	-	-	-
- on exchange rates	49	**1,356**	-	1,356	-	**104**	-	104	-
- on commodities	49	**1,059**	332	387	340	**3,023**	1,066	1,681	276
Trading derivatives:									
- on interest rates	49	**-**	-	-	-	**1**	-	1	-
- on exchange rates	49	**-**	-	-	-	**23**	-	23	-
- on commodities	49	**277**	114	162	1	**19,640**	8,236	11,404	-
Inventories measured at fair value	49	**-**	-	-	-	**55**	53	2	-
Contingent consideration	30, 31	**-**	-	-	-	**15**	-	2	13

The fair value of "Equity investments in other companies at FVOCI" is determined for listed companies on the basis of the quoted price at the close of the year, while that for unlisted companies is based on a reliable valuation of the relevant assets and liabilities.

"Financial assets from service concession arrangements at FVTPL" concern electricity distribution operations in Brazil, mainly by Enel Distribuição Rio de Janeiro, Enel Distribuição Ceará, and Enel Distribuição São Paulo, as well as the generation plant of PH Chucas in Costa Rica, and are accounted for in accordance with IFRIC 12.

Fair value was estimated as the net replacement cost based on the most recent rate information available and on the general price index for the Brazilian market.

The current portion of "Loan assets and other financial assets measured at fair value" essentially regards investments of liquidity. Their fair value is determined using Level 1 market inputs.

Level 3 of the non-current portion of "Loan assets and other financial assets measured at fair value" reports the receivable in respect of the sale of Slovak Power Holding, which amounted to €25 million at December 31, 2021. Its fair value was determined using the contractual price formula.

The fair value of derivative contracts is determined using the official prices for instruments traded on regulated markets.

The fair value of instruments not listed on a regulated market is determined using valuation methods appropriate for each type of financial instrument and market data as of the end of the reporting period (such as interest rates, exchange rates, volatility), discounting expected future cash flows on the basis of the market yield curve and translating amounts in currencies other than the euro using exchange rates provided by the World Markets Refinitiv (WMR) Company.

Derivatives on interest rates and exchange rates are all measured using Level 2 inputs.

The fair value of derivatives on commodities is almost always measured using Level 1 or Level 2 inputs, as the determination is based on market inputs as these contracts are entered into with exchange counterparties, leading sector operators or financial institutions.

Marginal exceptions for both cash flow hedges and trading transactions include certain derivatives relating to weather derivatives, which are measured on the basis of certified historical data for the underlying variables as well as certain long-term financial contracts (virtual power purchase agreements, or VPPAs), for which internal measurement models were also used in part in order to measure these instruments over longer time horizons, given the illiquidity of the underlying variables.

In accordance with the IFRSs, the Group assesses credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the

corresponding amount of counterparty risk where necessary. More specifically, the Group measures CVA/DVA using a Potential Future Exposure valuation technique for the net exposure of the position and subsequently allocating the adjustment to the individual financial instruments that make up the overall portfolio. All of the inputs used in this technique are observable on the market.

50.2 Assets not measured at fair value in the statement of financial position

For each class of assets not measured at fair value on a recurring basis but whose fair value must be reported, the following table reports the fair value at the end of the year and the level in the fair value hierarchy into which the fair value measurements of those assets are classified.

Millions of euro		Non-current assets				Current assets			
	Notes	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3
Investment property	21	**150**	15	-	135	**-**	-	-	-
Inventories	32	**-**	-	-	-	**50**	-	1	49

The table reports the fair value of investment property and inventories of real estate not used in the business in the amount of €150 million and €50 million respectively. The amounts were calculated with the assistance of appraisals conducted by independent experts, who used different methods depending on the specific assets involved.

50.3 Liabilities measured at fair value in the statement of financial position

The following table reports for each class of liabilities measured at fair value on a recurring or non-recurring basis in the statement of financial position the fair value measurement at the end of the reporting period and the level in the fair value hierarchy into which the fair value measurements are classified.

Millions of euro		Non-current liabilities				Current liabilities			
	Notes	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3
Fair value hedge derivatives:									
- on interest rates	49	**5**	-	5	-	**-**	-	-	-
- on exchange rates	49	**-**	-	-	-	**-**	-	-	-
- on commodities	49	**-**	-	-	-	**-**	-	-	-
Cash flow hedge derivatives:									
- on interest rates	49	**620**	-	620	-	**9**	-	9	-
- on exchange rates	49	**1,244**	-	1,244	-	**49**	-	49	-
- on commodities	49	**1,301**	416	742	143	**4,853**	2,366	2,480	7
Trading derivatives:									
- on interest rates	49	**-**	-	-	-	**73**	-	73	-
- on exchange rates	49	**2**	-	2	-	**60**	-	60	-
- on commodities	49	**167**	72	95	-	**19,563**	7,628	11,934	1
Contingent consideration	40, 41	**84**	-	-	84	**45**	-	43	2

Contingent consideration mainly regards a number of equity investments held by the Group in North America and Greece, whose fair value was determined on the basis of the contractual terms and conditions.

50.4 Liabilities not measured at fair value in the statement of financial position

For each class of liabilities not measured at fair value in the statement of financial position but whose fair value must be reported, the following table reports the fair value at the end of the period and the level in the fair value hierarchy into which the fair value measurements of those liabilities are classified.

Millions of euro

	Notes	Fair value at Dec. 31, 2021	Level 1	Level 2	Level 3
Bonds:					
- fixed rate	46.3.1	42,949	39,709	3,240	-
- floating rate	46.3.1	3,273	147	3,126	-
Bank borrowings:					
- fixed rate	46.3.1	2,298	-	2,298	-
- floating rate	46.3.1	11,091	-	11,091	-
Non-bank borrowings:					
- fixed rate	46.3.1	3,046	-	3,046	-
- floating rate	46.3.1	95	-	95	-
Total		**62,752**	**39,856**	**22,896**	**-**

For listed debt instruments, the fair value is given by official prices. For unlisted instruments the fair value is determined using appropriate valuation techniques for each category of financial instrument and market data at the close of the year, including the credit spreads of Enel.

Other information

51. Share-based payments

Starting in 2019, the Shareholders' Meeting of Enel SpA ("Enel" or the "Company") has each year approved the adoption of long-term share-based incentive plans for the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code. Each of the incentive plans approved (the 2019 Long-Term Incentive Plan, the 2020 Long-Term Incentive Plan and the 2021 Long-Term Incentive Plan; referred to hereinafter, respectively, the "2019 LTI Plan", the "2020 LTI Plan" and the "2021 LTI Plan" and, jointly, the "Plans") provides for the grant of ordinary Company shares ("Shares") to the respective beneficiaries subject to the achievement of specific performance targets.

Plan beneficiaries are the Chief Executive Officer/General Manager of Enel and Enel Group managers in the positions most directly responsible for company performance or considered to be of strategic interest. The Plans provide for the award to the beneficiaries of an incentive consisting of a monetary component and an equity component. This incentive – determined, at the time of the award, as a base value calculated in relation to the fixed remuneration of the individual beneficiary – may vary depending on the degree of achievement of each of the three-year performance targets of the Plans, ranging from zero up to a maximum of 280% or 180% of the base value in the case, respectively, of the Chief Executive Officer/General Manager or the other beneficiaries.

The Plans establish that, of the total incentive effectively vested, the bonus will be fully paid in shares in the amount of (i) up to 100% of the base value for the Chief Executive Officer/General Manager and (ii) up to 50% of the base value for the other beneficiaries.

The actual award of the bonus under the Plans is subject to the achievement of specific performance targets during the three year performance period. If these targets are achieved, 30% of both the equity and cash components of the incentive will be paid in the first year following the end of the performance period and the remaining 70% will be paid in the second year following the end of the performance period. The payment of a substantial portion of long-term variable remuneration (70% of the total) is therefore deferred to the second year following the end of the performance period of the individual Plans.

The following table provides information on the 2019 LTI Plan, the 2020 LTI Plan and the 2021 LTI Plan.

For more information on the characteristics of the Plans, please see the information documents prepared pursuant

to Article 84-*bis* of the CONSOB Regulation issued with Resolution no. 11971 of May 14, 1999 (the Issuers Regulation), which are available to the public in the section of Enel's website (www.enel.com) dedicated to the Shareholders' Meetings held respectively on May 16, 2019, May 14, 2020 and May 20, 2021.

	Grant date	Performance period	Verification of achievement of targets	Payout
2019 LTI Plan	12.11.2019[28]	2019-2021	2022[29]	2022-2023
2020 LTI Plan	17.09.2020[30]	2020-2022	2023[31]	2023-2024
2021 LTI Plan	16.09.2021[32]	2021-2023	2024[33]	2024-2025

In implementation of the authorizations granted by the Shareholders' Meetings held on May 16, 2019, May 14, 2020 and May 20, 2021 and in compliance with the associated terms and conditions, the Board of Directors approved — at its meetings of September 19, 2019, July 29, 2020 and June 17, 2021 — the launch of share buyback programs to serve the 2019 LTI Plan, the 2020 LTI Plan and the 2021 LTI Plan respectively. The number of Shares whose purchase was authorized by the Board of Directors for each Plan, the actual number of Shares purchased, the associated weighted average price and total value are shown below.

	Purchases authorized by the Board of Directors	Actual purchases		
	Number of shares	Number of shares	Weighted average price (euros per share)	Total value (euros)
2019 LTI Plan	No more than 2,500,000 for a maximum amount of €10,500,000 million	1,549,152[34]	6.7779	10,499,999
2020 LTI Plan	1,720,000	1,720,000[35]	7.4366	12,790,870
2021 LTI Plan	1,620,000	1,620,000[36]	7.8737	12,755,459

As a result of the purchases made to support the 2019 LTI Plan, the 2020 LTI Plan and the 2021 LTI Plan, at December 31, 2021 Enel holds a total of 4,889,152 treasury shares, equal to about 0.048% of share capital.

The following information concerns the equity instruments granted in 2019, 2020 and 2021.

	2021			2020			2019		
	Number of shares granted at the grant date	Fair value per share at the grant date	Number of shares potentially available for award	Number of shares granted at the grant date	Fair value per share at the grant date	Number of shares potentially available for award	Number of shares granted at the grant date	Fair value per share at the grant date	Number of shares potentially available for award
2019 LTI Plan			1,529,182			1,529,182	1,538,547	6.983	1,538,547
2020 LTI Plan			1,638,775	1,638,775[37]	7.38	1,638,775[38]			
2021 LTI Plan	1,577,773	7.001	1,577,773						

(28) The date on which the Board of Directors approved the procedures and timing for granting the 2019 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of November 11, 2019).
(29) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2021, the Board of Directors will verify the level of achievement of the performance targets of the 2019 LTI Plan.
(30) The date on which the Board of Directors approved the procedures and timing for granting the 2020 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of September 16, 2020).
(31) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2022, the Board of Directors will verify the level of achievement of the performance targets of the 2020 LTI Plan.
(32) The date on which the Board of Directors approved the procedures and timing for granting the 2021 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of June 9, 2021).
(33) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2023, the Board of Directors will verify the level of achievement of the performance targets of the 2021 LTI Plan.
(34) Shares purchased in the period between September 23 and December 2, 2019, equal to about 0.015% of share capital.
(35) Shares purchased in the period between September 3 and October 28, 2020, equal to about 0.017% of share capital.
(36) Shares purchased in the period between June 18 and July 21, 2021, equal to about 0.016% of share capital.
(37) The figure has been restated from that published in the financial statements for 2020.
(38) The figure has been restated from that published in the financial statements for 2020.

The fair value of those equity instruments is measured on the basis of the market price of Enel Shares at the grant date.(39)
The cost of the equity component is determined on the basis of the fair value of the equity instruments granted and is recognized over the duration of the vesting period through an equity reserve.
The total costs recognized by the Group through profit or loss amounted to €9 million in 2021 (€5 million in 2020).
There have been no terminations or amendments involving the 2019 LTI Plan, the 2020 LTI Plan or the 2021 LTI Plan.

52. Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas, Enel carries out transactions with a number of companies directly or indirectly controlled by the Italian State, the Group's controlling shareholder.

The table below summarizes the main types of transactions carried out with such counterparties.

Related party	Relationship	Nature of main transactions
Single Buyer	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Purchase of electricity for the enhanced protection market
Cassa Depositi e Prestiti Group	Directly controlled by the Ministry for the Economy and Finance	Sale of electricity on the Ancillary Services Market (Terna) Sale of electricity transport services (Eni Group) Purchase of transport, dispatching and metering services (Terna) Purchase of postal services (Poste Italiane) Purchase of fuels for generation plants and natural gas storage and distribution services (Eni Group)
ESO - Energy Services Operator	Fully controlled (directly) by the Ministry for the Economy and Finance	Sale of subsidized electricity Payment of A3 component for renewable resource incentives
EMO - Energy Markets Operator	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Sale of electricity on the Power Exchange (EMO) Purchase of electricity on the Power Exchange for pumping and plant planning (EMO)
Leonardo Group	Directly controlled by the Ministry for the Economy and Finance	Purchase of IT services and supply of goods

In addition, the Group conducts essentially commercial transactions with associates or companies in which it holds non-controlling interests.
Finally, Enel also maintains relationships with the pension funds FOPEN and FONDENEL, as well as Fondazione Enel and Enel Cuore, an Enel non-profit company devoted to providing social and healthcare assistance.
All transactions with related parties were carried out on normal market terms and conditions, which in some cases are determined by the Regulatory Authority for Energy, Networks and the Environment.

The following tables summarize transactions with related parties, associates and joint ventures outstanding at December 31, 2021 and December 31, 2020 and carried out during the period.

(39) For the 2019 LTI Plan, the grant date is November 12, 2019, i.e., the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2019 LTI Plan to the beneficiaries.
For the 2020 LTI Plan, the grant date is September 17, 2020, i.e., the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2020 LTI Plan to the beneficiaries.
For the 2021 LTI Plan, the grant date is September 16, 2021, i.e., the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2021 LTI Plan to the beneficiaries.

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group[1]	Other
Income statement					
Revenue from sales and services	-	3,018	275	3,165	210
Other income	-	-	-	5	-
Other financial income	-	-	-	15	-
Electricity, gas and fuel purchases	4,613	6,363	-	2,572	-
Costs for services and other materials	-	75	3	2,874	57
Other operating costs	6	198	-	13	1
Net results from commodity contracts	-	-	-	13	-
Other financial expense	-	-	-	10	-

(1) The figure includes Open Fiber SpA, which was considered an associate last year.

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group[1]	Other
Statement of financial position					
Other non-current financial assets	-	-	-	-	-
Non-current financial derivative assets	-	-	-	-	-
Other non-current assets	-	-	-	119	-
Trade receivables	-	469	9	659	36
Current financial derivative assets	-	-	-	-	-
Other current financial assets	-	-	-	-	1
Other current assets	-	-	76	21	2
Long-term borrowings	-	-	-	536	-
Non-current contract liabilities	-	-	-	187	7
Non-current financial derivative liabilities	-	-	-	-	-
Short-term borrowings	-	-	-	-	-
Current portion of long-term borrowings	-	-	-	89	-
Trade payables	1,903	641	1	1,466	12
Current contract liabilities	-	-	-	12	-
Other current liabilities	-	-	-	38	38
Other information					
Guarantees issued	-	40	-	11	59
Guarantees received	-	-	-	138	36
Commitments	-	-	-	401	-

(1) The figure includes Open Fiber SpA, which was considered an associate last year.

Total 2021	Associates and joint ventures	Overall total 2021	Total in financial statements	% of total
6,668	342	**7,010**	**84,104**	**8.3%**
5	1	**6**	**3,902**	**0.2%**
15	123	**138**	**1,882**	**7.3%**
13,548	278	**13,826**	**49,093**	**28.2%**
3,009	143	**3,152**	**19,609**	**16.1%**
218	-	**218**	**2,095**	**10.4%**
13	11	**24**	**2,522**	**1.0%**
10	22	**32**	**6,114**	**0.5%**

Total at Dec. 31, 2021	Associates and joint ventures	Overall total at Dec. 31, 2021	Total in financial statements	% of total
-	1,120	**1,120**	**5,704**	**19.6%**
-	14	**14**	**2,772**	**0.5%**
119	-	**119**	**3,268**	**3.6%**
1,173	148	**1,321**	**16,076**	**8.2%**
-	32	**32**	**22,791**	**0.1%**
1	156	**157**	**8,645**	**1.8%**
99	24	**123**	**5,002**	**2.5%**
536	344	**880**	**54,500**	**1.6%**
194	-	**194**	**6,214**	**3.1%**
-	1	**1**	**3,339**	**-**
-	6	**6**	**13,306**	**-**
89	20	**109**	**4,031**	**2.7%**
4,023	59	**4,082**	**16,959**	**24.1%**
12	-	**12**	**1,433**	**0.8%**
76	4	**80**	**12,959**	**0.6%**

110	-	**110**		
174	-	**174**		
401	-	**401**		

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other
Income statement					
Revenue from sales and services	-	808	295	2,542	187
Other income	-	-	-	-	1
Financial income	-	-	-	-	-
Electricity, gas and fuel purchases	2,038	2,059	-	1,122	-
Costs for services and other materials	-	38	3	2,728	44
Other operating costs	6	183	-	9	1
Results from commodity contracts	-	-	-	1	-
Other financial expense	-	-	-	13	-

(1) The figures for 2020 have been adjusted, for comparative purposes only, to take account of the effects associated with the change in classification connected with the fair value measurement of outstanding contracts at the end of the period for the purchase and sale of commodities with physical settlement. The change in classification had no impact on operating profit. For more details, please see note 7 to these consolidated financial statements.
(2) For comparative purposes only, €87 million in 2020 in respect of the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 have been reclassified from financial income to revenue. The latter classification had an impact of the same amount on operating profit. For more details, please see note 7 to these consolidated financial statements.

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other
Statement of financial position					
Other non-current financial assets	-	-	-	-	-
Non-current financial derivative assets	-	-	-	-	-
Trade receivables	-	35	15	569	29
Other current financial assets	-	-	-	-	1
Other current assets	-	9	84	63	2
Long-term borrowings	-	-	-	625	-
Non-current contract liabilities	-	-	-	4	6
Short-term borrowings	-	-	-	-	-
Current portion of long-term borrowings	-	-	-	89	-
Trade payables	554	83	746	748	5
Current contract liabilities	-	-	-	-	1
Other current liabilities	-	-	-	15	13
Other information					
Guarantees issued	-	250	-	13	83
Guarantees received	-	-	-	157	36
Commitments	-	-	-	102	2

Total 2020	Associates and joint ventures	Overall total 2020	Total in financial statements	% of total
3,832	206	**4,038**	**63,642**[1][2]	**6.3%**
1	9	**10**	**2,362**	**0.4%**
-	62	**62**	**2,676**[2]	**2.3%**
5,219	166	**5,385**	**26,026**[1]	**20.7%**
2,813	145	**2,958**	**18,366**[1]	**16.1%**
199	3	**202**	**2,202**	**9.2%**
1	-	**1**	**(99)**[1]	**-1.0%**
13	58	**71**	**4,485**	**1.6%**

Total at Dec. 31, 2020	Associates and joint ventures	Overall total at Dec. 31, 2020	Total in financial statements	% of total
-	1,144	**1,144**	**5,159**	**22.2%**
-	21	**21**	**1,236**	**1.7%**
648	215	**863**	**12,046**	**7.2%**
1	189	**190**	**5,113**	**3.7%**
158	6	**164**	**3,578**	**4.6%**
625	359	**984**	**49,519**	**2.0%**
10	151	**161**	**6,191**	**2.6%**
-	21	**21**	**6,345**	**0.3%**
89	19	**108**	**3,168**	**3.4%**
2,136	69	**2,205**	**12,859**	**17.1%**
1	15	**16**	**1,275**	**1.3%**
28	9	**37**	**11,651**	**0.3%**

346	-	**346**		
193	-	**193**		
104	-	**104**		

With regard to disclosures on the remuneration of directors, members of the Board of Statutory Auditors, the General Manager and key management personnel, provided for under IAS 24, please see the following tables.

Millions of euro

	2021	2020	Change	
Remuneration of members of the Board of Directors and Board of Statutory Auditors and the General Manager				
Short-term employee benefits	5	6	(1)	-16.7%
Other long-term benefits	1	4	(3)	-75.0%
Total	**6**	**10**	**(4)**	**-40.0%**

Millions of euro

	2021	2020	Change	
Remuneration of key management personnel				
Short-term employee benefits	13	13	-	-
Other long-term benefits	4	8	(4)	-50.0%
Total	**17**	**21**	**(4)**	**-19.0%**

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries. The procedure (both the version in effect until June 30, 2021 and the version amended in June 2021 and in effect from July 1, 2021 are available at https://www.enel.com/investors/governance/bylaws-rules-policies/) sets out rules designed to ensure the transparency and procedural and substantive propriety of transactions with related parties. It was adopted in implementation of the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulations issued by CONSOB. In 2021, no transactions were carried out for which it was necessary to make the disclosures required In the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended.

53. Government grants - Disclosure pursuant to Article 1, paragraphs 125-129, of Law 124/2017

Pursuant to Article 1, paragraphs 125-129, of Law 124/2017 as amended, the following provides information on grants received from Italian public agencies and bodies, as well as donations by Enel SpA and the fully consolidated subsidiaries to companies, individuals and public and private entities. The disclosure comprises: (i) grants received from Italian public entities/State entities; and (ii) donations made by Enel SpA and Group subsidiaries to public or private parties resident or established in Italy.

The following disclosure includes payments in excess of €10,000 made by the same grantor/donor during 2021, even if made in multiple financial transactions. They are recognized on a cash basis.

Pursuant to the provisions of Article 3-*quater* of Decree Law 135 of December 14, 2018, ratified with Law 12 of February 11, 2019, for grants received, please refer to the information contained in the National Register of State Aid referred to in Article 52 of Law 234 of December 24, 2012.

Grants received in millions of euro

Financial institution/Grantor	Beneficiary	Amount	Notes
Anpal	Enel Green Power Italy Srl	0.02	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Green Power Italy Srl	0.05	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Green Power Italy Srl	0.09	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Invitalia	Enel Green Power Italy Srl	8.44	Instalment of grant received under 3SUN Development Contract, financed under Invitalia Measure of November 17, 2017
Anpal	Enel Energia SpA	0.03	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Energia SpA	0.15	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Energia SpA	0.04	Instalment of grant received in first instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Servizio Elettrico Nazionale SpA	0.03	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Servizio Elettrico Nazionale SpA	0.03	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Servizio Elettrico Nazionale SpA	0.02	Instalment of grant received in first instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Trading SpA	0.01	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Trading SpA	0.01	Instalment of grant received in first instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel X Srl	0.01	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel X Srl	0.03	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020

Grants received in millions of euro

Financial institution/Grantor	Beneficiary	Amount	Notes
Anpal	Enel X Srl	0.01	Instalment of grant received in third instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Sole Srl	0.01	Instalment of grant received in third instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Produzione SpA	0.03	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Produzione SpA	0.05	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Produzione SpA	0.06	Instalment of grant received in third instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Services Srl	0.01	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Services Srl	0.13	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Services Srl	0.02	Instalment of grant received in first instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	e-distribuzione SpA	0.44	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	e-distribuzione SpA	0.19	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	e-distribuzione SpA	0.20	Instalment of grant received in third instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Infrastructure and Networks Srl	0.09	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Global Infrastructure and Networks Srl	0.07	Instalment of grant received in third instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Italia SpA	0.03	Instalment of grant received in first instance FNC-C-05468, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Italia SpA	0.07	Instalment of grant received in second instance FNC-C-06952, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Anpal	Enel Italia SpA	0.02	Instalment of grant received in first instance FNC-C-10223, financed through the New Skills Fund referred to in Article 88 of Decree Law of May 19, 2020 and the ministerial decree of October 9, 2020
Ministry of Universities and Research (MUIR)	Enel Italia SpA	0.03	Instalment of grant received for first and second progress status report for Project SE4I, financed under MUIR NOP "R&I" 2014-2020, Decree of Director 1735/Ric. of July 13, 2017 "Notice for the presentation of industrial research and experimental development projects in the 12 specialist areas indicated in the 2015-2020 NRP"
		10.43	**Total**

Donations made in millions of euro

Grantor	Beneficiary	Amount	Notes
Enel SpA	Enel Cuore Onlus	0.04	2021 donation
Enel SpA	OECD International Energy Agency (IEA)	0.08	2021 donation
Enel SpA	Ashoka Italy Onlus	0.02	2021 donation
Enel SpA	European University Institute	0.10	2021 donation
Enel SpA	Università Commerciale Luigi Bocconi	0.07	Donation to support study grants
Enel X Srl	Enel Cuore Onlus	0.04	2021 donation
Enel Produzione SpA	Ente della zona industriale di Porto Marghera	0.02	2021 association dues
Enel Produzione SpA	Assocarboni	0.03	Enel 2021 participation
Enel Produzione SpA	Fondazione Centro Studi Enel	0.09	50% advance on 2021 donation
Enel Produzione SpA	Enel Cuore Onlus	0.13	Balance of 2021 donation
Enel Produzione SpA	Enel Cuore Onlus	0.04	2021 donation
Enel Produzione SpA	Enel Cuore Onlus	0.03	2021 special donation
Enel Produzione SpA	Fondazione Centro Studi Enel	0.09	2021 donation
Enel Produzione SpA	Assonime	0.03	2021 association dues
Enel Italia SpA	ASES - Agricoltori, Sostenibilità E Sviluppo (Associazione non profit)	0.02	Donation for #lanaturanonsiferma project
Enel Italia SpA	Comune di Brindisi	0.01	Donation to support Brindisi Brilla project under patronage of City of Brindisi, implemented in collaboration with Associazione Il Cielo Itinerante. The project is intended to encourage young people to study STEM fields (Science, Technology, Engineering and Mathematics)
Enel Italia SpA	Enel Cuore Onlus	0.11	Donation to finance institutional activities, mainly aimed at supporting projects consistent with the purposes of the association
Enel Italia SpA	Fondazione Accademia Nazionale "Santa Cecilia"	1.20	Donation to support the Foundation's cultural activities
Enel Italia SpA	Fondazione Centro Studi Enel	0.15	Donation to support research projects and advanced training
Enel Italia SpA	Fondazione Maggio Musicale Fiorentino	0.40	Donation to support the Foundation's cultural activities
Enel Italia SpA	Moige - Movimento italiano genitori Onlus	0.10	Donation to support the Young Ambassadors Campaign for digital citizenship to counter cyber risk, bullying and cyberbullying in all its forms
Enel Italia SpA	Società Cooperativa Sociale Camelot Onlus	0.02	Donation to support the project with the Sustainable Development School to create learning courses for teachers in order to promote global citizenship education
Enel Italia SpA	Fondazione Teatro alla Scala	0.60	Donation to support the Foundation's cultural activities
e-distribuzione SpA	Enel Cuore Onlus	2.44	80% balance of 2019 donation
e-distribuzione SpA	Enel Cuore Onlus	0.52	20% of 2021 donation
e-distribuzione SpA	Fondazione Centro Studi Enel	1.40	50% balance of 2020 donation
e-distribuzione SpA	Fondazione Centro Studi Enel	1.41	50% of 2021 donation
e-distribuzione SpA	Centro Vaccinale - Varese	0.01	Donation of grid connection for healthcare facilities involved in fighting COVID-19
Enel Energia SpA	Anigas	0.08	Balance of 2020 association dues
Enel Energia SpA	Anigas	0.10	Advance on 2021 association dues
Enel Energia SpA	Anigas	0.10	Balance of 2021 association dues
Enel Energia SpA	Confimprese	0.01	2021 association dues
Enel Energia SpA	Fondazione Centro Studi Enel	1.23	Balance of 2020 donation
Enel Energia SpA	Fondazione Centro Studi Enel	1.01	50% advance on 2021 donation
Enel Energia SpA	Assonime	0.02	2021 association dues
Enel Energia SpA	Enel Cuore Onlus	1.26	80% balance of 2019 donation
Enel Energia SpA	Enel Cuore Onlus	0.37	50% of 2021 donation
Enel Global Trading SpA	Enel Cuore Onlus	0.04	2021 donation
Enel Global Trading SpA	Fondazione Centro Studi Enel	0.10	2021 donation to support research projects and advanced training
		13.50	**Total**

54. Contractual commitments and guarantees

The commitments entered into by the Enel Group and the guarantees given to third parties are shown below.

Millions of euro	at Dec. 31, 2021	at Dec. 31, 2020	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	4,937	11,451	(6,514)
Commitments to suppliers for:			
- electricity purchases	71,244	67,400	3,844
- fuel purchases	58,042	41,855	16,187
- various supplies	1,631	1,511	120
- tenders	4,668	3,604	1,064
- other	6,187	4,348	1,839
Total	**141,772**	**118,718**	**23,054**
TOTAL	**146,709**	**130,169**	**16,540**

Compared with December 31, 2020, the increase of €3,844 million in commitments for electricity purchases is essentially attributable to companies in Latin America, in particular in Brazil, and mainly reflects exchange rate effects, high prices due to inflation in the period and differences in the state of progress of outstanding contracts.
The increase of €16,187 million in commitments for fuel purchases mainly regards gas supplies, especially in Spain and Italy, and reflected the increase in demand for natural gas and in gas prices, as well as exchange rate effects.

For more details on the expiry of commitments and guarantees, please see the section "Commitments to purchase commodities" in note 47.

The Group, acting through its subsidiary Enel Italia, has also entered into two guarantee contracts with which it provided Open Fiber with the turnover necessary to participate in two calls for tenders organized by Infratel (respectively, on June 3, 2016 and August 8, 2016), which Open Fiber itself did not have at the time of participation in those tenders. Nonetheless, to date the profitability and financial position now achieved by Open Fiber makes it highly unlikely that the guarantee will be called in.

55. Contingent assets and liabilities

The following reports the main contingent assets and liabilities at December 31, 2021, which are not recognized in the consolidated financial statements as they do not meet the requirements provided for in IAS 37.

Brindisi Sud thermal generation plant – Ash dispute – Italy

With regard to the criminal investigation initiated by the Public Prosecutor's Office of the Court of Lecce in 2017 concerning the use of fly ash in the cement industry, the Brindisi Sud power plant was involved in a criminal investigation that resulted in the issue of a preventive seizure order that allowed operation of the plant subject to certain technical requirements. The order also provided for the seizure of Enel Produzione assets and receivables in an amount of about €523 million. On August 1, 2018, the Lecce Public Prosecutor lifted its seizure of the plant, with the consequent termination of the judicial custody/administration of the facility and the restitution of the other seized assets to Enel Produzione. The lifting of the seizure order was granted as a result of the fact that during the investigation the independent experts appointed by the investigating magistrate at the Court of Lecce issued a report, filed first in preliminary form on July 16, 2018 and definitively on October 10, 2018, that confirmed the non-hazardous nature of the ash, finding it suitable for use in the cement-making process, as well as the appropriateness of the operation of the plant. Although the seizure was lifted, the preliminary investigation continued both against the accused individuals and the company pursuant to Legislative Decree 231 of June 8, 2001. Following the hearing of January 22, 2019, ordered by the investigating magistrate at the request of the Public Prosecutor to receive testimony from the experts on their report, the experts reiterated the non-hazardous nature of the ash produced by the plant and the possibility of their use in the production of cement.

Subsequently, a pre-trial hearing was conducted in 2021, following which the pre-trial hearing judge granted petitions to participate in the trial as civil plaintiff filed by the City of Brindisi, which quantified damages at about €27 million, requesting a provisional award of €8 million, and by the Region of Puglia, which has not yet quantified the damages requested. The pre-trial hearing judge remanded all of the defendants before the Court of Brindisi at the hearing of December 9, 2021.

Brindisi Sud thermal generation plant – Criminal proceedings against Enel employees – Italy

Again with regard to the Brindisi Sud thermal generation plant, a criminal proceeding was held before the Court of Brindisi. A number of employees of Enel Produzione – cited as a liable party in civil litigation – have been accused of causing criminal damage and dumping of hazardous substances with regard to the alleged contamination of land adjacent to the plant with coal dust as a result of actions between 1999 and 2011. At the end of 2013, the accusations were extended to cover 2012 and 2013. As part of the proceeding, injured parties, including the Province and City of Brindisi, have submitted claims for total damages of about €1.4 billion. In its decision of October 26, 2016, the Court of Brindisi: (i) acquitted nine of the thirteen defendants for not having committed the offense; (ii) ruled that it did not have to proceed for two of the defendants as the offense was time-barred; and (iii) convicted the remaining two defendants, sentencing them with all the allowances provided for by law to nine months' imprisonment. With regard to payment of damages, the Court's ruling also: (i) denied all claims of public parties and associations acting in the criminal proceeding to recover damages; and (ii) granted most of the claims filed by the private parties acting to recover damages, referring the latter to the civil courts for quantification without granting a provisional award. The convicted employees and the civilly liable defendant, Enel Produzione, as well as one of the employees for whom the expiry of period of limitations had been declared, appealed the conviction. On February 8, 2019, the Lecce Court of Appeal: (i) confirmed the trial court ruling regarding the criminal convictions of two Enel Produzione executives; (ii) denied the claims for damages of some private appellants; (iii) granted some claims for damages, which had been denied in the trial court, referring the parties, like the others – whose claims had been granted by the trial court – to the civil courts for quantification, without granting a provisional award; (iv) confirmed for the rest the ruling of the Court of Brindisi except for extending litigation costs to the Province of Brindisi, which had not been awarded damages at either the trial court or on appeal.
With a subsequent ruling, the Court of Appeal of Lecce granted the appeal lodged by the Province of Brindisi against the ruling, acknowledging that a material error had been made and therefore recognizing the generic entitlement of the Province to damages. The defendants filed an appeal against ruling with the Court of Cassation. Following the hearing of October 1, 2020, the Court of Cassation overturned the ruling of the Court of Appeal of Lecce, with referral to another section of the same court for a new proceeding. The new proceeding was held before the mixed criminal section of the Court of Appeal of Lecce, which, at the hearing of November 10, 2021, acquitted the defendants for not having committed the offense and consequently revoked the civil rulings.
In addition to the proceeding above, two criminal proceedings are also under way before the Courts of Reggio Calabria and Vibo Valentia against a number of employees of Enel Produzione for the offense of illegal waste disposal in connection with alleged violations concerning the disposal of waste from the Brindisi plant. Enel Produzione was not named a liable party for civil damages in these proceedings. Both of the aforementioned trials were resolved positively for the employees of Enel Produzione: as regards the proceedings before the Court of Vibo Valentia, at the hearing of June 17, 2021, the Court read out the operative portion of the ruling, declaring that it should not proceed against the defendants as the offences with which they were charged were time-barred under the statute of limitations, also denying the aggravating circumstance referred to in Article 434, paragraph 2 of the Criminal Code. The criminal proceedings before the Court of Reggio Calabria had ended previously at the hearing of June 23, 2016. The court acquitted the defendants because it found that no crime had been committed for nearly all the most serious charges and for expiration of the statute of limitations for one serious charge and for all of the remaining charges involving minor offenses.

Enel, Enel Energia and Servizio Elettrico Nazionale antitrust proceeding – Italy

On May 11, 2017, the Competition Authority announced the beginning of proceedings for alleged abuse of a dominant position against Enel SpA (Enel), Enel Energia SpA (EE) and Servizio Elettrico Nazionale SpA (SEN), with the concomitant performance of inspections. The proceeding was initiated on the basis of complaints filed by the Italian Association of Energy Wholesalers and Traders (AIGET) and the company Green Network SpA (GN), as well as a number of complaints from individual consumers.
On December 20, 2018 the Competition Authority issued its final ruling, with which it levied a fine on Enel SpA, SEN and EE of €93,084,790.50, for abuse of a dominant position in violation of Article 102 of the Treaty on the Functioning of the European Union (TFEU).

The disputed conduct consisted in the adoption of a strategy to exclude competitors from the free market for retail power supply on the part of the Group's operating companies, in particular EE, who allegedly used the privacy consent given by consumers to channel their offers within the Group in order to contact SEN customers who were still being served on the regulated market.
With regard to other allegations made with the measure to initiate the proceeding, concerning the organization and performance of sales activities at physical locations (Enel Points and Enel Point Partner Shops) and winback policies reported by GN, the Competition Authority reached the conclusion that the preliminary findings did not provide sufficient evidence of any abusive conduct on the part of Enel Group companies.
The companies involved challenged the measures of the Competition Authority and filed an appeal to void the ruling before the Lazio Regional Administrative Court. The decision of that court, filed on October 17, 2019, partially upheld the appeals filed by SEN and EE, declaring that the abusive conduct had been engaged in for a period of 1 year and 9 months, rather than the original period of 5 years and 5 months, and requiring the Authority to recalculate the penalty in accordance with the criteria specified in the ruling. With the same ruling, the Regional Administrative Court denied Enel's appeal – which challenged the joint and several liability of the Parent with SEN and EE. The ruling had no autonomous financial impact on the Competition Authority's obligation to recalculate the penalty. With a measure dated November 27, 2019, the Competition Authority set the recalculated penalty at €27,529,786.46.
The rulings of the Regional Administrative Court were challenged on appeal before the Council of State by the three Enel Group companies and a precautionary request was presented at the same time asking for the suspension of the measure for recalculating the penalty levied by the Competition Authority. With an order of July 20, 2020, the Council of State, after the joinder of the three appeals, suspended the ruling and ordered that the issue be submitted for a preliminary ruling before the Court of Justice of the European Union (CJEU) pursuant to Article 267 of the TFEU, formulating a number of questions aimed at clarifying the interpretation of the concept of "abuse of a dominant position" to be applied to the present case. On September 11 and 18, 2020, the CJEU notified EE and SEN and Enel, respectively, of the initiation of a proceeding pursuant to Article 267 of the TFEU. The companies then filed briefs and, subsequently, EE and SEN participated at a hearing on September 9, 2021. At the following hearing of December 9, 2021, the conclusions of the Advocate General were presented to the CJEU.
Pending the opening of the proceedings before the CJEU, Enel, EE and SEN filed an additional precautionary petition to the Council of State asking for the suspension of the enforceability of the contested ruling of the Regional Administrative Court and the measure recalculating the penalty.
With three separate orders with identical content – published on November 16, 2020 – the Council of State granted the request for suspension filed by the Enel companies and, as a guarantee of payment of the penalty in the event of an unfavorable final ruling, required the issue of a first demand surety in favor of the Competition Authority in an amount equal to that of the recalculated penalty suspended with the precautionary orders. The guarantee was duly provided.
With a separate ruling, the Council of State also set the date of the final trial session of the appeal for November 11, 2021. That hearing was postponed pending a decision from the CJEU.

BEG litigation – Italy, France, the Netherlands, Luxembourg

Following an arbitration proceeding initiated by BEG SpA (BEG) in Italy, Enelpower SpA (Enelpower) obtained a ruling in its favor in 2002, which was upheld by the Court of Cassation in 2010, which entirely rejected the petition for damages with regard to alleged breach by Enelpower of an agreement concerning the construction of a hydroelectric power station in Albania. Subsequently, BEG, acting through its subsidiary Albania BEG Ambient, filed suit against Enelpower and Enel SpA (Enel) in Albania concerning the matter, obtaining a ruling from the District Court of Tirana on March 24, 2009, upheld by the Albanian Court of Cassation, ordering Enelpower and Enel to pay tortious damages of about €25 million for 2004 as well as an unspecified amount of tortious damages for subsequent years. Following the ruling, Albania BEG Ambient demanded payment of more than €430 million from Enel.
With a ruling of June 16, 2015, the first level was completed in the additional suit lodged by Enelpower SpA and Enel SpA with the Court of Rome asking the Court to ascertain the liability of BEG SpA for having evaded compliance with the arbitration ruling issued in Italy in favor of Enelpower SpA through the legal action taken by Albania BEG Ambient Shpk. With this action, Enelpower SpA and Enel SpA asked the Court to find BEG liable and order it to pay damages in the amount that the other could be required to pay to Albania BEG Ambient Shpk in the event of the enforcement of the ruling issued by the Albanian courts. With the ruling, the Court of Rome found that BEG SpA did not have standing to be sued, or alternatively, that the request was not admissible for lack of an interest for Enel SpA and Enelpower SpA to sue, as the Albanian ruling had not yet been declared enforceable in any court. The Court ordered the setting off of court costs. Enel SpA and Enelpower SpA appealed the ruling before the Rome Court of Appeal, asking that it be overturned in full. The ruling is at the decision stage.

On November 5, 2016, Enel SpA and Enelpower SpA filed a petition with the Albanian Court of Cassation, asking for the ruling issued by the District Court of Tirana on March 24, 2009 to be voided. The proceeding is still pending.
On May 20, 2021, the European Court of Human Rights (ECHR) issued a ruling with which it decided the appeal brought by BEG against the Italian State for violation of Article 6.1 of the European Convention on Human Rights. With this decision, the Court denied BEG's request to reopen the arbitration proceedings, and also rejected BEG's claim for pecuniary damages amounting to about €1.2 billion due to the absence of a causal link with the disputed conduct, granting it only €15,000.00 in non-pecuniary damages.
Nonetheless, on December 29, 2021, BEG, with an action that the Company and its legal counsel deem unfounded and specious, also decided to sue the Italian State before the Court of Milan, to demand, as a consequence of the ECHR ruling, damages for tortious liability in an amount of about €1.8 billion. In this case, BEG also involved Enel and Enelpower by way of a claim of joint and several liability. The initial hearing is currently scheduled for April 27, 2022. Enel and Enelpower are preparing their defense for the appearance in court.

Proceedings undertaken by Albania BEG Ambient Shpk (ABA) to obtain enforcement of the ruling of the District Court of Tirana of March 24, 2009

France

In February 2012, ABA filed suit against Enel and Enelpower with the *Tribunal de Grande Instance* in Paris in order to render the ruling of the Albanian court enforceable in France. Enel SpA and Enelpower SpA challenged the suit.
Following the beginning of the case before the Tribunal de Grande Instance, between 2012 and 2013 Enel France was served with a number of "*Saisie Conservatoire de Créances*" (orders for the precautionary attachment of receivables) in favor of ABA to conserve any receivables of Enel in respect of Enel France.
On January 29, 2018, the *Tribunal de Grande Instance* issued a ruling in favor of Enel and Enelpower, denying ABA the recognition and enforcement of the Tirana court's ruling in France for lack of the requirements under French law for the purposes of granting exequatur. Among other issues, the *Tribunal de Grande Instance* ruled that: (i) the Albanian ruling conflicted with an existing decision (the arbitration ruling of 2002); and that (ii) the fact that BEG sought to obtain in Albania what it was not able to obtain in the Italian arbitration proceeding, resubmitting the same claim through ABA, represented fraud.
ABA appealed that ruling. With a ruling of May 4, 2021, the Paris Court of Appeal denied the appeal by ABA in full, ordering it to reimburse Enel and Enelpower €200,000.00 each for legal costs. In particular, the Court of Appeal fully upheld the ruling of the Tribunal de Grande Instance with regard to the conflict of the Albanian ruling with the 2002 arbitration award, which, having the value of res judicata under French law, does not require the court to assess the issue raised.
On June 21, 2021, ABA filed an appeal with the *Cour de Cassation* against the ruling of the Paris Court of Appeal. Enel and Enelpower are preparing their defense for the appearance before the *Cour de Cassation*. Finally, Enel and Enelpower initiated a separate proceeding to obtain release of the precautionary attachments granted to ABA and which are no longer valid as a result of the appeal ruling.

The Netherlands

At the end of July 2014, ABA filed suit with the Court of Amsterdam to render the ruling of the Albanian court enforceable in the Netherlands. With a ruling of June 29, 2016, the trial court recognized the Albanian ruling in the Netherlands and therefore ordered Enel and Enelpower to pay €433,091,870.00 to ABA, in addition to costs and ancillary charges of €60,673.78. With the same ruling, the Court of Amsterdam denied ABA's request to declare the ruling provisionally enforceable.
In a ruling of July 17, 2018, the Amsterdam Court of Appeal upheld the appeal advanced by Enel and Enelpower, ruling that the Albanian judgment cannot be recognized and enforced in the Netherlands. The Court of Appeal found that the Albanian decision was arbitrary and manifestly unreasonable and therefore contrary to Dutch public order.
The proceeding before the Court of Appeal continued with regard to the subordinate question raised by ABA with which it asked the Dutch court to rule on the merits of the dispute in Albania and in particular the alleged tortious liability of Enel and Enelpower in the failure to build the power plant in Albania.
On December 3, 2019, the Amsterdam Court of Appeal issued a definitive ruling in which it fully quashed the trial court judgment of June 29, 2016, rejecting any claim made by ABA. The Court came to this conclusion after affirming its jurisdiction over ABA's subordinate claim and re-analyzing the merits of the case under Albanian law, finding no tortious liability on the part of Enel and Enelpower. Accordingly, Enel and Enelpower are therefore not liable to pay any amount to ABA, which was in fact ordered by the Court of Appeal to reimburse the companies for the losses incurred in illegitimate conservative seizures, to be quantified as part of a specific procedure, and the costs of the trial and appeal proceedings. ABA filed an appeal of the ruling with the Supreme Court of the Netherlands. Following the filing of the opinion of the Advocate General, who ruled in favor of Enel and Enelpower, requesting the denial of the appeal lodged by ABA, on July 16, 2021 the Supreme Court completely rejected ABA's claims, ordering it to reimburse

court costs. The decision of the Court of Appeal has thus become final and, therefore, no more proceedings are pending in the Netherlands.

Luxembourg

In Luxembourg, again at the initiative of ABA, J.P. Morgan Bank Luxembourg SA was also served with an order for a number of precautionary seizures of any receivables of both Enel Group companies in respect of the bank.
In parallel ABA filed a claim to obtain enforcement of the ruling of the Court of Tirana in Luxembourg. The proceeding is still in the initial stages and no ruling has been issued.

United States and Ireland

In 2014, ABA had initiated two proceedings requesting execution of the Albanian ruling before the courts of the State of New York and Ireland, which both ruled in favor of Enel and Enelpower, respectively, on February 23 and February 26, 2018. Accordingly, there are no lawsuits pending in Ireland or New York State.

Environmental incentives – Spain

With the Decision of the European Commission of November 27, 2017 on the issue of environmental incentives for thermal power plants, the Commission reached the preliminary conclusion that the environmental incentive for coal power plants provided for in Spain's Order ITC/3860/2007 represents State aid pursuant to Article 107, paragraph 1, of the Treaty on the Functioning of the European Union (TFEU), expressing doubts about the compatibility of the incentive with the internal market while recognizing that the incentives are in line with the European Union's environmental policy. The Commission's Directorate-General for Competition has initiated a formal enquiry pursuant to Article 108, paragraph 2, of the TFEU in order to establish whether the incentive in question constituted state aid compatible with the internal market. On April 13, 2018, Endesa Generación SA, acting as an interested third party, submitted comments contesting this interpretation. Subsequently, on September 8, 2021, the appeal of the decision lodged by Gas Natural (now Naturgy) with the Court of Justice of the European Union (CJEU) was denied. The enquiry under Article 108 of the TFEU is still open.

Social Bonus – Spain

With the rulings of October 24 and 25, 2016 and November 2, 2016, the Spanish *Tribunal Supremo* declared Article 45, paragraph 4 of the Spain's Electricity Industry Law 24 of December 26, 2013 void for incompatibility with Directive 2009/72/EC of the European Parliament and of the Council of July 13, 2009, granting the appeals filed by Endesa against the obligation to finance the Social Bonus mechanism. The *Tribunal Supremo* recognized Endesa's right to receive all amounts that had been paid to users under the Social Bonus system, provided for in the law declared void by the *Tribunal Supremo*, for a total of about €214 million plus interest. The government challenged these rulings of the *Tribunal Supremo*, requesting that they be overturned, but the related appeals were denied.
Subsequently, the government initiated two proceedings before the Constitutional Court requesting the reopening of the Tribunal Supremo proceedings so that the latter may ask for a preliminary ruling from the European Court of Justice (CJEU). The Constitutional Court granted the appeals and, accordingly, the *Tribunal Supremo* submitted a petition for a preliminary ruling from the CJEU. All parties, including Endesa, presented their respective written conclusions. On October 14, 2021, after the Advocate General had issued a favorable opinion to Endesa, the CJEU issued a preliminary ruling in favor of Endesa, recognizing the incompatibility of Article 45, paragraph 4, of the Electricity Industry Law with the Directive referred to above. On December 21, 2021 the *Tribunal Supremo* issued a final ruling with which it confirmed the provisions of the previous ruling of October 24, 2016. In particular, the *Tribunal Supremo* found that the social bonus financing scheme provided for in Article 45, paragraph 4, of the Electricity Industry Law is inapplicable as it does not comply with Article 3.2 of Directive 2009/72/EC, and voided Royal Decree 968/2014.

"Endesa I" industrial relations dispute – Spain

After a series of meetings of the *Comisión Negociadora* of the 5th Endesa Collective Bargaining Agreement (*Comisión Negociadora*) which began in October 2017 and continued throughout 2018, in view of the impossibility of reaching an agreement between the social partners, Endesa notified the workers and their union representatives that, with effect from January 1, 2019, the 4th Collective Bargaining Agreement must be considered terminated under the terms of the "framework guarantee contract" and the "agreement on the voluntary suspension or resolution of employment contracts in the period 2013-2018", applying from that date the provisions of general labor law, as well as the applicable legal criteria established in the matter.
Despite the resumption of negotiations within the *Comisión Negociadora* in February 2019, the interpretative differences between Endesa and the trade union representatives regarding the effects of the resolution of the 4th Collective Bargaining Agreement with regard, in particular, to the social benefits granted to retired personnel, led to the initiation of a suit by the unions represented in the company. On March 26, 2019 a hearing

was held before the court of first instance, which issued a ruling in favor of Endesa, upholding the company's position concerning the legitimacy of abolishing certain social benefits for retired personnel as a consequence of the termination of the 4th Endesa Collective Bargaining Agreement. The unions appealed this decision before the *Tribunal Supremo*, while the initial ruling remained provisionally enforceable. Endesa entered the proceeding. In December 2019, Endesa's largest union decided to waive its appeal before the *Tribunal Supremo* in order to voluntarily submit the dispute to arbitration before the *Servicio Interconfederal de Mediación y Arbitraje* (SIMA) with a view to resolving the main issues concerning the 5th Endesa Collective Bargaining Agreement with the company. The other trade unions involved refused to join the arbitration proceeding, electing to go ahead with the proceedings before the *Tribunal Supremo*.

On January 21, 2020, the arbitration award was issued, with the amendment of certain parts of the 5th Endesa Collective Bargaining Agreement, which was subsequently signed by the social partners. It entered force on January 23, 2020. On the same date, Endesa also signed two further collective bargaining agreements (a "framework guarantee contract" and an "agreement on voluntary measures to suspend or terminate employment contracts") with all the unions present in the company. On June 17, 2020, the 5th Endesa Collective Bargaining Agreement was published in the Spanish Official Journal (*Boletín Oficial del Estado*), taking full effect.

On July 7, 2021, the *Tribunal Supremo* issued a decision (notified on July 22, 2021) in which it denied the appeals lodged by the aforementioned unions in full, upholding the ruling of the court of first instance of March 26, 2019. In particular, the *Tribunal Supremo* affirmed that social benefits (including those relating to electricity prices) originate exclusively in the collective bargaining agreements, both for employees currently in service and those who have retired, as well as for their family members, with the consequence that the termination of such agreements (as happened in the case of the 4th Collective Bargaining Agreement) produces the general contractual regulation of the conditions established therein for employees currently in service and, for those who have retired and their family members, the definitive extinction of all their rights, until new regulations are introduced with the 5th Endesa Collective Bargaining Agreement. Numerous individual suits have been filed by staff and former employees who had agreed to participate in termination incentive agreements in order to obtain judicial confirmation that the termination of the 4th Endesa Collective Bargaining Agreement did not affect them. The majority of these proceedings were suspended or were being suspended pending the definition of the collective action pending before the *Tribunal Supremo*, as the ruling of the latter, in regarding a "collective dispute", would have the value of res judicata in respect of individual proceedings concerning the same issue. As a result of the ruling of the *Tribunal Supremo* of July 7, 2021, the suspension of many of these proceedings was revoked in order to enable the court to deny the suits.

"Endesa II" industrial relations dispute – Spain

On December 30, 2020, the *Audiencia Nacional* notified Endesa a petition for a "collective dispute" initiated by three trade unions with minority representation filed on December 16, 2020 concerning the cancellation of some "derogatory provisions" of the 5th Endesa Collective Bargaining Agreement. The plaintiffs claim that the contested "derogatory provisions" would imply the illegitimate abolition of social benefits and economic rights of workers. Endesa considers these provisions to be fully legitimate, in line with the arguments made during proceeding concerning the reduction of social benefits for retired personnel. With a ruling of November 15, 2021, the petitions of the plaintiff unions were rejected, with verification of the legitimacy of the 5th Endesa Collective Bargaining Agreement. The ruling was appealed by the trade unions before the *Tribunal Supremo*.

Furnas-Tractebel litigation – Brazil

In 1998 the Brazilian company CIEN (now Enel CIEN) signed an agreement with Tractebel for the delivery of electricity from Argentina through its Argentina-Brazil interconnection line. As a result of Argentine regulatory changes introduced as a consequence of the economic crisis in 2002, Enel CIEN was unable to make the electricity available to Tractebel.

In October 2009, Tractebel sued Enel CIEN, which submitted its defense. Enel CIEN cited force majeure as a result of the Argentine crisis as the main argument in its defense. Out of court, the Tractebel has indicated that it plans to acquire 30% of the interconnection line involved in the dispute. On February 14, 2019, Enel CIEN received notice of an order beginning expert witness operations, which are still under way. The amount involved in the dispute is estimated at about R$118 million (about €28 million), plus interest, revaluations and unspecified damages. For analogous reasons, in May 2010 Furnas had also filed suit against Enel CIEN for failure to deliver electricity, requesting payment of about R$571.6 million (about €91 million), in addition to unspecified damages, seeking to acquire ownership (in this case 70%) of the interconnection line. The proceeding was decided in Enel CIEN's favor with a ruling of the *Tribunal de Justiça* with a definitive ruling of October 18, 2019, which denied all of the claims of Furnas.

Cibran litigation – Brazil

Companhia Brasileira de Antibióticos (Cibran) has filed six suits against the Enel Group company Ampla Energia e Serviços SA (Ampla)[40] to obtain damages for alleged losses incurred as a result of the interruption of electricity service by the Brazilian distribution company between 1987 and 2002, in addition to non-pecuniary damages. The Court ordered a unified technical appraisal for those cases, the findings of which were partly unfavorable to Ampla. The latter challenged the findings, asking for a new study, which led to the denial of part of Cibran's petitions. Cibran subsequently challenged the findings of the new study and the ruling was in favor of Ampla.

The first suit, filed in 1999 and regarding the years from 1995 to 1999, was adjudicated in September 2014 when the court of first instance issued a ruling against Ampla, levying a fine of about R$200,000 (about €46,000) as well as other damages to be quantified separately. Ampla appealed the ruling and the appeal was upheld by the *Tribunal de Justiça*, which denied all of Cibran's claims. The ruling became definitive on August 24, 2020.

With regard to the second case, filed in 2006 and regarding the years from 1987 to 1994, on June 1, 2015, the courts issued a ruling ordering Ampla to pay R$96,465,103 (about €23 million) plus interest in pecuniary damages and R$80,000 Brazilian (about €19,000) in non-pecuniary damages. On July 8, 2015 Ampla appealed the decision with the *Tribunal de Justiça* of Rio de Janeiro, which on November 6, 2019 issued a ruling on merits granting Ampla's petition and denying all of Cibran's claims. On November 25, 2019, Cibran filed an appeal against the ruling of the *Tribunal de Justiça* of Rio de Janeiro, which was preliminarily denied for formal reasons on September 10, 2020. On January 29, 2021, Cibran appealed (*Agravo de Instrumento*) the decisions before the *Superior Tribunal de Justiça* (STJ), which was denied on June 8, 2021. On June 22, 2021, Cibran filed an appeal (*Agravo Interno*) with the STJ and the proceeding is pending.

A ruling from the court of first instance is still pending for the remaining four suits for the years 2001 and 2002. The value of all the disputes is estimated at about R$612.1 million (about €96.02 million).

Coperva litigation – Brazil

As part of the project to expand the grid in rural areas of Brazil, in 1982 Companhia Energética do Ceará SA (Coelce),[41] then owned by the Brazilian government and now an Enel Group company, had entered into contracts for the use of the grids of a number of cooperatives established specifically to pursue the expansion project. The contracts provided for the payment of a monthly fee by Coelce, which was also required to maintain the networks.

Those contracts, between cooperatives established in special circumstances and the then public-sector company, do not specifically identify the grids governed by the agreements, which prompted a number of the cooperatives to sue Coelce asking for, among other things, a revision of the fees agreed in the contracts.

These proceedings include the suit filed by Cooperativa de Eletrificação Rural do Vale do Acarau Ltda (Coperva) with a value of about R$374 million (about €59.3 million). Coelce was granted rulings in its favor from the trial court and the court of appeal, but Coperva filed a further appeal (*Embargo de Declaração*) based on procedural issues, which was also denied by the appeal court in a ruling of January 11, 2016. On February 3, 2016, Coperva lodged an extraordinary appeal before the *Superior Tribunal de Justiça* (STJ) against the appeal court ruling on the merits, which was granted on November 5, 2018 for the ruling issued in the previous appeal (*Embargo de Declaração*). On December 3, 2018, Coelce filed an appeal (*Agravo Interno*) against this ruling of the STJ. The proceedings are currently pending.

AGM litigation – Brazil

In 1993, Celg-D,[42] the Association of Municipalities of Goiás (AGM), the State of Goiás and the Bank of Goiás reached an agreement (*Convenio*) for the payment of municipal debts to Celg-D through the transfer of the portion of ICMS – *Imposto sobre Circulação de Mercadorias e Serviços* (tax on the circulation of goods and services) that the State would have transferred to those governments. In 2001 the parties to the agreement were sued by the individual municipal governments to obtain a ruling that the agreement was invalid, a position then upheld by the Supreme Federal Court on the grounds of the non-participation of the local governments themselves in the agreement process. In September 2004, Celg-D reached a settlement with 23 municipalities. Between 2007 and 2008, Celg-D was again sued on numerous occasions by a number of municipal governments (there are currently 65 pending suits) seeking the restitution of amounts paid under the agreement. Despite the ruling that the agreement was void, Celg-D argues that the payment of the debts on the part of the local governments is legitimate, as electricity was supplied in accordance with the supply contracts and, accordingly, the claims for res-

(40) The trading name of Ampla is Enel Distribuição Rio de Janeiro.
(41) The trading name of Coelce is Enel Distribuição Ceará.
(42) The trading name of Eletropaulo is Enel Distribuição São Paulo.

titution of amounts paid should be denied.
The proceedings pending before the Goiás State Court include: (i) a suit filed by the Municipio de Aparecida de Goiânia, which is pending at the preliminary stage at first instance, for an amount of approximately R$726 million (about €113.4 million); (ii) a suit filed by the Municipio de Quirinópolis, also pending at the preliminary stage of the proceeding at first instance for an amount of about R$388 million (about €61.48 million); and (iii) a suit filed by the Municipio de Anápolis with the court of first instance after a failed attempt at conciliation between the parties and now pending in the preliminary stages, for an amount of about R$368.7 million (about €54.4 million).
The total value of the suits is equal to about R$3.92 billion (about €621.5 million). The contingent liability deriving from this dispute is covered by the "Funac" provision established during the privatization of Celg-D.

ANEEL litigation – Brazil

In 2014, Eletropaulo[43] initiated an action before the Brazilian federal courts seeking to void the administrative measure of the *Agência Nacional de Energia Elétrica* (ANEEL, the national electricity agency), which in 2012 retroactively introduced a negative coefficient to be applied in determining rates for the following regulatory period (2011-2015). With this provision, the Authority ordered the restitution of the value of some components of the network previously included in rates because they were considered non-existent and denied Eletropaulo's request to include additional components in rates. The administrative measure of ANEEL was challenged and on September 9, 2014 it was suspended on a precautionary basis. The first-instance proceeding is still in its preliminary stages and the value of the suit is about R$1,288 million (about €204.1 million).

El Quimbo – Colombia

A number of legal actions ("*acciones de grupo*" and "*acciones populares*") brought by residents and fishermen in the affected area are pending with regard to the El Quimbo project for the construction of a 400 MW hydroelectric plant in the region of Huila (Colombia). More specifically, the first collective action, currently in the preliminary stage, was brought by around 1,140 residents of the municipality of Garzón, who claim that the construction of the plant would reduce their business revenue by 30%. A second action was brought, between August 2011 and December 2012, by residents and businesses/associations of five municipalities of Huila claiming damages related to the closing of a bridge (Paso El Colegio). With regard to *acciones populares*, or class action lawsuits, in 2008 a suit was filed by a number of residents of the area demanding, among other things, that the environmental permit be suspended. As part of this action, on September 11, 2020, the Huila Court issued an unfavorable ruling against Emgesa, sentencing it to fulfill the obligations already provided for in the environmental license. ANLA has submitted a request for clarification of the ruling.
Another *acción popular* was brought by a number of fish farming companies over the alleged impact that filling the Quimbo basin would have on fishing in the Betania basin downstream from Quimbo. After a number of precautionary rulings, on February 22, 2016, the Huila Court issued a ruling allowing generation to continue for six months. The court ordered Emgesa to prepare a technical design that would ensure compliance with oxygen level requirements and to provide collateral of about 20,000,000,000 Colombian pesos (about €5.5 million).
The Huila Court subsequently extended the six-month time limit, and therefore, in the absence of contrary court rulings the Quimbo plant is continuing to generate electricity as the oxygenation system installed by Emgesa has so far demonstrated that it can maintain the oxygen levels required by the court. On March 22, 2018, ANLA and CAM jointly presented the final report on the monitoring of water quality downstream of the dam of the El Quimbo hydroelectric plant. Both authorities confirmed the compliance of Emgesa with the oxygen level requirements. After the parties had filed briefs, on January 12, 2021, it was learned that the ruling of first instance of the Court of Huila had been issued (it was subsequently notified to the company on February 1, 2021). The ruling, while acknowledging that the oxygenation system implemented by Emgesa had mitigated the risks associated with the protection of fauna in the Bethany basin, imposed a series of obligations on the environmental authorities involved, as well as on Emgesa itself. In particular, the latter is required to implement a decontamination project to ensure that the water in the basin does not generate risks for the flora and fauna of the river, which will be subject to verification by ANLA, and to make permanent the operation of the oxygenation system, adapting it to comply with the parameters established by ANLA. On March 4, 2021, Emgesa challenged the appeal ruling before the Council of State.
On December 31, 2021, the Council of State ruled that Emgesa's appeal was admissible. The proceeding is continuing at the appeal level.

(43) The trading name of Eletropaulo is Enel Distribuição São Paulo.

Nivel de Tensión Uno proceedings – Colombia

This dispute involves an "*acción de grupo*" brought by Centro Médico de la Sabana hospital and other parties against Codensa seeking restitution of allegedly excess rates. The action is based upon the alleged failure of Codensa to apply a subsidized rate that they claim the users should have paid as *Tensión Uno* category users (voltage of less than 1 kV) and owners of infrastructure, as established in Resolution no. 82/2002, as amended by Resolution no. 97/2008. The suit is at a preliminary stage. The estimated value of the proceeding is about 337 billion Colombian pesos (about €96 million).

Gabčíkovo dispute – Slovakia

Slovenské elektrárne (SE) is involved in a number of cases before the national courts concerning the 720 MW Gabčíkovo hydroelectric plant, which is administered by Vodohospodárska Výsatavba Štátny Podnik (VV) and whose operation and maintenance, as part of the privatization of SE in 2006, had been entrusted to SE for a period of 30 years under an operating agreement (the VEG Operating Agreement).

Immediately after the closing of the privatization, the Public Procurement Office (PPO) filed suit with the Court of Bratislava seeking to void the VEG Operating Agreement on the basis of alleged violations of the regulations governing public tenders, qualifying the contract as a service contract and as such governed by those regulations. In November 2011 the trial court ruled in favor of SE, whereupon the PPO immediately appealed the decision.

In parallel with the PPO action, VV also filed a number of suits, asking in particular for the voidance of the VEG Operating Agreement.

On December 12, 2014, VV withdrew unilaterally from the VEG Operating Agreement, notifying its termination on March 9, 2015, for breach of contract. On March 9, 2015, the decision of the appeals court overturned the ruling of the trial court and voided the contract as part of the action pursued by the PPO. SE lodged an extraordinary appeal against that decision before the Supreme Court. At a hearing of June 29, 2016, the Supreme Court denied the appeal. SE then appealed the ruling to the Constitutional Court, which denied the appeal on January 18, 2017.

In addition, SE lodged a request for arbitration with the Vienna International Arbitral Centre (VIAC) under the VEG Indemnity Agreement. Under that accord, which had been signed as part of the privatization between the National Property Fund (now MH Manazment - MHM) of the Slovak Republic and SE, the latter is entitled to an indemnity in the event of the early termination of the VEG Operating Agreement for reasons not attributable to SE. The arbitration court rejected the objection that it did not have jurisdiction and the arbitration proceeding continued to examine the merits of the case, with a ruling on the amount involved being deferred to any subsequent proceeding. On June 30, 2017, the arbitration court issued its ruling denying the request of SE.

In parallel with the arbitration proceeding launched by SE, both VV and MHM filed two suits in the Slovakian courts to void the VEG Indemnity Agreement owing to the alleged connection of the latter with the VEG Operating Agreement. These proceedings were joindered and, on September 27, 2017, a hearing was held before the Court of Bratislava in which the judge denied the request of the plaintiffs for procedural reasons. Both VV and MHM appealed that decision. The appeal filed by MHM was denied by the Bratislava Court of Appeal on June 8, 2019, upholding the decision of the court of first instance in favor of SE. Similarly, the appeal filed by VV was denied, upholding the trial court decision in favor of SE. VV filed a further appeal (*dovolanie*) against that decision on March 9, 2020, with the Supreme Court, to which SE replied with a brief submitted on June 8, 2020. On March 24, 2021, the Supreme Court overturned the decision of the Bratislava Court of Appeal, referring the judgment to the latter court. On July 21, 2021, SE filed an appeal before the Slovak Constitutional Court, which was denied on July 29, 2021, and the proceeding is currently pending before the Bratislava Court of Appeal.

At the local level, SE was sued by VV for alleged unjustified enrichment (estimated at about €360 million plus interest) for the period from 2006 to 2015. SE filed counter-claims for all of the proceedings under way. Developments in those proceedings can be summarized as follows:

- for 2006-2008, at the hearing of June 26, 2019, the Court of Bratislava denied the claims of both parties for procedural reasons. The ruling in first instance was appealed by both VV and SE and the appeals for the years 2006 and 2008 are pending. As for the appeal proceedings relating to 2007, in November 2019, SE had raised a preliminary question which was rejected by the Court of Appeal on January 15, 2020. On August 18, 2020, SE filed an appeal with the Constitutional Court but the appeal was denied on September 18, 2021. The proceeding is therefore continuing before the Court of Appeal;
- the proceedings relating to the years from 2009 to 2011 and from 2013 to 2015 are all pending before the court of first instance. In a number of cases, briefs have been exchanged. For all the proceedings, hearings before the court of first instance were scheduled but then were initially postponed to specified dates before being postponed to dates to be determined owing to the pandemic;
- the proceeding involving 2012 is pending before the Court of Appeal level following VV's appeal of the ruling in favor of SE by the court of first instance.

Finally, in another proceeding before the Court of Bratislava, VV asked for SE to return the fee for the transfer from SE to VV of the technology assets of the Gabčíko-

vo plant as part of the privatization, with a value of about €43 million plus interest. The parties exchanged briefs. At the hearing on November 19, 2019, the court issued a preliminary decision on the case in which it noted the lack of standing of VV. At the hearing of October 1, 2020, the parties filed their final briefs and on December 18, 2020, the court issued a decision in favor of SE, rejecting VV's claims. On January 4, 2021, VV filed an appeal against that decision, and the proceeding is pending.

Chucas arbitration – Costa Rica

PH Chucas SA (Chucas) is a special purpose entity established by Enel Green Power Costa Rica SA after it won a tender organized in 2007 by the Instituto Costarricense de Electricidad (ICE) for the construction of a 50 MW hydroelectric plant and the sale of the power generated by the plant to ICE under a build, operate and transfer contract (BOT).
On May 27, 2015, Chucas initiated an arbitration proceeding before the *Cámara Costarricense-Norteamericana de Comercio* (AMCHAM CICA) seeking reimbursement of the additional costs incurred to build the plant and as a result of the delays in completing the project as well as voidance of the fine levied by ICE for alleged delays in finalizing the works. In a decision issued in November 2017, the arbitration board ruled in Chucas' favor, granting recognition of the additional costs incurred in the amount of about $113 million (about €91 million) and legal costs and found that Chucas was not liable to pay the fines to ICE. ICE appealed the arbitration ruling before the Supreme Court and on September 5, 2019 Chucas was notified of the ruling partially upholding ICE's appeal to void the arbitration ruling for a number of formal procedural reasons. On September 11, 2019, Chucas filed a "*recurso de aclaración y adición*" with the same court and it was partially upheld on June 8, 2020. The Court's decision expanded on the ruling of September 5, 2019 with information concerning the admission of evidence deposited by Chucas without, however, modifying the decision concerning the voidance of the arbitration award. On July 14, 2020, Chucas filed a new request for arbitration with the AMCHAM CICA for a preliminary estimated amount of about $240 million. On August 14, 2020, ICE filed its response, requesting the dismissal of the proceeding for lack of jurisdiction on the part of the arbitration tribunal. The request for dismissal was denied by AMCHAM CICA. In parallel, ICE filed precautionary appeals to the *Tribunal Contencioso Administrativo* against Chucas and the AMCHAM CICA seeking to suspend the arbitration proceedings. While these appeals were preliminarily upheld, they were subsequently denied. In May 2021, Chucas filed its arbitration request complete with preliminary demands, quantifying the value of its claim at about $362 million (about €305 million). In June 2021, ICE filed its defense, continuing to assert a lack of jurisdiction. ICE has not made a counterclaim. On August 4, 2021, the arbitration tribunal rejected ICE's claim of lack of jurisdiction. The matter has now been submitted for consideration to the first section of the Supreme Court. The arbitration proceedings remain suspended pending the Supreme Court decision on jurisdiction.

GasAtacama Chile – Chile

On August 4, 2016, the *Superintendencia de Electricidad y Combustibles* (SEC) fined GasAtacama Chile (now Enel Generación Chile) $8.3 million (about 5.8 billion Chilean pesos) for information provided by the latter to the CDEC-SING (*Centro de Despacho Económico de Carga*) between January 1, 2011 and October 29, 2015, relating to the Minimum Technical and Minimum Operating Time variables at the Atacama plant.
Enel Generación Chile appealed this measure with the SEC, which denied the appeal on November 2, 2016. Enel Generación Chile appealed this decision before the Santiago Court of Appeal, which on April 9, 2019, issued a ruling reducing the fine to $432,000 (about 290 million Chilean pesos). Both Enel Generación Chile and the SEC appealed this decision before the Supreme Court of Chile. On June 28, 2019, a hearing was held for both parties to submit arguments and on January 15, 2020 the Supreme Court upheld the ruling of the Santiago Court of Appeal, leaving unchanged the reduction in the fine established by that court. The adjusted fine was paid on March 12, 2020.
In parallel, Enel Generación Chile had also filed an appeal before the Constitutional Court, claiming that the legal provisions under which the SEC imposed the fine had been repealed at the time the penalty was issued. On July 17, 2018, the Constitutional Court rejected Enel Generación Chile's appeal.
In relation to this issue, some operators of the *Sistema Interconectado del Norte Grande* (SING), including Aes Gener SA, Eléctrica Angamos SA and Engie Energía Chile SA, sued Enel Generación Chile to obtain damages in an amount of about €58 million (the former) and about €141 million (the latter two). The disputes were joindered in part in a single proceeding and are currently pending. After the suspension of the proceeding under the state of national emergency declared in response to the COVID-19 pandemic, the plaintiff asked for the proceeding to resume, a request the court granted. The court ordered the notification of a measure that determines the substantive, pertinent and disputed facts of the case. The preliminary phase has not yet begun.

Kino arbitration – Mexico

On September 16, 2020, Kino Contractor SA de Cv (Kino Contractor), Kino Facilities Manager SA de Cv (Kino Facilities) and Enel SpA (Enel) were notified of a request for arbi-

tration filed by Parque Solar Don José SA de Cv, Villanueva Solar SA de Cv and Parque Solar Villanueva Tres SA de Cv (together, "Project Companies") in which the Project Companies alleged the violation (i) by Kino Contractor of certain provisions of the EPC Contract and (ii) by Kino Facilities of certain provisions of the Asset Management Agreement, both contracts concerning solar projects owned by the three companies filing for arbitration.
Enel — which is the guarantor of the obligations assumed by Kino Contractor and Kino Facilities under the above contracts — has also been called into the arbitration proceeding, but no specific claims have been filed against it for the moment.
The Project Companies, in which Enel Green Power SpA is a non-controlling shareholder, are controlled by CDPQ Infraestructura Participación SA de Cv (which is controlled by Caisse de Dépôt et Placement du Québec) and CKD Infraestructura México SA de Cv.
After the request for arbitration and the related response from the defendants, the parties exchanged further introductory briefs, in which the financial claim of the counterparties was quantified at about $140 million, while Kino Facilities quantified its own counterclaim at about $3.3 million.
The document production phase is currently under way.

Tax litigation in Brazil

Withholding tax – Ampla

In 1998, Ampla Energia e Serviços SA (Ampla) financed the acquisition of Coelce with the issue of bonds in the amount of $350 million ("Fixed Rate Notes" - FRN) subscribed by its Panamanian subsidiary, which had been established to raise funds abroad. Under the special rules then in force, subject to maintaining the bonds until 2008, the interest paid by Ampla to its subsidiary was not subject to withholding tax in Brazil.
However, the financial crisis of 1998 forced the Panamanian company to refinance itself with its Brazilian parent, which for that purpose obtained loans from local banks. The tax authorities considered this financing to be the equivalent of the early redemption of the bonds, with the consequent loss of entitlement to the exemption from withholding tax.
In December 2005, Ampla carried out a spin-off that involved the transfer of the residual FRN debt and the associated rights and obligations to Ampla Investimentos e Serviços SA.
On November 6, 2012, the *Câmara Superior de Recursos Fiscais* (the highest level of administrative courts) issued a ruling against Ampla, for which the company promptly asked that body for clarifications. On October 15, 2013, Ampla was notified of the denial of the request for clarification (*Embargo de Declaração*), thereby upholding the previous adverse decision. The company provided security for the debt and on June 27, 2014 continued litigation before the ordinary courts (*Tribunal de Justiça*).
In December 2017, the court appointed an expert to examine the issue in greater detail in support of the future ruling. In September 2018, the expert submitted a report, requesting additional documentation.
In December 2018, the company provided the additional documentation and is awaiting the court's assessment of the arguments and documents presented.
The amount involved in the dispute at December 31, 2021 was about €211 million.

IRPJ/CSLL – Eletropaulo

On October 5, 2021, Eletropaulo received an assessment notice from the Brazilian tax authorities contesting the deductibility for income tax purposes (*Imposto sobre a Renda das Pessoas Jurídicas* - IRPJ and *Contribuição Social sobre o Lucro Líquido* - CSLL) of the amortization of the increased amounts generated by extraordinary corporate transactions carried out before the acquisition of the company by the Enel Group. The contested period runs from 2017 to 2019.
Considering its position sound, the company presented its defense at the first level of administrative adjudication.
The amount involved in the dispute was about €110 million at December 31, 2021.

PIS – Eletropaulo

In July 2000, Eletropaulo filed suit seeking a tax credit for PIS (*Programa Integração Social*) paid in application of regulations (Decree Laws 2.445/1988 and 2.449/1988) that were subsequently declared unconstitutional by the *Supremo Tribunal Federal* (STF). In May 2012, the *Superior Tribunal de Justiça* (STJ) issued a final ruling in favor of the company that recognized the right to the credit.
In 2002, before the issue of that favorable final ruling, the company had offset its credit against other federal taxes. This behavior was contested by the federal tax authorities but the company, claiming it had acted correctly, challenged in court the assessments issued by the federal tax authorities. Following defeat at the initial level of adjudication, the company appealed.
The amount involved in the dispute at December 31, 2021 was about €106 million.

ICMS – Ampla, Coelce and Eletropaulo

The States of Rio de Janeiro, Ceará and São Paulo issued a number of tax assessments against Ampla Energia e Serviços SA (for the years 1996-1999 and 2007-2017), Companhia Energética do Ceará (Coelce) (2003, 2004, 2006-2012, 2015 and 2016) and Eletropaulo (2008-2020), challenging the deduction of ICMS - *Imposto sobre Circulação de Mercadorias e Serviços* (tax on the circulation of

goods and services) in relation to the purchase of certain non-current assets. The companies challenged the assessments, arguing that they correctly deducted the tax and asserting that the assets, the purchase of which generated the ICMS, are intended for use in their electricity distribution activities.
The companies are continuing to defend their actions at the various levels of adjudication.
The amount involved in the disputes totaled approximately €79 million at December 31, 2021.

Withholding tax – Endesa Brasil

On November 4, 2014, the Brazilian tax authorities issued an assessment against Endesa Brasil SA (now Enel Brasil SA) alleging the failure to apply withholding tax to payments of allegedly higher dividends to non-resident recipients.
More specifically, in 2009, Endesa Brasil, as a result of the first-time application of the IFRS, had derecognized goodwill, recognizing the effects in equity, on the basis of the correct application of the accounting standards it had adopted. The Brazilian tax authorities, however, asserted – during an audit – that the accounting treatment was incorrect and that the effects of the derecognition should have been recognized through profit or loss. As a result, the corresponding amount (about €202 million) was reclassified as a payment of income to non-residents and, therefore, subject to withholding tax of 15%.
It should be noted that the accounting treatment adopted by the company was agreed with the external auditor and also confirmed by a specific legal opinion issued by a local firm.
Following unfavorable rulings from the administrative courts, the company is continuing to defend its actions and the appropriateness of the accounting treatment in court.
The overall amount involved in the dispute at December 31, 2021 was about €58 million.

ICMS – Coelce

The State of Ceará has filed various tax assessments against Companhia Energética do Ceará SA (Coelce) over the years (for tax periods from 2005 to 2014), contesting the determination of the deductible portion of the ICMS – *Imposto sobre Circulação de Mercadorias e Serviços* (tax on the circulation of goods and services) and in particular the method of calculation of the pro-rata deduction with reference to the revenue deriving from the application of a special rate envisaged by the Brazilian government for the sale of electricity to low-income households (*Baixa Renda*).
The company has appealed the individual assessments, arguing that the tax deduction was calculated correctly. The company is defending its actions in the various levels of jurisdiction.
The overall amount involved in the dispute at December 31, 2021 was about €40 million.

PIS – Eletropaulo

In December 1995, the Brazilian government increased the rate of the federal PIS (*Programa Integração Social*) tax from 0.50% to 0.65% with the issue of a provisional measure (Executive Provisional Order).
Subsequently, the provisional measure was re-issued five times before its definitive ratification into law in 1998. Under Brazilian legislation, an increase in the tax rate (or the establishment of a new tax) can only be ordered by law and take effect 90 days after its publication.
Eletropaulo therefore filed suit arguing that an increase in the tax rate would only have been effective 90 days after the last Provisional Order, claiming that the effects of the first four provisional measures should be considered void (since they were never ratified into law). This dispute ended in April 2008 with recognition of the validity of the increase in the PIS rate starting from the first provisional measure.
In May 2008, the Brazilian tax authorities filed a suit against Eletropaulo to request payment of taxes corresponding to the rate increase from March 1996 to December 1998. Eletropaulo has fought the request at the various levels of adjudication, arguing that the time limit for the issue of the notice of assessment had lapsed. In particular, since more than five years have passed since the taxable event (December 1995, the date of the first provisional measure) without issuing any formal instrument, the right of the tax authorities to request the payment of additional taxes and the authority to undertake legal action to obtain payment have been challenged.
In 2017, following the unfavorable decisions issued in previous rulings, Eletropaulo filed an appeal in defense of its rights and its actions with the *Superior Tribunal de Justiça* (STJ) and the *Supremo Tribunal Federal* (STF). The proceedings are still pending while the amounts subject to dispute have been covered by a bank guarantee.
With regard to the request of the Office of the Attorney General of the Brazilian National Treasury Department to replace the bank guarantee with a deposit in court, the court of second instance granted the petition. The company therefore replaced the bank guarantee with a cash deposit and filed a clarification motion against the related decision, which is currently awaiting a decision.
The overall amount involved in the dispute at December 31, 2021 was about €39 million.

FINSOCIAL – Eletropaulo

Following a final ruling issued by the Federal Regional Court on September 11, 2011, Eletropaulo was recognized the right to compensation for certain FINSOCIAL credits (social contributions) relating to sums paid from September 1989 to March 1992.

Despite the expiration of the relative statute of limitations, the Federal Tax Authority contested the determination of some credits and rejected the corresponding offsetting, issuing tax assessments that the company promptly challenged in the administrative courts, defending the legitimacy of its calculations and actions.
After an unfavorable ruling at first instance, the company filed an appeal before the administrative court of second instance.
The overall amount involved in the dispute at December 31, 2021 was about €37 million.

Tax litigation in Spain

Income tax – Enel Iberia, Endesa and subsidiaries
In 2018, the Spanish tax authorities completed a general audit involving the companies of the Group participating in the Spanish tax consolidation mechanism. This audit, which began in 2016, involved corporate income tax, value added tax and withholding taxes (mainly for the years 2012 to 2014).
With reference to the main claims, the companies involved have challenged the related assessments at the first administrative level (*Tribunal Económico-Administrativo Central* - TEAC), defending the correctness of their actions.
With regard to the disputes concerning corporate income tax, the issues for which an unfavorable outcome is considered possible amounted to about €155 million at December 31, 2021:

- Enel Iberia is defending the appropriateness of the criterion adopted for determining the deductibility of capital losses deriving from stock sales (around €106 million) and certain financial expense (around €18 million);
- Endesa and its subsidiaries are mainly defending the appropriateness of the criteria adopted for the deductibility of certain financial expense (about €25 million) and costs for decommissioning nuclear power plants (about €6 million).

In 2021, the Spanish tax authorities concluded a new general audit for the years from 2015 to 2018. The companies involved challenged the related assessments at the first level of administrative adjudication (TEAC), arguing that they had acted correctly.
In relation to the main dispute regarding corporate income tax, which concerned the deductibility of certain financial charges, the dispute for which an adverse outcome is considered possible has a value of about €232 million at December 31, 2021 (Enel Iberia €219 million and Endesa SA €13 million).

Income tax – Enel Green Power España SL
On June 7, 2017, the Spanish tax authorities issued a notice of assessment to Enel Green Power España SL, contesting the treatment of the merger of Enel Unión Fenosa Renovables SA ("EUFER") into Enel Green Power España SL in 2011 as a tax neutral transaction, asserting that the transaction had no valid economic reason.
On July 6, 2017, the company appealed the assessment at the first administrative level (*Tribunal Económico-Administrativo Central* - TEAC), defending the appropriateness of the tax treatment applied to the merger. The company has provided the supporting documentation demonstrating the synergies achieved as a result of the merger in order to prove the existence of a valid economic reason for the transaction. On December 10, 2019, the TEAC denied the appeal and the company is continuing to defend its actions in court (*Audiencia Nacional*).
The overall amount involved in the dispute at December 31, 2021 was about €98 million.

Tax litigation in Italy

Withholding tax – Enel Servizio Elettrico Nazionale
As a result of a tax audit initiated in March 2018 and following a subsequent investigation conducted with questionnaires submitted to the banks involved as assignees in certain transfers of receivables from Servizio Elettrico Nazionale SpA (SEN) in respect of mass market customers under a framework agreement, on December 19, 2018, the Revenue Agency - Regional Directorate of Lazio - Large Taxpayers Office, notified the company of an assessment in respect of the alleged violation of withholding tax obligations relating to the amounts paid to the banks as part of the aforementioned transfers in 2013.
In particular, the dispute arises from an assessment by the Office that: (i) reclassified, for tax purposes only, the assignment of receivables as a financing transaction; (ii) asserted an alleged withholding obligation for the company commensurate with the cost of the transaction (as the difference between the nominal value of the assigned receivables and the transfer price), reconstructing the subsequent transactions involving the assigned receivables (further sales and/or securitizations with non-residents carried out by the banks), in which the company had no role.
In the first stages of the proceeding, which arose following SEN's appeal of the assessment, the company's objections concerning the illegitimacy of the Office's reclassification of the transaction for tax purposes and, consequently, of the payment flows were not upheld, despite significant procedural violations in the assessment activity.
Believing that it has valid legal grounds to continue the dispute, the company filed an appeal with the Court of Cassation, asserting the illegitimacy of the tax claim for violation and false application of the rules that, in the view of the trial court, permit the classification of the income generated by the assignment of receivables as "property income", which, consequently, would require SEN to apply withholding tax.
The overall amount involved in the dispute at December 31, 2021 is about €81 million.

56. Future accounting standards

The following provides a list of accounting standards, amendments and interpretations that will take effect for the Group after December 31, 2021.

- "*Amendments to IAS 1 - Classification of Liabilities as Current or Non-current*", issued in January 2020. The amendments regard the provisions of IAS 1 concerning the presentation of liabilities. More specifically, the changes clarify:
  - the criteria to adopt in classifying a liability as current or non-current, specifying the meaning of right of an entity to defer settlement and that that right must exist at the end of the reporting period;
  - that the classification is unaffected by the intentions or expectations of management about when the entity will exercise its right to defer settlement of a liability;
  - that the right to defer exists if and only if the entity satisfies the terms of the loan at the end of the reporting period, even if the creditor does not verify compliance until later; and
  - that settlement regards the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments will take effect, subject to endorsement, for annual periods beginning on or after January 1, 2023, with earlier application permitted.
- "*Amendments to IFRS 3 - Reference to the Conceptual Framework*" issued in May 2020. The amendments are intended to replace a reference to the definitions of assets and liabilities provided by the Revised Conceptual Framework for Financial Reporting issued in March 2018 (Conceptual Framework) without significantly changing its provisions.

  The amendments also add to IFRS 3 a requirement that, for transactions and other events within the scope of "IAS 37 - Provisions, contingent liabilities and contingent assets" or "IFRIC 21 - Levies", an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination.

  Finally, the amendments clarify the existing guidelines in IFRS 3 for contingent assets acquired in a business combination, specifying that, if it is not sure that an asset exists at the acquisition date, the contingent asset shall not be recognized.

  The amendments will take effect for annual periods beginning on or after January 1, 2022.
- "*Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use*", issued in May 2020. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments will take effect for annual periods beginning on or after January 1, 2022. Early application is permitted.
- "*Amendments to IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract*", issued in May 2020. The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. To this end, the cost of fulfilling a contract comprises the costs that relate directly to the contract. These consist of the incremental costs of fulfilling that contract or the allotment of other costs that relate directly to fulfilling contracts. The amendments will take effect for annual periods beginning on or after January 1, 2022. Early application is permitted.
- "*Annual improvements to IFRS Standards 2018-2020*", issued in May 2020. The document mainly comprises amendments to the following standards:
  - "*IFRS 1 - First-Time Adoption of International Financial Reporting Standards*"; the amendment simplifies the application of IFRS 1 by an investee (subsidiary, associate or joint venture) that becomes a first-time adopter of IFRS Standards after its parent has already adopted them. More specifically, if the investee adopts the IFRSs after its parent and applies IFRS 1.D16 (a), then the investee can elect to measure the cumulative translation differences for all foreign operations at the amounts that would be included in the parent's consolidated financial statements, based on parent's date of transition to the IFRSs;
  - "*IFRS 9 - Financial Instruments*"; with regard to fees included in the "10 per cent" test for derecognition of financial liabilities, the amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. In determining those fees paid net of fees received, the borrower shall include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other party's behalf;
  - "*IFRS 16 - Leases*"; the International Accounting Standards Board amended Illustrative Example 13 accompanying "IFRS 16 - Leases". Specifically, the amendment eliminates the potential for confusion in the application of IFRS 16 created by the way in which Illustrative Example 13 had illustrated the requirements for lease incentives. The example had included a reimbursement relating to leasehold improvements without explaining whether the reimbursement qualified as a lease incentive. The amendment removes the illustration of a reimbursement relating to leasehold improvements from the example;

- "*IAS 41 - Agriculture*"; the amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value. Accordingly, entities shall use pre-tax cash flows and a pre-tax rate to discount those cash flows.

The amendments shall be applied prospectively for annual periods beginning on or after January 1, 2022. Early application is permitted.

- "*Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies*", issued in February 2021. The amendments are intended to support entities in deciding which accounting policies to disclose in the financial statements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. A guide on how to apply the concept of materiality to disclosures on accounting policies is provided in the amendments to IFRS Practice Statement 2. The amendments will take effect for annual periods beginning on or after January 1, 2023. Early application is permitted.
- "*Amendments to IAS 8 - Definition of Accounting Estimates*", issued in February 2021. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The definition of changes in accounting estimates has been replaced with a definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments will take effect for annual periods beginning on or after January 1, 2023. Early application is permitted.
- "*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*", issued in May 2021. The amendments require entities to recognize deferred tax on transactions that at initial recognition give rise to equal taxable and deductible temporary differences. The amendments will take effect, subject to endorsement, for annual periods beginning on or after January 1, 2023. Early application is permitted.
- "*Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*", issued in September 2014. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3). The IASB has deferred the effective date of these amendments indefinitely.
- "*IFRS 17 - Insurance Contracts*", issued in May 2017. The standard will take effect for annual periods beginning on or after January 1, 2023, with earlier application permitted.

The Group is assessing the potential impact of the future application of the new provisions.

57. Events after the reporting period

Enel completes acquisition of 527 MW of hydro capacity from ERG

On January 3, 2022, Enel Produzione SpA finalized the acquisition of the entire share capital of ERG Hydro Srl from ERG Power Generation SpA. Enel Produzione paid around €1,039 million for the company, as well as an initial price adjustment at closing of around €226 million to reflect the mark-to-market valuation of certain hedging derivatives of ERG Power Generation concerning part of the future power to be generated by the ERG Hydro plants. The agreement also provides for an additional price adjustment in the coming months, which will be calculated mainly on the basis of the changes in ERG Hydro's net working capital and net financial position, and the level of water reserves in certain basins included in the sale. The plants owned by ERG Hydro, which are located in the Umbria, Lazio, and Marche regions, have an installed capacity of 527 MW and an average annual output of around 1.5 TWh.

Enel places a €2.75 billion "sustainability-linked bond" in three tranches on the eurobond market

On January 10, 2022, Enel Finance International NV, the Dutch-registered finance company controlled by Enel SpA, placed a €2.75 billion "sustainability-linked bond" in three tranches, linked to the achievement of Enel's sustainability objective for the reduction of direct greenhouse gas emissions (Scope 1), contributing to the achievement of the United Nations Sustainable Development Goal (SDG) 13 "Climate Action" and in line with the Group's Sustainability-Linked Financing Framework.

Fitch revises Enel's long-term rating to "BBB+" and makes no change to the short-term rating of "F-2". The outlook is stable

On February 4, 2022, Fitch Ratings announced that it has revised Enel SpA's long-term rating to "BBB+" from the previous "A-". The agency also confirmed Enel's short-term rating at "F-2". The outlook remains stable.
According to the agency, the change in Enel's rating mainly reflects the expected increase in financial leverage in the medium term due to the investment opportunities that have prompted Enel to gradually expand its capital expenditure plans in response to the energy transition.

Russia-Ukraine conflict

On February 24, 2022, the Russian President announced "a special military operation" in Ukrainian territory that led to the outbreak of conflict between the two countries.
In the previous weeks, various attempts had been made to achieve a diplomatic solution to the strains between Russia and Ukraine that, following extensive and prolonged military maneuvers by the Russian armed forces along the Ukrainian border, had persisted for some time. As the days went by, hostilities escalated, with an intensification of clashes.
The Russian military intervention in Ukraine triggered prompt reactions from various countries and international organizations. The European Council called on Russia to immediately cease hostilities and withdraw its armed forces from Ukraine in compliance with international law. The United Nations General Assembly, meeting in an emergency session, also approved a resolution condemning the Russian military action in Ukraine, asking Russia to withdraw the army.
At the same time, the European Commission is addressing the humanitarian crisis engendered by the conflict in Ukraine, with the deployment of humanitarian aid and emergency aid programs, including increased financial support to Ukraine.
Negotiations are under way between the parties involved to seek a diplomatic solution that will prevent the situation from becoming a threat to international peace and security.
The European Union and other countries (e.g., the United States, the United Kingdom, Australia, Japan, Switzerland and others) have imposed severe sanctions on Russia, which, although of varying effectiveness, have impacted strategic sectors of the Russian economy and the financial sector and imposed personal restrictions on the Russian President and other political and business figures. The main European sanctions involve:

- freezing Russian assets in the euro area;
- blocking the access of Russian banks to European financial markets;
- imposing export control measures (including a ban on the export of goods to Russia and Belarus in the aviation, maritime, space, technology and "dual-use" sectors);
- freezing commercial transactions with the Ukrainian regions of Donetsk and Luhansk;
- excluding major Russian banks from the international SWIFT transaction system;
- blocking current accounts with the Sberbank banking group;
- closing airspace to Russian flights;
- freezing the personal assets of the Russian President, oligarchs, politicians and senior executives of the Russian companies that support him.

These sanctions have had an initial impact on the exchange rate of the ruble, which has depreciated sharply against the euro and the US dollar, on local interest rates (which were increased to 20% by the Russian Central Bank) and on the share prices of companies listed on the Moscow Stock Exchange (with a significant decline being recorded in March).
Financial difficulties have also been associated with an increased level of IT risk, to which businesses and governments are exposed, making it necessary to adopt adequate defense measures and stringent internal controls to safeguard their digital infrastructure.
Considering this background, the Enel Group has activated a task force to carefully monitor the status and evolution of current developments and manage potential risks.
Today, the Enel Group is present in Russia with a number of companies in which it holds control or joint control with other investors. More specifically, the Enel Group controls:

- Enel Russia PJSC (56.43% owned by Enel SpA), a company listed on the Moscow Stock Exchange that generates electricity, mainly with three thermal generation plants, and holds 100% stakes in three renewable generation companies;
- Enel Green Power Rus LLC (a 100% indirect subsidiary of Enel SpA), a company that provides services for the development of renewable energy projects and which holds 100% stakes in four renewable generation companies;
- Enel X Rus LLC (a 99% indirect subsidiary of Enel SpA).

Enel SpA also directly holds an investment of 49.5% in a joint venture (Rusenergosbyt LLC) operating in the End-user Markets Business Line.
At the end of 2021, the three thermal generation plants operating in Russia had an installed capacity of 5,276 MW, while renewables installed wind capacity was equal to 228 MW (including 138 MW of partial additional capacity of the Murmansk Kolskaya Wind Farm plant, which is under construction).
The contribution of the Russian companies to the main consolidated performance aggregates in 2021 (considering the average 2021 euro/ruble exchange rate of 87.18) is not significant and includes revenue of €564 million (0.6% of the total consolidated revenue of the Enel Group), operating profit of €51 million (0.7% of total Enel Group operating profit) and profit of €64 million (2.0% of Enel Group profit).
At December 31, 2021, considering the end-2021 euro/ruble exchange rate of 85.35, the main statement of financial position items of the Enel Group companies operating in Russia regarded:

- under assets, €846 million of property, plant and equipment, €47 million in deferred tax assets, €44 million in trade receivables and €123 million in cash and cash equivalents;

- under liabilities, €428 million in borrowings, €54 million in deferred tax liabilities and €93 million in trade payables.

The Enel Group is constantly monitoring the impact of the international crisis on its operations in Russia (with particular regard to the procurement of materials, services and labor) and evaluating developments in market variables (exchange rates, interest rates), first and foremost taking consideration of the potential effects on performance and financial position of the depreciation of the ruble against the euro. Furthermore, the Enel Group is also assessing developments associated with the counter-sanctions being deployed by Russia against investments in the country.
The Enel Group is conducting analyses to assess the indirect impacts of the war in Ukraine on operations, the financial situation and performance in the main euro-area countries in which it operates, with particular regard to shortages of raw materials from the areas affected by the conflict and the generalized increase in commodity prices.

The Enel Group does not have gas supply contracts (pipeline and LNG) with Russia, but in Italy measures are being evaluated at the regulatory level to reduce the demand for gas and to contain price volatility on the markets. In Spain (where the Group is present with its subsidiary Endesa SA), in addition to regulatory developments, we are analyzing the effects on nuclear fuel orders from Russia.

Particular attention is also paid to the impacts of the war on activities in Slovakia, where the Enel Group is present with the jointly controlled company Slovenské elektrárne AS (SE), of which Enel SpA indirectly holds 33%. It operates in the generation of electricity from nuclear, thermal and hydroelectric sources with an installed capacity of 4 GW. SE's nuclear plants have links with Russia involving technical-operational activities (supply of nuclear fuel and technology), investments (Russian suppliers involved in the construction of the MO3/4 plant who are currently not targeted by the sanctions) and loans (SE's debt exposure to Sberbank).
In this highly fluid situation, characterized by considerable regulatory uncertainty and high and volatile prices, the Enel Group is carefully monitoring macroeconomic and business variables in order to develop the most accurate real-time estimates of impacts connected with regulatory changes, sanctions and restrictions on assets, as well as on suppliers and contracts applicable to the Enel Group, taking due account of the recommendations issued by national and supranational organizations on this issue.[44]

Enel finalizes renewal of partnership with Cinven in Ufinet Latam

On March 24, 2022, Enel X International Srl (Enel X International), a wholly-owned subsidiary of Enel X Srl (Enel X), closed the agreement signed on December 21, 2021 with a holding company controlled by the Sixth Cinven Fund and a holding company controlled by the Seventh Cinven Fund acquiring indirectly, through a holding company, about 79% of the share capital of Ufinet Latam SLU ("Ufinet" or the "Company") from the Sixth Cinven Fund and simultaneously selling 80.5% of the Company's share capital to the Seventh Cinven Fund. As a result, Enel X International now indirectly retains a stake equal to 19.5% of Ufinet, renewing the partnership in the Company with Cinven.
More specifically, Enel X International, which previously indirectly owned a stake of about 21% in the Company, exercised the call option to acquire around 79% of the share capital of Ufinet for €1,320 million. At the same time, Enel X International received around €207 million as a distribution of available reserves from Ufinet and simultaneously sold 80.5% of the Company's share capital to the Seventh Cinven Fund for about €1,186 million.
Under the agreement, Enel X International, in addition to indirectly retaining 19.5% of the share capital of Ufinet, keeps representation on the latter and its holding company's boards of directors, retaining standard minority shareholder protection rights.

(44) ESMA no. 71-99-1864 of March 14, 2022; CONSOB warning notice in the weekly bulletin of March 9-14, 2022.

Declaration of the Chief Executive Officer and the officer in charge of financial reporting of the Enel Group at December 31, 2021, pursuant to the provisions of Article 154-*bis*, paragraph 5, of Legislative Decree 58 of February 24, 1998 and Article 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999

1. The undersigned Francesco Starace and Alberto De Paoli, in their respective capacities as Chief Executive Officer and officer in charge of financial reporting of Enel SpA, hereby certify, taking account of the provisions of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
   a. the appropriateness with respect to the characteristics of the Enel Group and
   b. the effective adoption of
   the administrative and accounting procedures for the preparation of the consolidated financial statements of the Enel Group in the period between January 1, 2021 and December 31, 2021.

2. In this regard, we report that:
   a. the appropriateness of the administrative and accounting procedures used in the preparation of the consolidated financial statements of the Enel Group has been verified in an assessment of the internal control system for financial reporting. The assessment was carried out on the basis of the guidelines set out in the "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
   b. the assessment of the internal control system for financial reporting did not identify any material issues.

3. In addition, we certify that the consolidated financial statements of the Enel Group at December 31, 2021:
   a. have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
   b. correspond to the information in the books and other accounting records;
   c. provide a true and fair representation of the financial position, financial performance and cash flows of the issuer and the companies included in the consolidation scope.

4. Finally, we certify that the Report on Operations, accompanied by the consolidated financial statements of the Enel Group at December 31, 2021, contains a reliable analysis of operations and performance, as well as the situation of the issuer and the companies included in the consolidation scope, together with a description of the main risks and uncertainties to which they are exposed.

Rome, March 17, 2022

Francesco Starace

Chief Executive Officer
of Enel SpA

Alberto De Paoli

Officer in charge of financial reporting
of Enel SpA

Reports

Report of the Board of Statutory Auditors

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ENEL SpA CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR 2021

(pursuant to Article 153 of Legislative Decree 58/1998)

Shareholders,

During the year ended December 31, 2021 we performed the oversight activities envisaged by law at Enel SpA (hereinafter also "Enel" or the "Company"). In particular, pursuant to the provisions of Article 149, paragraph 1, of Legislative Decree 58 of February 24, 1998 (hereinafter the "Consolidated Law on Financial Intermediation") and Article 19, paragraph 1 of Legislative Decree 39 of January 27, 2010 (hereinafter "Decree 39/2010"), we monitored:

- compliance with the law and the corporate bylaws as well as compliance with the principles of sound administration in the performance of the Company's business;
- the Company's financial reporting process and the adequacy of the administrative and accounting system, as well as the reliability of the latter in representing operational events;
- the statutory audit of the annual statutory and consolidated accounts and the independence of the audit firm;
- the adequacy and effectiveness of the internal control and risk management system;
- the adequacy of the organizational structure of the Company, within the scope of our responsibilities;
- the implementation of the corporate governance rules as provided for by the 2020 edition of the Italian Corporate Governance Code (hereinafter, the "Corporate Governance Code"), which the Company adopted during the year;[(1)]
- the appropriateness of the instructions given by the Company to its subsidiaries to enable Enel to meet statutory public disclosure requirements.

In performing our checks and assessments of the above issues, we did not find any particular issues to report.

In compliance with the instructions issued by Consob with Communication no. DEM/1025564 of April 6, 2001, as amended, we report the following:

- we monitored compliance with the law and the bylaws and we have no issues to report;
- on a quarterly basis, we received adequate information from the Chief Executive Officer, as well as through our participation in the meetings of the Board of Directors

([1]) In March 2021, the Board of Directors completed the adoption of measures to ensure that Enel had implemented the amendments to the Italian Corporate Governance Code. Until that time, the Company had adopted the corporate governance rules provided for in the 2018 edition of the Corporate Governance Code for listed companies.

of Enel, on activities performed, general developments in operations and the outlook, and on transactions with the most significant impact on performance or the financial position carried out by the Company and its subsidiaries. We report that the actions approved and implemented were in compliance with the law and the bylaws and were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. For a discussion of the features of the most significant transactions, please see the report on operations accompanying the separate financial statements of the Company and the consolidated financial statements of the Enel Group for 2021 (in the section "Significant events in 2021");

- we did not find any atypical or unusual transactions conducted with third parties, Group companies or other related parties;
- in the section "Related parties" of the notes to the separate financial statements for 2021 of the Company, the directors describe the main transactions with related-parties – the latter being identified on the basis of international accounting standards and the instructions of Consob – carried out by the Company, to which readers may refer for details on the transactions and their financial impact. They also detail the procedures adopted to ensure that related-party transactions are carried out in accordance with the principles of transparency and procedural and substantive fairness. The transactions were carried out in compliance with the approval and execution processes set out in the related procedure – adopted in compliance with the provisions of Article 2391-bis of the Italian Civil Code and the implementing regulations issued by Consob – described in the report on corporate governance and ownership structure for 2021. All transactions with related parties reported in the notes to the separate financial statements for 2021 of the Company were executed as part of ordinary operations in the interest of the Company and settled on market terms and conditions;
- the Company declares that it has prepared its separate financial statements for 2021 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the close of 2021, as well as the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year. The Company's separate financial statements for 2021 have been prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under the IFRS-EU, as indicated in the accounting policies for the individual items of the financial statements. The notes to the separate financial statements give detailed information on the accounting standards and measurement criteria adopted, accompanied by an indication of the standards applied for the first time in 2021,

which as indicated in the notes did not have a significant impact in the year under review;

- the separate financial statements for 2021 of the Company underwent the statutory audit by the audit firm, KPMG SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations and certain information in the report on corporate governance and ownership structure of the Company with the financial statements, as well as compliance with the provisions of law, pursuant to Article 14 of Decree 39/2010 and Article 10 of Regulation (EU) no. 537/2014. The report of KPMG SpA also includes:
  - a discussion of key aspects of the audit report on the separate financial statements; and
  - the declaration provided pursuant to Article 14, paragraph 2(e) of Decree 39/2010 stating that the audit firm did not identify any significant errors in the contents of the report on operations;
- the Company declares that it has also prepared the consolidated financial statements of the Enel Group for 2021 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the close of 2021, as well as the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year. The 2021 consolidated financial statements of the Enel Group are also prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under the IFRS-EU (as indicated in the discussion of measurement criteria for the individual items) and non-current assets (or disposal groups) classified as held for sale, which are measured at the lower of carrying amount and fair value less costs to sell. The notes to the consolidated financial statements provide a detailed discussion of the accounting standards and measurement criteria adopted, accompanied by an indication of standards applied for the first time in 2021, which did not have a significant impact in the year under review. Note also that, starting from 2021, in compliance with the provisions of Delegated Regulation (EU) 2019/815 of December 17, 2018 (the "ESEF Regulation"), the Company has (i) drawn up its entire Annual Financial Report (including the separate financial statements and the consolidated financial statements, the respective reports on operations and the associated certifications pursuant to Article 154-bis, paragraph 5, of the Consolidated Law on Financial Intermediation) in the single electronic reporting format XHTML (Extensible Hypertext Markup Language), and (ii) marked up (with specific tags) the schedules of the consolidated financial statements and the related explanatory notes using the iXBRL markup language (Inline eXtensible Business Reporting Language),

in accordance with the ESEF taxonomy issued annually by ESMA, in order to facilitate the accessibility, analysis and comparability of the annual financial reports;

- the consolidated financial statements for 2021 of the Enel Group underwent statutory audit by the audit firm KPMG SpA, which issued an unqualified opinion, including with regard to the consistency of the consistency of the report on operations and certain information in the report on corporate governance and ownership structure with the consolidated financial statements, as well as compliance with the provisions of law, pursuant to Article 14 of Decree 39/2010 and Article 10 of Regulation (EU) no. 537/2014. The report of KPMG SpA also includes:
  - a discussion of key aspects of the audit report on the consolidated financial statements; and
  - the declaration provided pursuant to Article 14, paragraph 2(e) of Decree 39/2010 and Article 4 of Consob Regulation no. 20267 (implementing Legislative Decree 254 of December 30, 2016) concerning, respectively, a statement that the audit firm did not identify any significant errors in the contents of the report on operations and that it verified that the Board of Directors had approved the consolidated non-financial statement;

  Under the terms of its engagement, KPMG SpA also issued unqualified opinions on the financial statements for 2021 of the most significant Italian companies of the Enel Group. Moreover, during periodic meetings with the representatives of the audit firm, KPMG SpA, the latter did not raise any issues concerning the reporting packages of the main foreign companies of the Enel Group, selected by the auditors on the basis of the work plan established for the auditing of the consolidated financial statements of the Enel Group, that would have a sufficiently material impact to be reported in the opinion on those financial statements;
- taking due account of the recommendations of the European Securities and Markets Authority issued on January 21, 2013, and most recently confirmed with the Public Statement of October 29, 2021, to ensure appropriate transparency concerning the methods used by listed companies in testing goodwill for impairment, in line with the recommendations contained in the joint Bank of Italy – Consob – ISVAP document no. 4 of March 3, 2010, and in the light of indications of Consob in its Communication no. 7780 of January 28, 2016, the compliance of the impairment testing procedure with the provisions of IAS 36 was expressly approved by the Board of Directors of the Company, having obtained a favorable opinion in this regard from the Control and Risk Committee in February 2022, i.e. prior to the date of approval of the financial statements for 2021;
- we examined the Board of Directors' proposal for the allocation of net profit for 2021 and the distribution of available reserves and have no comments in this regard;

- we note that the Board of Directors of the Company certified, following appropriate checks by the Control and Risk Committee and the Board of Statutory Auditors in March 2022, that as at the date on which the 2021 financial statements were approved, the Enel Group continued to meet the conditions established by Consob (set out in Article 15 of the Market Rules, approved with Resolution no. 20249 of December 28, 2017) concerning the accounting transparency and adequacy of the organizational structures and internal control systems that subsidiaries established and regulated under the law of non-EU countries must comply with so that Enel shares can continue to be listed on regulated markets in Italy;
- we monitored, within the scope of our responsibilities, the adequacy of the organizational structure of the Company (and the Enel Group as a whole), obtaining information from department heads and in meetings with the boards of auditors or equivalent bodies of a number of the main Enel Group companies in Italy and abroad, for the purpose of the reciprocal exchange of material information. As from the second half of 2014, the organizational structure of the Enel Group is based on a matrix of global business lines and geographical areas. Taking account of the changes implemented most recently in 2021 and the early months of 2022, it is organized into: (i) global business lines, which are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The global business lines are: Enel Green Power, and Thermal Generation, Global Energy and Commodity Management, Global Infrastructure and Networks, Enel X Global Retail and Global E-Mobility; (ii) regions and countries, which are responsible for managing relationships with local institutional bodies, regulatory authorities, the media and other local stakeholders, as well as optimizing the customer portfolio and generation assets, pursuing the best integrated margin, while also providing staff and other service support to the global business lines and adopting appropriate security, safety and environmental standards. Regions and countries comprise: Italy, Iberia, Europe, Latin America, North America, and Africa, Asia and Oceania; (iii) global service functions, which are responsible for managing information and communication technology activities (Global Digital Solutions), procurement at the Group level (Global Procurement) and invoicing, credit and customer care processes (Global Customer Operations); and (iv) holding company functions, which among other things are responsible for managing governance processes at the Group level. They include: Administration, Finance and Control, Personnel and Organization, Communication, Legal and Corporate Affairs, Audit, and Innovation and Sustainability. The Board of Statutory Auditors feels that the organizational system described above is adequate to support the strategic development of the Company and the Enel Group and is also consistent with control requirements;

- during meetings with the boards of auditors or equivalent bodies of a number of the Group's main companies in Italy and abroad, no material issues emerged that would require reporting here;
- we monitored the independence of the audit firm, having received today from KPMG specific written confirmation that they met that requirement (pursuant to the provisions of Article 6, paragraph 2(a), of Regulation (EU) 537/2014) and paragraph 17 of international standard on auditing (ISA Italia) 260 and having discussed the substance of that declaration with the audit partner. In this regard, we also monitored – as provided for under Article 19, paragraph 1(e), of Decree 39/2010 – the nature and the scale of non-audit services provided to the Company and other Enel Group companies by KPMG SpA and the entities belonging to its network. The fees due to KPMG SpA and the entities belonging to its network are reported in the notes to the separate financial statements of the Company. Following our examinations, the Board of Statutory Auditors feels that there are no critical issues concerning the independence of KPMG SpA.

  We held periodic meetings with the representatives of the audit firm, pursuant to Article 150, paragraph 3, of the Consolidated Law on Financial Intermediation, and no material issues emerged that would require mention in this report.

  With specific regard to the provisions of Article 11 of Regulation (EU) 537/2014, KPMG SpA today provided the Board of Statutory Auditors with the "additional report" for 2021 on the results of the statutory audit carried out, which indicates no significant difficulties encountered during the audit or any significant shortcomings in the internal control system for financial reporting or the Enel accounting system that would raise issues requiring mention in the opinion on the separate and consolidated financial statements. The Board of Statutory Auditors will transmit that report to the Board of Directors promptly, accompanied by any comments it may have, in accordance with Article 19, paragraph 1(a), of Decree 39/2010.

  As at the date of this report, the audit firm also reported that it did not prepare any management letter for 2021;
- we monitored the financial reporting process, the appropriateness of the administrative and accounting system and its reliability in representing operational events, as well as compliance with the principles of sound administration in the performance of the Company's business and we have no comments in that regard. We conducted our checks by obtaining information from the head of the Administration, Finance and Control department (taking due account of the head's role as the officer responsible for the preparation of the Company's financial reports), examining Company documentation and analyzing the findings of the examinations performed by KPMG SpA. The Chief Executive Officer and the officer responsible for the preparation of the financial reports of Enel issued a statement (regarding the

Company's 2021 separate financial statements) certifying (i) the appropriateness with respect to the characteristics of the Company and the effective adoption of the administrative and accounting procedures used in the preparation of the financial statements; (ii) the compliance of the content of the financial reports with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002; (iii) the correspondence of the financial statements with the information in the books and other accounting records and their ability to provide a true and fair representation of the performance and financial position of the Company; and (iv) that the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed. The statement also affirmed that the appropriateness of the administrative and accounting procedures used in the preparation of the separate financial statements of the Company had been verified in an assessment of the internal control system for financial reporting (supported by the findings of the independent testing performed by a qualified external advisor) and that the assessment of the internal control system did not identify any material issues. An analogous statement was prepared for the consolidated financial statements for 2021 of the Enel Group.;

- we monitored the adequacy and effectiveness of the internal control system, primarily through constant participation of the head of the Audit department of the Company in the meetings of the Board of Statutory Auditors and holding about half of the meetings jointly with the Control and Risk Committee, as well as through periodic meetings with the body charged with overseeing the operation of and compliance with the organizational and management model adopted by the Company pursuant to Legislative Decree 231/2001. In the light of our examination and in the absence of significant issues, the internal control and risk management system can be considered adequate and effective. In February 2022, the Board of Directors of the Company expressed an analogous assessment of the situation and also noted, in November 2021, that the main risks associated with the strategic targets set out in the 2022-2024 Business Plan were compatible with the management of the Company in a manner consistent with those targets;
- in 2021 no petitions were received by the Board of Auditors nor did we receive any complaints concerning circumstances deemed censurable pursuant to Article 2408 of the Italian Civil Code;
- we monitored the effective implementation of the Corporate Governance Code, verifying the compliance of Enel's corporate governance arrangements with the recommendations of the Code. Detailed information on the Company's corporate

governance system can be found in the report on corporate governance and ownership structure for 2021.

In June 2021, the Board of Statutory Auditors verified that the Board of Directors, in evaluating the independence of non-executive directors, correctly applied the assessment criteria specified in the Corporate Governance Code and the principle of the priority of substance over form that must inform the application of the Code's recommendations in general, adopting a transparent procedure, the details of which are discussed in the report on corporate governance and ownership structure for 2021.

With regard to the so-called "self-assessment" of the independence of its members, the Board of Statutory Auditors - in June 2021 and February 2022 - ascertained that all standing statutory auditors met the relevant requirements set out in the Consolidated Law on Financial Intermediation and in the Corporate Governance Code.

In the final part of 2021 and during the first two months of 2022, the Board of Statutory Auditors, with the support of an independent advisory firm, conducted a board review assessing the size, composition and functioning of the Board of Statutory Auditors, as has been done since 2018, similar to the review conducted for the Board of Directors since 2004. This is a best practice that the Board of Statutory Auditors intended to adopt even in the absence of a specific recommendation of the Corporate Governance Code, a "peer-to-peer review" approach, i.e. the assessment not only of the functioning of the body as a whole, but also of the style and content of the contribution provided by each of the auditors. The approach adopted in performing the board review for 2021 and the findings of that review are described in detail in the report on corporate governance and ownership structure for 2021, revealing the unanimous agreement of the members of the Board of Statutory Auditors concerning the complete adequacy of its size, membership and functioning. Compared with 2020, it was confirmed that the oversight body has adopted effective and efficient operating methods that comply with the reference regulatory framework.

Note also that, based on the findings of the board review and taking account of the provisions of the policy on the diversity of its members (approved on January 29, 2018), the Board of Statutory Auditors - in view of the election of a new Board of Statutory Auditors following the expiry of its term, scheduled for the Shareholders' Meeting called to approve the separate financial statements of the Company for 2021 – issued specific guidance for the shareholders (available on the company website) regarding the qualifications that the members of the Board of Statutory Auditors should possess;

- During 2021, the Board of Statutory Auditors also participated in an induction program, characterized by specific studies to update directors and statutory auditors on corporate governance and climate change issues, with the aim of further developing their skills with the support of a qualified external expert;
- we monitored the application of the provisions of Legislative Decree 254 of December 30, 2016 (hereinafter "Decree 254) concerning the disclosure of non-financial and diversity information by certain large undertakings and groups. In performing that activity, we monitored the adequacy of the organizational, administrative, reporting and control system established by the Company in order to enable the accurate representation in the consolidated non-financial statement for 2021 of the activity of the Enel Group, its results and its impacts in the non-financial areas referred to in Article 3, paragraph 1, of Decree 254, and have no comments in this regard. The audit firm, KPMG SpA, has issued, pursuant to Article 3, paragraph 10, of Decree 254 and Article 5 of Consob Regulation no. 20267 of January 18, 2018, its certification of the conformity of the information provided in the consolidated non-financial statement with the requirements of applicable law;
- since the listing of its shares, the Company has adopted specific rules (most recently amended in September 2018) for the internal management and processing of confidential information, which also set out the procedures for the disclosure of documentation and information concerning the Company and the Group, with specific regard to inside information. Those rules (which can be consulted on the corporate website) contain appropriate provisions directed at subsidiaries to enable Enel to comply with statutory public disclosure requirements, pursuant to Article 114, paragraph 2, of the Consolidated Law on Financial Intermediation ;
- in 2002 the Company also adopted (and has subsequently updated, most recently in February 2021) a Code of Ethics (also available on the corporate website) that expresses the commitments and ethical responsibilities involved in the conduct of business, regulating and harmonizing corporate conduct in accordance with standards of maximum transparency and fairness with respect to all stakeholders;
- with regard to the provisions of Legislative Decree 231 of June 8, 2001 - which introduced into Italian law a system of administrative (in fact criminal) liability for companies for certain types of offences committed by its directors, managers or employees on behalf of or to the benefit of the company - since July 2002 Enel has adopted a compliance program consisting of a "general part" and various "special parts" concerning the difference offences specified by Legislative Decree 231/2001 that the program is intended to prevent. For a description of the manner in which the model has been adapted to the characteristics of the various Italian companies of the Group, as well as a description of the purposes of the "Enel Global Compliance Program" for the Group's foreign companies, please see the report on corporate

governance and ownership structure for 2021. The structure that monitors the operation and compliance with the program and is responsible for updating it is a collegial body. This body, appointed in July 2020, is still composed of three external members who jointly have specific professional expertise on corporate organization matters and corporate criminal law. The Board of Statutory Auditors received adequate information on the main activities carried out in 2021 by that body, including in meetings with its members. Our examination of those activities found no facts or situations that would require mention in this report;

- in 2021, the Board of Statutory Auditors issued a favorable opinion (at the meeting of February 3, 2021) on the 2021 Audit Plan, in accordance with the provisions of Article 7.C.1, letter c) of the Corporate Governance Code for listed companies (which the Company still applied as at that date);
- a report on the fixed and variable compensation accrued by those who served as Chairman of the Board of Directors, the Chief Executive Officer/General Manager and other directors in 2021 for their respective positions and any compensation instruments awarded to them is contained in the second section of the Report on Remuneration Policy for 2022 and Remuneration Paid in 2021 referred to in Article 123-ter of the Consolidated Law on Financial Intermediation (for the sake of brevity, "Remuneration Report" hereinafter), approved by the Board of Directors, acting on a proposal of the Nomination and Compensation Committee on April 6, 2022, which will be published in compliance with the time limits established by law. The design of these remuneration instruments is in line with best practices as it complies with the principle of establishing a link with appropriate financial and non-financial performance targets and pursuing the creation of shareholder value over the medium and long term. The proposals to the Board of Directors concerning such forms of compensation and the determination of the associated parameters were prepared by the Nomination and Compensation Committee, which is made up entirely of independent directors, drawing on the findings of benchmark analyses, including at the international level, conducted by an independent consulting firm. In addition, the second section of the Remuneration Report contains, in compliance with the applicable Consob regulations, specific disclosures on the remuneration received in 2021 by the members of the oversight body and by key management personnel (in aggregate form for the latter).

  The Board of Statutory Auditors also supervised the process of preparing the remuneration policy for 2022 – described in full in the first section of the Remuneration Report, without finding any critical issues. In particular, oversight activity examined the consistency of the various measures envisaged by that policy with (i) the provisions of Directive (EU) 2017/828 as transposed into Italian law, with (ii) the recommendations of the Italian Corporate Governance Code, as well as with

(iii) the results of the benchmark analysis carried out, including at the international level, by an independent consulting firm that the Nomination and Compensation Committee elected to engage.

As indicated in the first section of the Remuneration Report, during the preparation of the remuneration policy for 2022, the Board of Statutory Auditors - taking account of the recommendations in this regard by the Corporate Governance Code – asked the independent consulting firm to conduct an additional benchmark analysis to ascertain the adequacy of the remuneration paid to the members of the oversight body. This analysis was performed on the basis of the data reported in the documentation published on the occasion of 2021 shareholders' meetings by issuers belonging to a peer group composed - unlike that used for the analogous analysis concerning the Board of Directors - exclusively of Italian companies belonging the FTSE MIB index ([2]). The functions that the Italian legal system assigns to the Board of Statutory Auditors differentiate the latter from the bodies with oversight functions provided for in the one-tier and two-tier governance systems commonly adopted in other countries. For the purpose of identifying the peer group, the consultant, in agreement with the Board of Statutory Auditors, decided to exclude certain industrial companies belonging to the FTSE MIB index that have concentrated ownership structures, while evaluating some companies in the FTSE MIB index operating in the financial services industry.

The analysis showed that, on the basis of the data as at December 31, 2020, Enel exceeds the peer group in terms of capitalization, is above the ninth decile in terms of revenue and slightly below the ninth decile in terms of number of employees.

The same analysis also found that – against Enel's very high positioning compared with the companies included in the panel in terms of capitalization, revenue and number of employees - the remuneration of the Chairman of the Board of Statutory Auditors and of the other Statutory Auditors is just under the peer group median for the Chairman and in line with the median for the other standing Statutory Auditors.

The analysis also found that in 2020, on average, the boards of statutory auditors of the companies belonging to the panel were composed of four standing auditors compared with the three standing members of Enel's Board of Statutory Auditors, and held 25 meetings compared with the 27 meetings held by Enel's Board of Statutory Auditors.

On the basis of the analysis, it therefore emerged that the competitiveness of the remuneration envisaged for the Chairman and the other standing members of Enel's Board of Statutory Auditors is similar to the positioning of the non-executive directors

([2]) The peer group consists of the following 19 companies: A2A, Atlantia, Assicurazioni Generali, Banco BPM, BPER Banca, Eni, Hera, Leonardo, Mediobanca, Nexi, Pirelli, Poste Italiane, Prysmian, Saipem, Snam, Terna, TIM, Unicredit and Unipol.

of Enel with regard to the remuneration paid to them in their capacity as directors. (net of attendance fees, which at Enel are not envisaged for participation in board meetings but are paid by some of the peer group companies used for the purpose of preparing the 2022 policy for directors' remuneration).

However, the consultant noted that to correctly assess the appropriateness of the remuneration paid to the members of the Board of Statutory Auditors, it would be advisable to assess its amount in the light of the overall effort required by the position, taking due consideration of the fact that the members of the Board of Statutory Auditors also participate in the meetings of the Board committees (a practice that enables them to perform their oversight of the effective implementation of the recommendations of the Corporate Governance Code within Enel) without receiving any additional remuneration for this activity.

Finally, it should be noted that the benchmark analysis found a clear correlation between the competitiveness of the remuneration offered by the peer group companies to their respective boards of statutory auditors and the different work load required of them, as indicated by the number of meetings held in 2020. Accordingly, the analysis noted that companies in the financial services industry offer higher remuneration on average to the chairman and the standing members of their boards of statutory auditors, taking account of the greater number of meetings held.

The analysis also found that the amount of remuneration paid to the Chairman and the standing members of Enel's Board of Statutory Auditors is substantially in line with that currently paid by the larger of the peer group companies in which the Ministry for the Economy and Finance holds a significant direct and/or indirect investment.

The Board of Statutory Auditors' oversight activity in 2021 was carried out in 28 meetings and with participation in the 16 meetings of the Board of Directors and participation in the annual Shareholders' Meeting, and, through the chairman or one or more of its members, in the 17 meetings of the Control and Risk Committee (16 of which held jointly with the Board of Statutory Auditors), in the 12 meetings of the Nomination and Compensation Committee, in the 7 meetings of the Related Parties Committee and in the 5 meetings of the Corporate Governance and Sustainability Committee, for a total of 86 meetings. The delegated magistrate of the State Audit Court participated in the meetings of the Board of Statutory Auditors and those of the Board of Directors.

During the course of this activity and on the basis of information obtained from KPMG SpA, no omissions, censurable facts, irregularities or other significant developments were found that would require reporting to the regulatory authorities or mention in this report.

Finally, the Board of Statutory Auditors notes that in 2021 and until March 31, 2022, the health emergency associated with the COVID-19 pandemic was still under way in Italy. Through that date, Italian authorities maintained a number of limitations on freedom of movement within the country to contain the contagion, among other things imposing bans on gatherings.

In this context, the Board of Statutory Auditors, in the light of the measures to contain the COVID-19 pandemic, held many of its meetings in 2021 exclusively with the use of audio/video conference systems by all participants, which nevertheless ensured their identification and the exchange of documentation - in accordance with the provisions of Article 25.4 of the Bylaws – and, more generally, the full performance of the oversight body's functions.

The Board of Statutory Auditors also notes that the Company's Board of Directors has called the ordinary Shareholders' Meeting for May 19, 2022 in a single call, establishing that – in the light of the uncertain developments in the COVID-19 pandemic and taking account of the continuing need to reduce travel and the risks associated with in-person participation at events and considering the provisions concerning the holding of company meetings in Article 106, paragraph 4, of Decree Law 18 of March 17, 2020, ratified with amendments by Law 27 of April 24, 2020[(3)] - it will be conducted in a manner that enables shareholders to participate exclusively through the shareholders' representative designated by the Company referred to in Article 135-undecies of the Consolidated Law on Financial Intermediation, to whom shareholders may also confer proxies or sub-proxies pursuant to Article 135-novies of the Consolidated Law, also in derogation from the provisions of Article 135-undecies, paragraph 4, of the Consolidated Law. The Board of Statutory Auditors will ensure that the rights of the Shareholders can be exercised on the occasion of the aforementioned Shareholders' Meeting – as occurred on the occasion of the Enel Shareholders' Meetings held using similar procedures on May 14, 2020 and May 20, 2021 - within the limits permitted by the special procedures envisaged for holding the Meeting.

The Board of Statutory Auditors will continue to carry out its oversight activity until the expiry of its term in close coordination with the Board of Directors and the audit firm to monitor the impact – including economic and financial repercussions - of the COVID-19 pandemic, and more recently the sensitive geopolitical situation, on the Company and the Enel Group. In this latter regard, in performing its statutory oversight activities the Board of Statutory Auditors took due account of the recommendations contained in the joint Bank of Italy - Consob - IVASS - UIF press release of March 7, 2022, as well as

([3]) Whose validity was extended until July 31, 2022 by Article 3, paragraph 1, of Decree Law 228 of December 30, 2021, ratified with amendments by Law 15 of February 25, 2022.

Consob's warning notice of March 18, 2022, regarding the possible impact of the Russia-Ukraine conflict on the operations of listed companies.

Based on the oversight activity performed and the information exchanged with the independent auditors KPMG SpA, we recommend that you approve the Company's financial statements for the year ended December 31, 2021 in conformity with the proposals of the Board of Directors.

Rome, April 14, 2022

The Board of Auditors

[signed]

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Barbara Tadolini - Chairman

[signed]

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Romina Guglielmetti - Auditor

[signed]

_____

Claudio Sottoriva - Auditor

Report of the Audit Firm

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Enel S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Enel Group (the "group"), which comprise the statement of financial position as at 31 December 2021, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Enel Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Enel S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from the supply of electricity and gas not yet invoiced

Notes to the consolidated financial statements: notes 2.1 "Use of estimates and management judgement – Revenue from contracts with customers", 2.2 "Significant accounting policies – Revenue from contracts with customers", 10.a "Revenue from sales and services" and 33 "Trade receivables"

Key audit matter	Audit procedures addressing the key audit matter
Revenue from the supply of electricity and gas to end users is recognised at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the year but not yet invoiced that is calculated also taking account of any network losses. Revenue accrued between the date of the last meter reading and the year-end is based on estimates of the daily consumption of individual customers, primarily determined on their historical information, adjusted to reflect the climate factors or other matters that may affect the estimated consumption. These estimates are very complex given the nature of underlying assumptions. Therefore, we believe that the recognition of revenue from the supply of electricity and gas not yet invoiced is a key audit matter.	Our audit procedures included: — understanding the process for the recognition of revenue from the supply of electricity and gas not yet invoiced; — assessing the design, implementation and operating effectiveness of controls, including IT controls, deemed material for the purposes of our audit, including by involving our IT specialists; — performing substantive procedures on the electricity and gas volumes considered in the estimation; — checking the accuracy of the selling prices used in the estimation; — comparing the estimates recognised in the consolidated financial statements with the subsequent actual figures; — assessing the appropriateness of the disclosures provided in the notes about the revenue from the supply of electricity and gas not yet invoiced.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the

conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

— conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

— obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 16 May 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2020 to 31 December 2028.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's reports on operation and on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Enel S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Rome, 14 April 2022

KPMG S.p.A.

(signed on the original)

Renato Naschi
Director of Audit

Attachments

Subsidiaries, associates and other significant equity investments of the Enel Group at December 31, 2021

In compliance with Articles 38 and 39 of Legislative Decree 127/1991 and CONSOB Notice no. DEM/6064293 of July 28, 2006, a list of subsidiaries and associates of Enel SpA at December 31, 2021, pursuant to Article 2359 of the Italian Civil Code, and of other significant equity investments is provided below. Enel has full title to all investments.
The following information is included for each company: name, registered office, share capital, currency in which share capital is denominated, business segment, method of consolidation, Group companies that have a stake in the company and their respective ownership share, and the Group's ownership share.

The following provides a key to the icons representing the business segments.

Business segment	Description of business segments
	Group holding company
	Country holding company
	Enel Green Power
	Thermal Generation
	Trading
	Infrastructure and Networks
	Enel X
	End-user Markets
	Services
	Finance

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Parent									
Enel SpA	Rome	IT	10,166,679,946.00	EUR		Holding			100.00%
Subsidiaries									
25 Mile Creek Windfarm LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
400 Manley Solar LLC	Boston	US	-	USD		Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
4814 Investments LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
ABC Solar 11 SpA	Santiago de Chile	CL	1,000,000.00	CLP		Equity	Enel Green Power Chile SA	100.00%	64.93%
ABC Solar 3 SpA	Santiago de Chile	CL	1,000,000.00	CLP		Equity	Enel Green Power Chile SA	100.00%	64.93%
Abu Renewables India Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Aced Renewables Hidden Valley (RF) (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		AFS	Enel Green Power RSA 2 (RF) (Pty) Ltd	55.00%	55.00%
Acefat AIE	Barcelona	ES	793,340.00	EUR		-	Edistribución Redes Digitales SL (Sociedad Unipersonal)	14.29%	10.02%
Adams Solar PV Project Two (RF) (Pty) Ltd	Johannesburg	ZA	10,000,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Adria Link Srl	Gorizia	IT	300,297.00	EUR		Equity	Enel Produzione SpA	50.00%	50.00%
Aero-Tanna Srl	Rome	IT	15,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Agassiz Beach LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Agatos Green Power Trino Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Solar Energy Srl	100.00%	100.00%
Aguilón 20 SA	Zaragoza	ES	2,682,000.00	EUR		Line-by-line	Enel Green Power España SLU	51.00%	35.76%
Alba Energia Ltda	Rio de Janeiro	BR	16,045,169.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Albany Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Alliance SA	Managua	NI	6,180,150.00	NIO		Equity	Ufinet Latam SLU	49.90%	10.28%
Alpe Adria Energia Srl	Udine	IT	900,000.00	EUR		Equity	Enel Produzione SpA	50.00%	50.00%
Alta Farms Azure Ranchland Holdings LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Alta Farms Wind Project II LLC	Andover	US	1.00	USD		Line-by-line	Enel Green Power Azure Ranchland Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Alvorada Energia SA	Niterói	BR	22,317,415.92	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Ampla Energia e Serviços SA	Rio de Janeiro	BR	2,498,230,386.65	BRL		Line-by-line	Enel Brasil SA	99.73%	82.05%
Annandale Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Apiacás Energia SA	Rio de Janeiro	BR	14,216,846.33	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Aquilla Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Aragonesa de Actividades Energéticas SA	Teruel	ES	60,100.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%
Aranort Desarrollos SL	Madrid	ES	3,010.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Aravalli Surya (Project 1) Private Limited	Gurugram	IN	8,100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Arcadia Power Inc.	Washington DC	US	-	USD		-	Enel X North America Inc.	0.14%	0.14%
Arena Power Solar 11 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Arena Power Solar 12 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Arena Power Solar 13 SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Arena Power Solar 20 SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Arena Power Solar 33 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Arena Power Solar 34 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Arena Power Solar 35 SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Asociación Nuclear Ascó-Vandellós II AIE	Tarragona	ES	19,232,400.00	EUR		Proportional	Endesa Generación SA	85.41%	59.88%
Ateca Renovables SL	Madrid	ES	3,000.00	EUR		Equity	Baylio Solar SLU	19.72%	35.06%
							Dehesa de los Guadalupes Solar SLU	14.93%	
							Seguidores Solares Planta 2 SL (Sociedad Unipersonal)	15.35%	
Athonet France SASU	Paris	FR	50,000.00	EUR		-	Athonet Srl	100.00%	16.00%
Athonet Srl	Trieste	IT	68,927.57	EUR		-	Enel X Srl	16.00%	16.00%
Athonet UK Ltd	Battle, East Sussex	GB	250,001.00	GBP		-	Athonet Srl	100.00%	16.00%
Athonet USA Inc.	Wilmington	US	1.00	USD		-	Athonet Srl	100.00%	16.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Atlántico Photovoltaic SAS ESP	Barranquilla	CO	2,000,000.00	COP		Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	82.27%
Atwater Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Aurora Distributed Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Solar Holdings LLC	74.13%	74.13%
Aurora Land Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Aurora Solar Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Aurora Wind Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Aurora Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Aurora Wind Holdings LLC	100.00%	100.00%
Autumn Hills LLC	Wilmington	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Avikiran Energy India Private Limited	Gurugram	IN	73,300,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Avikiran Solar India Private Limited	New Delhi	IN	253,659,580.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Avikiran Surya India Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Avikiran Vayu India Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Azure Blue Jay Holdings LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Azure Blue Jay Solar Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Green Power Azure Blue Jay Solar Holdings LLC	100.00%	100.00%
Azure Sky Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Azure Blue Jay Solar Holdings LLC	100.00%	100.00%
Azure Sky Wind Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Azure Sky Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Green Power Azure Ranchland Holdings LLC	100.00%	100.00%
Azure Sky Wind Storage LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Baikal Enterprise SL	Palma de Mallorca	ES	3,006.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Baleares Energy SL	Palma de Mallorca	ES	4,509.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Barnwell County Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Baylio Solar SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Beaver Falls Water Power Company	Wilmington	US	-	USD		Line-by-line	Beaver Valley Holdings LLC	67.50%	67.50%
Beaver Valley Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Belomechetskaya WPS	Moscow	RU	3,010,000.00	RUB		Line-by-line	Enel Green Power Rus Limited Liability Company	100.00%	100.00%
Bijou Hills Wind LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Bioenergy Casei Gerola Srl	Rome	IT	100,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Bison Meadows Wind Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Blair Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Blue Jay Solar I LLC	Andover	US	1.00	USD		Line-by-line	Azure Blue Jay Solar Holdings LLC	100.00%	100.00%
Blue Jay Solar II LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Blue Star Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
BluRe MA	San José	LU	7,092,970.00	EUR		-	Slovenské elektrárne AS	5.00%	1.65%
Bogaris PV1 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Bogotá ZE SAS	Bogotá	CO	503,609,700.00	COP		Line-by-line	Codensa SA ESP Enel X Colombia SAS	62.99% 37.01%	39.74%
Boiro Energía SA	Boiro	ES	601,010.00	EUR		Equity	Enel Green Power España SLU	40.00%	28.04%
Bondia Energia Ltda	Niterói	BR	2,950,888.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Boone Stephens Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Bosa del Ebro SL	Zaragoza	ES	3,010.00	EUR		Line-by-line	Enel Green Power España SLU	51.00%	35.75%
Bottom Grass Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Boujdour Wind Farm	Casablanca	MA	300,000.00	MAD		Equity	Nareva Enel Green Power Morocco SA	90.00%	45.00%
Bouldercombe Solar Farm Trust	Sydney	AU	10.00	AUD		Line-by-line	Enel Green Power Bouldercombe Trust	100.00%	100.00%
Bouldercombe Solar (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Bouldercombe Holding (Pty) Ltd	100.00%	100.00%
Bp Hydro Finance Partnership	Salt Lake City	US	-	USD		Line-by-line	Enel Green Power North America Inc. Enel Kansas LLC	24.08% 75.92%	100.00%
Brandonville Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Bravo Dome Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Brazoria West Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Brazos Flat Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Brick Road Solar Holdings LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Brush County Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Buckshutem Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Buckshutem Solar II LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Buffalo Dunes Wind Project LLC	Topeka	US	-	USD		Line-by-line	EGPNA Development Holdings LLC	75.00%	75.00%
Buffalo Jump LP	Alberta	CA	10.00	CAD		Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Buffalo Spirit Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Bungala One Finco (Pty) Ltd	Sydney	AU	1,000.00	AUD		Line-by-line	Bungala One Property (Pty) Ltd	100.00%	51.00%
Bungala One Operation Holding Trust	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala One Operations Holding (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala One Operations (Pty) Ltd	Sydney	AU	1,000.00	AUD		Line-by-line	Bungala One Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala One Operations Trust	Sydney	AU	-	AUD		Line-by-line	Bungala One Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala One Property Holding (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala One Property Holding Trust	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala One Property (Pty) Ltd	Sydney	AU	1,000.00	AUD		Line-by-line	Bungala One Property Holding (Pty) Ltd	100.00%	51.00%
Bungala One Property Trust	Sydney	AU	-	AUD		Line-by-line	Bungala One Property Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Finco (Pty) Ltd	Sydney	AU	-	AUD		Line-by-line	Bungala Two Property (Pty) Ltd	100.00%	51.00%
Bungala Two Operations Holding (Pty) Ltd	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala Two Operations Holding Trust	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala Two Operations (Pty) Ltd	Sydney	AU	-	AUD		Line-by-line	Bungala Two Operations Holding (Pty) Ltd	100.00%	51.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Bungala Two Operations Trust	Sydney	AU	-	AUD		Line-by-line	Bungala Two Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Property Holding (Pty) Ltd	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala Two Property Holding Trust	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala Two Property (Pty) Ltd	Sydney	AU	-	AUD		Line-by-line	Bungala Two Property Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Property Trust	Sydney	AU	1.00	AUD		Line-by-line	Bungala Two Property Holding (Pty) Ltd	100.00%	51.00%
Business Venture Investments 1468 (Pty) Ltd	Johannesburg	ZA	100.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Butterfly Meadows Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
C&C Castelvetere Srl	Rome	IT	100,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
C&C Uno Energy Srl	Rome	IT	118,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Canastota Wind Power LLC	Andover	US	-	USD		Line-by-line	Fenner Wind Holdings LLC	100.00%	100.00%
Caney River Wind Project LLC	Overland Park	US	-	USD		Equity	Rocky Caney Wind LLC	100.00%	20.00%
Castiblanco Solar SL	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Castle Rock Ridge Limited Partnership	Alberta	CA	-	CAD		Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Catalana d'Iniciatives SCR SA	Barcelona	ES	30,862,800.00	EUR		-	Endesa Red SA (Sociedad Unipersonal)	0.94%	0.66%
CCPRO Bucharest SA	Bucharest	RO	79,800,000.00	RON		-	Enel Romania SA	9.52%	9.52%
Cdec - Sic Ltda	Santiago de Chile	CL	709,783,206.00	CLP		-	Enel Green Power Chile SA	6.00%	3.90%
Cedar Run Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Celg Distribuição SA - Celg D	Goiás	BR	5,664,951,979.22	BRL		Line-by-line	Enel Brasil SA	99.96%	82.24%
Central Dock Sud SA	Buenos Aires	AR	1,231,270,567.54	ARS		Line-by-line	Enel Argentina SA Inversora Dock Sud SA	0.24% 71.78%	33.94%
Central Geradora Fotovoltaica Bom Nome Ltda	Salvador	BR	4,979,739.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Central Geradora Fotovoltaica São Francisco Ltda	Niterói	BR	113,749,250.00	BRL		Line-by-line	Enel Brasil SA Enel X Brasil SA	0.00% 100.00%	82.27%
Central Geradora Termelétrica Fortaleza SA	Fortaleza	BR	151,935,779.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Central Hidráulica Güejar-Sierra SL	Seville	ES	364,213.34	EUR		Equity	Enel Green Power España SLU	33.30%	23.35%
Central Térmica de Anllares AIE	Madrid	ES	595,000.00	EUR		Equity	Endesa Generación SA	33.33%	23.37%
Central Vuelta de Obligado SA	Buenos Aires	AR	500,000.00	ARS		Equity	Central Dock Sud SA Enel Generación Costanera SA Enel Generación El Chocón SA	6.40% 1.30% 33.20%	20.93%
Centrales Nucleares Almaraz-Trillo AIE	Madrid	ES	-	EUR		Equity	Endesa Generación SA	24.18%	16.95%
Centrum Pre Vedu A Vyskum SRO	Kalná Nad Hronom	SK	6,639.00	EUR		Equity	Slovenské elektrárne AS	100.00%	33.00%
CESI - Centro Elettrotecnico Sperimentale Italiano Giacinto Motta SpA	Milan	IT	8,550,000.00	EUR		Equity	Enel SpA	42.70%	42.70%
Champagne Storage LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Cheyenne Ridge II Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Cheyenne Ridge Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Chi Black River LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Chi Minnesota Wind LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Chi Operations Inc.	Andover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Chi Power Inc.	Naples	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Chi Power Marketing Inc.	Wilmington	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Chi West LLC	San Francisco	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Chinango SAC	San Miguel	PE	295,249,298.00	PEN		Line-by-line	Enel Generación Perú SAA	80.00%	55.02%
Chisago Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Chisholm View II Holding LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Chisholm View Wind Project II LLC	Wilmington	US	-	USD		Line-by-line	Chisholm View II Holding LLC	62.79%	62.79%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Chisholm View Wind Project LLC	New York	US	-	USD		Equity	EGPNA REP Wind Holdings LLC	100.00%	20.00%
Cimarron Bend Assets LLC	Wilmington	US	-	USD		Line-by-line	Cimarron Bend Wind Project I LLC	49.00%	100.00%
							Cimarron Bend Wind Project II LLC	49.00%	
							Cimarron Bend Wind Project III LLC	1.00%	
							Enel Kansas LLC	1.00%	
Cimarron Bend III HoldCo LLC	Andover	US	1.00	USD		Line-by-line	Enel Green Power Cimarron Bend Wind Holdings III LLC	100.00%	100.00%
Cimarron Bend Wind Holdings I LLC	Wilmington	US	-	USD		Line-by-line	Cimarron Bend Wind Holdings II LLC	100.00%	100.00%
Cimarron Bend Wind Holdings II LLC	Dover	US	100.00	USD		Line-by-line	Cimarron Bend Wind Holdings LLC	100.00%	100.00%
Cimarron Bend Wind Holdings III LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Cimarron Bend Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Cimarron Bend Wind Project I LLC	Wilmington	US	-	USD		Line-by-line	Cimarron Bend Wind Holdings I LLC	100.00%	100.00%
Cimarron Bend Wind Project II LLC	Wilmington	US	-	USD		Line-by-line	Cimarron Bend Wind Holdings I LLC	100.00%	100.00%
Cimarron Bend Wind Project III LLC	Wilmington	US	-	USD		Line-by-line	Cimarron Bend Wind Holdings III LLC	100.00%	100.00%
Cipher Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
CityPoste Payment Digital Srl	Teramo	IT	10,000.00	EUR		AFS	CityPoste Payment SpA	100.00%	100.00%
CityPoste Payment SpA	Teramo	IT	-	EUR		AFS	Enel X Srl	100.00%	100.00%
CivDrone	Haifa	IL	1,093,350.00	ILS		-	Enel Global Infrastructure and Networks Srl	4.27%	4.27%
Clear Sky Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Clinton Farms Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Cloudwalker Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Codensa SA ESP	Bogotá	CO	13,487,545,000.00	COP		Line-by-line	Enel Américas SA	48.30%	39.74%
Cogein Sannio Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Cogeneración El Salto SL	Zaragoza	ES	36,060.73	EUR		Equity	Enel Green Power España SLU	20.00%	14.02%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Cogenio Srl	Rome	IT	2,310,000.00	EUR		Equity	Enel X Italia Srl	20.00%	20.00%
Cohuna Solar Farm (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Cohuna Holdings (Pty) Ltd	100.00%	100.00%
Cohuna Solar Farm Trust	Sydney	AU	1.00	AUD		Line-by-line	Enel Green Power Cohuna Trust	100.00%	100.00%
Comanche Crest Ranch LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Comercializadora Eléctrica de Cádiz SA	Cadiz	ES	600,000.00	EUR		Equity	Endesa Red SA (Sociedad Unipersonal)	33.50%	23.49%
Compagnia Porto di Civitavecchia SpA in liquidation	Rome	IT	14,730,800.00	EUR		Equity	Enel Produzione SpA	25.00%	25.00%
Companhia Energética do Ceará - Coelce	Fortaleza	BR	914,346,885.76	BRL		Line-by-line	Enel Brasil SA	74.05%	60.92%
Compañía de Trasmisión del Mercosur SA - CTM	Buenos Aires	AR	2,025,191,313.00	ARS		Line-by-line	Enel Brasil SA Enel CIEN SA Enel SpA	74.15% 25.85% 0.00%	82.27%
Compañía Energética Veracruz SAC	San Miguel	PE	2,886,000.00	PEN		Line-by-line	Enel Perú SAC	100.00%	82.27%
Compañía Eólica Tierras Altas SA	Soria	ES	13,222,000.00	EUR		Equity	Compañía Eólica Tierras Altas SA Enel Green Power España SLU	5.00% 35.63%	26.29%
Concert Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Global Thermal Generation Srl	100.00%	100.00%
Concho Solar I LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Consolidated Hydro New Hampshire LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Consolidated Hydro Southeast LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Consolidated Pumped Storage Inc.	Wilmington	US	550,000.00	USD		Line-by-line	Enel Green Power North America Inc.	81.83%	81.83%
Conza Green Energy Srl	Rome	IT	73,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Copper Landing Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Corporación Empresarial de Extremadura SA	Badajoz	ES	44,538,000.00	EUR		-	Endesa SA	1.01%	0.71%
Corporación Eólica de Zaragoza SL	La Puebla de Alfinden	ES	271,652.00	EUR		Equity	Enel Green Power España SLU	25.00%	17.53%
Country Roads Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Cow Creek Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Crockett Solar I LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Cross Trails Energy Storage Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Dairy Meadows Wind Project 1 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Dairy Meadows Wind Project 2 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Dairy Meadows Wind Project 3 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Daisy Patch Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Danax Energy (Pty) Ltd	Sandton	ZA	100.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Dara Solar Investment Srl	Bucharest	RO	592,400.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Dauphin Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
De Rock Int'l Srl	Bucharest	RO	5,629,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
							Enel Green Power SpA	0.00%	
Dehesa de los Guadalupes Solar SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Dehesa PV Farm 03 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Dehesa PV Farm 04 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Depuración Destilación Reciclaje SL	Boiro	ES	600,000.00	EUR		Equity	Enel Green Power España SLU	40.00%	28.04%
Derivex SA	Bogotá	CO	715,292,000.00	COP		-	Emgesa SA ESP	5.00%	1.99%
Desarrollo de Fuerzas Renovables S de RL de Cv	Mexico City	MX	33,101,350.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.99%	100.00%
							Energía Nueva Energía Limpia México S de RL de Cv	0.01%	
DI.T.N.E. - Distretto Tecnologico Nazionale sull'Energia - Società Consortile a Responsabilità Limitata	Rome	IT	436,535.29	EUR		-	Enel Produzione SpA	1.76%	1.76%
Diamond Vista Holdings LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Distribuidora de Energía Eléctrica del Bages SA	Barcelona	ES	108,240.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	55.00%	70.11%
							Hidroeléctrica de Catalunya SL	45.00%	
Distribuidora Eléctrica del Puerto de la Cruz SA	Santa Cruz de Tenerife	ES	12,621,210.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Distrilec Inversora SA	Buenos Aires	AR	497,612,021.00	ARS		Line-by-line	Enel Américas SA	51.50%	42.37%
Dmd Holding AS in liquidation	Trenčín-Zlatovce	SK	199,543,284.87	EUR		-	Slovenské elektrárne AS	2.94%	0.97%
Dodge Center Distributed Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Dolores Wind SA de Cv	Mexico City	MX	200.00	MXN		Line-by-line	Enel Rinnovabile SA de Cv	99.00%	100.00%
							Hidroelectricidad del Pacífico S de RL de Cv	1.00%	
Dominica Energía Limpia SA de Cv	Mexico City	MX	2,070,600,646.00	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Dorset Ridge Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Dover Solar I LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Dragonfly Fields Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Drift Sand Wind Holdings LLC	Wilmington	US	-	USD		Equity	Enel Kansas LLC	50.00%	50.00%
Drift Sand Wind Project LLC	Wilmington	US	-	USD		Equity	Drift Sand Wind Holdings LLC	100.00%	50.00%
Dwarka Vayu 1 Private Limited	Gurgaon	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
E.S.CO. Comuni Srl	Bergamo	IT	1,000,000.00	EUR		Line-by-line	Enel X Italia Srl	60.00%	60.00%
Eastwood Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Ebenezer Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Edgartown Depot Solar 1 LLC	Boston	US	-	USD		Line-by-line	Enel X MA Holdings LLC	100.00%	100.00%
Edistribución Redes Digitales SL (Sociedad Unipersonal)	Madrid	ES	1,204,540,060.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%
E-Distribuţie Banat SA	Timisoara	RO	382,158,580.00	RON		Line-by-line	Enel SpA	51.00%	51.00%
E-Distribuţie Dobrogea SA	Constanţa	RO	280,285,560.00	RON		Line-by-line	Enel SpA	51.00%	51.00%
E-Distribuţie Muntenia SA	Bucharest	RO	271,635,250.00	RON		Line-by-line	Enel SpA	78.00%	78.00%
e-distribuzione SpA	Rome	IT	2,600,000,000.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
EF Divesture LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Efficientya Srl	Bergamo	IT	100,000.00	EUR		Equity	Enel X Italia Srl	50.00%	50.00%
EGP Australia (Pty) Ltd	Sydney	AU	10,000.00	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
EGP Bioenergy Srl	Rome	IT	1,000,000.00	EUR		Line-by-line	Enel Green Power Puglia Srl	100.00%	100.00%
EGP Fotovoltaica La Loma SAS in liquidation	Bogotá	CO	8,000,000.00	COP		Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	82.27%
EGP Geronimo Holding Company Inc.	Wilmington	US	1,000.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGP HoldCo 1 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 10 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 11 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 12 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 13 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 14 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 15 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 16 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 17 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 18 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 2 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 3 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 4 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 5 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 6 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 7 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 8 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 9 LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP Magdalena Solar SA de Cv	Mexico City	MX	691,771,740.00	MXN		Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad del Pacífico S de RL de Cv	99.00% 1.00%	100.00%
EGP Matimba NewCo 1 Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
EGP Matimba NewCo 2 Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
EGP Nevada Power LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGP Salt Wells Solar LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGP San Leandro Microgrid I LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGP Solar Services LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
EGP Stillwater Solar LLC	Wilmington	US	-	USD		Line-by-line	Enel Stillwater LLC	100.00%	100.00%
EGP Stillwater Solar PV II LLC	Wilmington	US	1.00	USD		Line-by-line	Stillwater Woods Hill Holdings LLC	100.00%	100.00%
EGP Timber Hills Project LLC	Los Angeles	US	-	USD		Line-by-line	Padoma Wind Power LLC	100.00%	100.00%
EGPNA 2020 HoldCo 1 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 10 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 11 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 12 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 13 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 14 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 15 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 16 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 17 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 18 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 19 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 2 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 20 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 21 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 22 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 23 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 24 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
EGPNA 2020 HoldCo 25 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 26 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 27 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 28 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 29 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 3 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 30 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 4 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 5 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 6 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 7 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 8 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA 2020 HoldCo 9 LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA Development Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Development LLC	100.00%	100.00%
EGPNA Hydro Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Preferred Wind Holdings II LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Preferred Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 1 LLC	Dover	US	100.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGPNA Project HoldCo 2 LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 5 LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 6 LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 7 LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA Renewable Energy Partners LLC	Wilmington	US	-	USD		Equity	EGPNA REP Holdings LLC	20.00%	20.00%
EGPNA REP Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
EGPNA REP Solar Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
EGPNA REP Wind Holdings LLC	Wilmington	US	-	USD		Equity	EGPNA Renewable Energy Partners LLC	100.00%	20.00%
EGPNA Wind Holdings 1 LLC	Wilmington	US	-	USD		Equity	EGPNA REP Wind Holdings LLC	100.00%	20.00%
EGPNA-SP Seven Cowboy Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Elcogas SA in liquidation	Puertollano (Ciudad Real)	ES	809,690.40	EUR		Equity	Endesa Generación SA	40.99%	33.06%
							Enel SpA	4.32%	
Elcomex Solar Energy Srl	Bucharest	RO	4,590,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
							Enel Green Power SpA	0.00%	
Elecgas SA	Pego	PT	50,000.00	EUR		Equity	Endesa Generación Portugal SA	50.00%	35.06%
Electra Capital (RF) (Pty) Ltd	Johannesburg	ZA	10,000,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Eléctrica de Jafre SA	Barcelona	ES	165,876.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	52.54%	70.11%
							Hidroeléctrica de Catalunya SL	47.46%	
Eléctrica de Lijar SL	Cadiz	ES	1,081,821.79	EUR		Equity	Endesa Red SA (Sociedad Unipersonal)	50.00%	35.06%
Eléctrica del Ebro SA (Sociedad Unipersonal)	Barcelona	ES	500,000.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%
Electricidad de Puerto Real SA	Cadiz	ES	4,960,246.40	EUR		Equity	Endesa Red SA (Sociedad Unipersonal)	50.00%	35.06%
Electrometalúrgica del Ebro SL	Barcelona	ES	2,906,862.00	EUR		-	Enel Green Power España SLU	0.18%	0.12%
Eletropaulo Metropolitana Eletricidade de São Paulo SA	São Paulo	BR	3,079,524,934.33	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Elini	Antwerp	BE	76,273,810.00	EUR		-	Slovenské elektrárne AS	4.00%	1.32%
Emerging Networks El Salvador SA de Cv	San Salvador	SV	2,000.00	USD		Equity	Livister Guatemala SA	1.00%	20.60%
							Livister Latam SLU	99.00%	
Emerging Networks Latam Inc.	Wilmington	US	100.00	USD		Equity	Ifx Networks Ltd	100.00%	20.60%
Emerging Networks Panama SA	Panama City	PA	300.00	USD		Equity	Ifx/eni - Spc Panama Inc.	100.00%	20.60%
Emgesa SA ESP	Bogotá	CO	655,222,312,800.00	COP		Line-by-line	Enel Américas SA	48.48%	39.89%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Emintegral Cycle SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Empresa Carbonífera del Sur SA	Madrid	ES	18,030,000.00	EUR		Line-by-line	Endesa Generación SA	100.00%	70.11%
Empresa de Alumbrado Eléctrico de Ceuta Distribución SA (Sociedad Unipersonal)	Ceuta	ES	9,335,000.00	EUR		Line-by-line	Empresa de Alumbrado Eléctrico de Ceuta SA	100.00%	67.59%
Empresa de Alumbrado Eléctrico de Ceuta SA	Ceuta	ES	16,562,250.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	96.41%	67.59%
Empresa de Generación Eléctrica Los Pinos SA	San Miguel	PE	7,928,044.00	PEN		Line-by-line	Enel Green Power Perú SAC	100.00%	82.27%
							Energética Monzón SAC	0.00%	
Empresa de Generación Eléctrica Marcona SAC	San Miguel	PE	3,368,424.00	PEN		Line-by-line	Enel Green Power Perú SAC	100.00%	82.27%
							Energética Monzón SAC	0.00%	
Empresa Distribuidora Sur SA - Edesur	Buenos Aires	AR	898,585,028.00	ARS		Line-by-line	Distrilec Inversora SA	56.36%	59.33%
							Enel Argentina SA	43.10%	
Empresa Eléctrica Pehuenche SA	Santiago de Chile	CL	175,774,920,733.00	CLP		Line-by-line	Enel Generación Chile SA	92.65%	56.27%
Empresa Propietaria de la Red SA	Panama City	PA	58,500,000.00	USD		-	Enel SpA	11.11%	11.11%
Endesa Capital SA	Madrid	ES	60,200.00	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa Comercialização de Energia SA	Porto	PT	250,000.00	EUR		Line-by-line	Endesa Energía SA	100.00%	70.11%
Endesa Energía Renovable SL (Sociedad Unipersonal)	Madrid	ES	100,000.00	EUR		Line-by-line	Endesa Energía SA	100.00%	70.11%
Endesa Energía SA	Madrid	ES	14,445,575.90	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa Financiación Filiales SA	Madrid	ES	4,621,003,006.00	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa Generación II SA	Seville	ES	63,107.00	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa Generación Nuclear SA	Seville	ES	60,000.00	EUR		Line-by-line	Endesa Generación SA	100.00%	70.11%
Endesa Generación Portugal SA	Lisbon	PT	50,000.00	EUR		Line-by-line	Endesa Energía SA	0.20%	70.11%
							Endesa Generación SA	99.20%	
							Enel Green Power España SLU	0.60%	
Endesa Generación SA	Seville	ES	1,940,379,735.35	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa Ingeniería SLU	Seville	ES	965,305.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Endesa Medios y Sistemas SL (Sociedad Unipersonal)	Madrid	ES	89,999,790.00	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa Operaciones y Servicios Comerciales SL	Madrid	ES	10,138,580.00	EUR		Line-by-line	Endesa Energía SA	100.00%	70.11%
Endesa Red SA (Sociedad Unipersonal)	Madrid	ES	719,901,723.26	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Endesa SA	Madrid	ES	1,270,502,540.40	EUR		Line-by-line	Endesa SA Enel Iberia Srl	0.02% 70.10%	70.11%
Endesa Soluciones SL	Madrid	ES	2,874,621.80	EUR		Equity	Endesa X Servicios SLU	20.00%	14.02%
Endesa X Servicios SLU	Madrid	ES	60,000.00	EUR		Line-by-line	Endesa SA	100.00%	70.11%
Enel Alberta Wind Inc.	Alberta	CA	16,251,021.00	CAD		Line-by-line	Enel Green Power Canada Inc.	100.00%	100.00%
Enel Américas SA	Santiago de Chile	CL	15,799,498,544.85	USD		Line-by-line	Enel Américas SA Enel SpA	0.00% 82.27%	82.27%
Enel and Shikun & Binui Innovation Infralab Ltd	Airport City	IL	38,000.00	ILS		Equity	Enel Global Infrastructure and Networks Srl	50.00%	50.00%
Enel Argentina SA	Buenos Aires	AR	2,297,711,908.00	ARS		Line-by-line	Enel Américas SA Enel Generación Chile SA	99.92% 0.08%	82.25%
Enel Bella Energy Storage LLC	Wilmington	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Enel Brasil Central SA	Rio de Janeiro	BR	10,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Brasil SA	Niterói	BR	32,387,634,190.06	BRL		Line-by-line	Enel Américas SA Enel Brasil SA Energía y Servicios South America SpA	99.50% 0.50% 0.00%	82.27%
Enel Chile SA	Santiago de Chile	CL	3,882,103,470,184.00	CLP		Line-by-line	Enel SpA	64.93%	64.93%
Enel CIEN SA	Rio de Janeiro	BR	285,044,682.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Colina SA	Santiago de Chile	CL	82,222,000.00	CLP		Line-by-line	Enel Chile SA Enel Distribución Chile SA	0.00% 100.00%	64.34%
Enel Cove Fort II LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel Cove Fort LLC	Beaver	US	-	USD		Line-by-line	Enel Geothermal LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Distribución Chile SA	Santiago de Chile	CL	177,568,664,063.00	CLP		Line-by-line	Enel Chile SA	99.09%	64.34%
Enel Distribución Perú SAA	San Miguel	PE	638,563,900.00	PEN		Line-by-line	Enel Perú SAC	83.15%	68.41%
Enel Energia SpA	Rome	IT	302,039.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel Energía SA de Cv	Mexico City	MX	25,000,100.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	100.00%	100.00%
							Energía Nueva de Iguu S de RL de Cv	0.00%	
Enel Energie Muntenia SA	Bucharest	RO	37,004,350.00	RON		Line-by-line	Enel SpA	78.00%	78.00%
Enel Energie SA	Bucharest	RO	140,000,000.00	RON		Line-by-line	Enel SpA	51.00%	51.00%
Enel Energy Australia (Pty) Ltd	Sydney	AU	200,100.00	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Energy South Africa	Wilmington	ZA	100.00	ZAR		Line-by-line	Enel X International Srl	100.00%	100.00%
Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	Andover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel Finance America LLC	Wilmington	US	200,000,000.00	USD		Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Finance International NV	Amsterdam	NL	1,478,810,371.00	EUR		Line-by-line	Enel Holding Finance Srl	75.00%	100.00%
							Enel SpA	25.00%	
Enel Fortuna SA	Panama City	PA	100,000,000.00	USD		Line-by-line	Enel Green Power Panamá Srl	50.06%	41.18%
Enel Future Project 2020 #1 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #10 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #11 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #12 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #13 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #14 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #15 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #16 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #17 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #18 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Future Project 2020 #19 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #2 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #20 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #3 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #4 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #5 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #6 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #7 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #8 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Future Project 2020 #9 LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Enel Generación Chile SA	Santiago de Chile	CL	552,777,320,871.00	CLP		Line-by-line	Enel Chile SA	93.55%	60.74%
Enel Generación Costanera SA	Buenos Aires	AR	701,988,378.00	ARS		Line-by-line	Enel Argentina SA	75.68%	62.25%
Enel Generación El Chocón SA	Buenos Aires	AR	18,321,776,559.00	ARS		Line-by-line	Enel Argentina SA Hidroinvest SA	8.67% 59.00%	54.07%
Enel Generación Perú SAA	San Miguel	PE	2,108,101,266.48	PEN		Line-by-line	Enel Perú SAC	83.60%	68.78%
Enel Generación Piura SA	San Miguel	PE	73,982,594.00	PEN		Line-by-line	Enel Perú SAC	96.50%	79.39%
Enel Generación SA de Cv	Mexico City	MX	7,100,100.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv Energía Nueva de Iguu S de RL de Cv	100.00% 0.00%	100.00%
Enel Geothermal LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel Global Infrastructure and Networks Srl	Rome	IT	10,100,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Global Services Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Global Thermal Generation Srl	Rome	IT	1,000,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Global Trading SpA	Rome	IT	90,885,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Argentina SA	Buenos Aires	AR	463,577,761.00	ARS		Line-by-line	Enel Américas SA Enel Green Power SpA Energía y Servicios South America SpA	99.86% 0.00% 0.14%	82.27%
Enel Green Power Aroeira 01 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 02 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 03 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 04 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 05 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 06 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 07 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 08 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Aroeira 09 SA (formerly Enel Green Power São Gonçalo Participações SA)	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Australia (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Australia Trust	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Azure Blue Jay Solar Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Azure Ranchland Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Boa Vista 01 Ltda	Salvador	BR	3,554,607.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Boa Vista Eólica SA	Rio de Janeiro	BR	104,890,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Bouldercombe Holding (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Bouldercombe Trust	Sydney	AU	10.00	AUD		Line-by-line	Enel Green Power Australia Trust	100.00%	100.00%
Enel Green Power Brejolândia Solar SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Bungala (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Bungala Trust	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Cabeça de Boi SA	Niterói	BR	270,114,539.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Cachoeira Dourada SA	Cachoeira Dourada	BR	64,339,835.85	BRL		Line-by-line	Enel Brasil SA Enel Green Power Cachoeira Dourada SA	99.61% 0.15%	82.07%
Enel Green Power Calabria Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Enel Green Power Canada Inc.	Montreal	CA	85,681,857.00	CAD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel Green Power Cerrado Solar SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Chile SA	Santiago de Chile	CL	842,121,530.67	USD		Line-by-line	Enel Chile SA Enel SpA	99.99% 0.01%	64.93%
Enel Green Power Cimarron Bend Wind Holdings III LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Cohuna Holdings (Pty) Ltd	Sydney	AU	3,419,700.00	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Cohuna Trust	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Australia Trust	100.00%	100.00%
Enel Green Power Colombia SAS ESP	Bogotá	CO	13,849,425,000.00	COP		Line-by-line	Enel Américas SA	100.00%	82.27%
Enel Green Power Costa Rica SA	San José	CR	27,500,000.00	USD		Line-by-line	ESSA2 SpA	100.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Cove Fort Solar LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Cremzow GmbH & Co. Kg	Schenkenberg	DE	1,000.00	EUR		Line-by-line	Enel X Germany GmbH	90.00%	90.00%
Enel Green Power Cremzow Verwaltungs GmbH	Schenkenberg	DE	25,000.00	EUR		Line-by-line	Enel X Germany GmbH	90.00%	90.00%
Enel Green Power Cristal Eólica SA	Rio de Janeiro	BR	144,784,899.00	BRL		Line-by-line	Enel Brasil SA	99.17%	82.27%
							Enel Green Power Cristal Eólica SA	0.00%	
							Enel Green Power Desenvolvimento Ltda	0.83%	
Enel Green Power Cumaru 01 SA	Niterói	BR	204,653,590.90	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
Enel Green Power Cumaru 02 SA	Niterói	BR	210,001,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
Enel Green Power Cumaru 03 SA	Rio de Janeiro	BR	200,001,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
Enel Green Power Cumaru 04 SA	Rio de Janeiro	BR	200,001,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
Enel Green Power Cumaru 05 SA	Rio de Janeiro	BR	180,208,000.90	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
Enel Green Power Cumaru Participações SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	
Enel Green Power Cumaru Solar 01 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	
Enel Green Power Cumaru Solar 02 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Damascena Eólica SA	Rio de Janeiro	BR	83,709,003.00	BRL		Line-by-line	Enel Brasil SA	99.16%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.84%	
Enel Green Power Delfina A Eólica SA	Rio de Janeiro	BR	549,062,483.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Delfina B Eólica SA	Rio de Janeiro	BR	93,068,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Delfina C Eólica SA	Rio de Janeiro	BR	31,105,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Delfina D Eólica SA	Rio de Janeiro	BR	105,864,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Delfina E Eólica SA	Niterói	BR	105,936,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Desenvolvimento Ltda	Rio de Janeiro	BR	46,617,590.35	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Energía y Servicios South America SpA	0.00%	
Enel Green Power Development Srl	Rome	IT	20,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Diamond Vista Wind Project LLC	Wilmington	US	1.00	USD		Line-by-line	Diamond Vista Holdings LLC	100.00%	100.00%
Enel Green Power Dois Riachos Eólica SA	Rio de Janeiro	BR	130,354,009.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Egypt SAE	Cairo	EG	250,000.00	EGP		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power El Salvador SA de Cv	El Salvador	SV	22,860.00	USD		Line-by-line	Enel Green Power SpA	99.96%	99.99%
							Energía y Servicios South America SpA	0.04%	
Enel Green Power Elkwater Wind Limited Partnership	Alberta	CA	1,000.00	CAD		Line-by-line	Enel Alberta Wind Inc.	1.00%	100.00%
							Enel Green Power Canada Inc.	99.00%	
Enel Green Power Elmsthorpe Wind LP	Calgary	CA	1,000.00	CAD		Line-by-line	Enel Alberta Wind Inc.	0.10%	100.00%
							Enel Green Power Canada Inc.	99.90%	
Enel Green Power Emiliana Eólica SA	Rio de Janeiro	BR	135,191,530.00	BRL		Line-by-line	Enel Brasil SA	98.81%	82.27%
							Enel Green Power Desenvolvimento Ltda	1.19%	
							Enel Green Power Emiliana Eólica SA	0.00%	
Enel Green Power España SLU	Seville	ES	11,152.74	EUR		Line-by-line	Endesa Generación SA	100.00%	70.11%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Esperança Eólica SA	Rio de Janeiro	BR	129,418,174.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.14% 0.86%	82.27%
Enel Green Power Esperança Solar SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Fazenda SA	Niterói	BR	264,141,174.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Fontes dos Ventos 2 SA	Rio de Janeiro	BR	283,315,219.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Fontes dos Ventos 3 SA	Rio de Janeiro	BR	221,001,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Fontes II Participações SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Fontes Solar SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power France SAS	Paris	FR	100,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Germany GmbH	Berlin	DE	25,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Girgarre Holdings (Pty) Ltd	Sydney	AU	100.00	AUD		Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Girgarre Trust	Sydney	AU	10.00	AUD		Line-by-line	Enel Green Power Australia Trust	100.00%	100.00%
Enel Green Power Global Investment BV	Amsterdam	NL	10,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Guatemala SA	Guatemala City	GT	67,208,000.00	GTQ		Line-by-line	Enel Américas SA ESSA2 SpA	0.00% 100.00%	82.27%
Enel Green Power Hadros Wind Limited Partnership	-	CA	1,000.00	CAD		Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	1.00% 99.00%	100.00%
Enel Green Power Hellas SA	Maroussi	GR	159,187,850.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Hellas Supply Single Member SA	Maroussi	GR	600,000.00	EUR		Line-by-line	Enel Green Power Hellas SA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Hellas Wind Parks South Evia Single Member SA	Maroussi	GR	141,569,641.00	EUR		Line-by-line	Enel Green Power Hellas SA	100.00%	100.00%
Enel Green Power Hilltopper Wind LLC (formerly Hilltopper Wind Power LLC)	Dover	US	1.00	USD		Line-by-line	Hilltopper Wind Holdings LLC	100.00%	100.00%
Enel Green Power Horizonte Mp Solar SA	Rio de Janeiro	BR	431,566,053.00	BRL		Line-by-line	Alba Energia Ltda	0.01%	82.27%
							Enel Brasil SA	99.99%	
Enel Green Power India Private Limited	New Delhi	IN	113,504,823.00	INR		Line-by-line	Enel Green Power Development Srl	100.00%	100.00%
Enel Green Power Italia Srl	Rome	IT	272,000,000.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel Green Power Ituverava Norte Solar SA	Rio de Janeiro	BR	210,706,645.67	BRL		Line-by-line	Bondia Energia Ltda	0.09%	82.27%
							Enel Brasil SA	99.91%	
							Enel Green Power Brasil Participações Ltda	0.00%	
Enel Green Power Ituverava Solar SA	Rio de Janeiro	BR	219,235,933.00	BRL		Line-by-line	Bondia Energia Ltda	0.00%	82.27%
							Enel Brasil SA	100.00%	
Enel Green Power Ituverava Sul Solar SA	Rio de Janeiro	BR	407,279,143.00	BRL		Line-by-line	Bondia Energia Ltda	0.00%	82.27%
							Enel Brasil SA	100.00%	
Enel Green Power Joana Eólica SA	Rio de Janeiro	BR	130,259,530.00	BRL		Line-by-line	Enel Brasil SA	98.84%	82.27%
							Enel Green Power Desenvolvimento Ltda	1.16%	
Enel Green Power Kenya Limited	Nairobi	KE	100,000.00	KES		Line-by-line	Enel Green Power RSA (Pty) Ltd	1.00%	100.00%
							Enel Green Power SpA	99.00%	
Enel Green Power Korea LLC	Seoul	KR	4,350,000,000.00	KRW		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Lagoa do Sol 01 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	
Enel Green Power Lagoa do Sol 02 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Lagoa do Sol 03 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa do Sol 04 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa do Sol 05 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa do Sol 06 SA	Teresina	BR	1,000,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa do Sol 07 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa do Sol 08 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa do Sol 09 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa II Participações SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa III Participações SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lagoa Participações SA (formerly Enel Green Power Projetos 45 SA)	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Lily Solar Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Maniçoba Eólica SA	Rio de Janeiro	BR	90,722,530.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.20% 0.80%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Matimba Srl	Rome	IT	10,000.00	EUR		Equity	Enel Green Power SpA	50.00%	50.00%
Enel Green Power Metehara Solar Private Limited Company	-	ET	5,600,000.00	ETB		Line-by-line	Enel Green Power Solar Metehara SpA	80.00%	80.00%
Enel Green Power México S de RL de Cv	Mexico City	MX	662,949,966.00	MXN		Line-by-line	Enel Green Power SpA Enel Rinnovabile SA de Cv	100.00% 0.00%	100.00%
Enel Green Power Modelo I Eólica SA	Rio de Janeiro	BR	132,642,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Modelo II Eólica SA	Rio de Janeiro	BR	107,742,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Morocco SARLAU	Casablanca	MA	480,000,000.00	MAD		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Morro do Chapéu I Eólica SA	Rio de Janeiro	BR	248,138,287.11	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Morro do Chapéu II Eólica SA	Rio de Janeiro	BR	206,050,114.05	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Morro do Chapéu Solar 01 SA (formerly Enel Green Power São Gonçalo III Participações SA)	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Mourão SA	Rio de Janeiro	BR	25,600,100.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Namibia (Pty) Ltd	Windhoek	NA	10,000.00	NAD		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power North America Development LLC	Wilmington	US	-	USD		Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Green Power North America Inc.	Andover	US	-	USD		Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Green Power Nova Olinda 01 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 02 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 03 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 04 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Nova Olinda 05 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 06 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 07 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 08 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Nova Olinda 09 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Novo Lapa 01 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Novo Lapa 02 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Novo Lapa 03 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Novo Lapa 04 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Novo Lapa 05 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Novo Lapa 06 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Novo Lapa 07 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	
Enel Green Power Novo Lapa 08 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA	99.90%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.10%	
Enel Green Power O&M Solar LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Panamá Srl	Panama City	PA	3,001.00	USD		Line-by-line	Enel Américas SA	0.03%	82.27%
							ESSA2 SpA	99.97%	
Enel Green Power Paranapanema SA	Niterói	BR	162,567,500.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Partecipazioni Speciali Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Pau Ferro Eólica SA	Rio de Janeiro	BR	125,124,000.00	BRL		Line-by-line	Enel Brasil SA	98.77%	82.27%
							Enel Green Power Desenvolvimento Ltda	1.23%	
							Enel Green Power Pau Ferro Eólica SA	0.00%	
Enel Green Power Pedra do Gerônimo Eólica SA	Rio de Janeiro	BR	184,319,527.57	BRL		Line-by-line	Enel Brasil SA	98.86%	82.27%
							Enel Green Power Desenvolvimento Ltda	1.14%	
Enel Green Power Perú SAC	San Miguel	PE	973,213,507.00	PEN		Line-by-line	Enel Américas SA	100.00%	82.27%
							Energía y Servicios South America SpA	0.00%	
Enel Green Power Primavera Eólica SA	Rio de Janeiro	BR	143,674,900.01	BRL		Line-by-line	Enel Brasil SA	99.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	1.00%	
Enel Green Power Puglia Srl	Rome	IT	1,000,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Enel Green Power RA SAE in liquidation	Cairo	EG	15,000,000.00	EGP		Line-by-line	Enel Green Power Egypt SAE	100.00%	100.00%
Enel Green Power Rattlesnake Creek Wind Project LLC (formerly Rattlesnake Creek Wind Project LLC)	Delaware	US	1.00	USD		Line-by-line	Rattlesnake Creek Holdings LLC	100.00%	100.00%
Enel Green Power Roadrunner Solar Project Holdings II LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Roadrunner Solar Project Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Roadrunner Solar Project II LLC	Dover	US	100.00	USD		Line-by-line	Enel Roadrunner Solar Project Holdings II LLC	100.00%	100.00%
Enel Green Power Rockhaven Ranchland Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Romania Srl	Bucharest	RO	2,430,631,000.00	RON		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Roseland Solar LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power RSA (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	EGP Matimba NewCo 1 Srl	100.00%	100.00%
Enel Green Power RSA 2 (RF) (Pty) Ltd	Johannesburg	ZA	120.00	ZAR		AFS	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Enel Green Power Rus Limited Liability Company	Moscow	RU	60,500,000.00	RUB		Line-by-line	Enel Green Power Partecipazioni Speciali Srl Enel Green Power SpA	1.00% 99.00%	100.00%
Enel Green Power SpA	Rome	IT	272,000,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Green Power Salto Apiacás SA (formerly Enel Green Power Damascena Eólica SA)	Rio de Janeiro	BR	274,420,832.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Sannio Srl	Rome	IT	750,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Enel Green Power São Abraão Eólica SA	Rio de Janeiro	BR	91,300,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power São Gonçalo 01 SA (formerly Enel Green Power Projetos 10)	Teresina	BR	105,245,553.82	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%
Enel Green Power São Gonçalo 02 SA (formerly Enel Green Power Projetos 11)	Teresina	BR	129,213,750.53	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%
Enel Green Power São Gonçalo 07 SA (formerly Enel Green Power Projetos 42 SA)	Teresina	BR	142,249,180.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 08 SA (formerly Enel Green Power Projetos 43 SA)	Teresina	BR	77,008,993.34	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 10 SA (formerly Enel Green Power Projetos 15)	Teresina	BR	124,817,216.25	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power São Gonçalo 11 SA (formerly Enel Green Power Projetos 44 SA)	Teresina	BR	82,202,330.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power São Gonçalo 12 SA (formerly Enel Green Power Projetos 22 SA)	Teresina	BR	75,750,090.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 14	Teresina	BR	210,001,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 15	Teresina	BR	180,779,180.90	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 17 SA	Teresina	BR	175,728,754.90	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 18 SA (formerly Enel Green Power Ventos de Santa Ângela 13 SA)	Teresina	BR	177,703,455.40	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 19 SA	Teresina	BR	174,189,501.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power São Gonçalo 21 SA (formerly Enel Green Power Projetos 16)	Teresina	BR	139,939,932.22	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%
Enel Green Power São Gonçalo 22 SA (formerly Enel Green Power Projetos 30)	Teresina	BR	138,733,692.21	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%
Enel Green Power São Gonçalo 3 SA (formerly Enel Green Power Projetos 12)	Teresina	BR	216,609,843.02	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%
Enel Green Power São Gonçalo 4 SA (formerly Enel Green Power Projetos 13)	Teresina	BR	124,870,989.57	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%
Enel Green Power São Gonçalo 5 SA (formerly Enel Green Power Projetos 14)	Teresina	BR	123,176,257.11	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.00% 100.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power São Gonçalo 6 SA (formerly Enel Green Power Projetos 19 SA)	Teresina	BR	180,887,848.28	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA Enel Green Power Brasil Participações Ltda	0.00% 100.00% 0.00%	82.27%
Enel Green Power São Judas Eólica SA	Niterói	BR	143,674,900.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.00% 1.00%	82.27%
Enel Green Power São Micael 01 SA (formerly Enel Green Power São Gonçalo 9 SA)	Teresina	BR	1,000.00	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.10% 99.90%	82.27%
Enel Green Power São Micael 02 SA (formerly Enel Green Power São Gonçalo 13)	Teresina	BR	1,000.00	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.10% 99.90%	82.27%
Enel Green Power São Micael 03 SA (formerly Enel Green Power São Gonçalo 16 SA)	Teresina	BR	1,000.00	BRL		Line-by-line	Alba Energia Ltda Enel Brasil SA	0.10% 99.90%	82.27%
Enel Green Power São Micael 04 SA (formerly Enel Green Power São Gonçalo 20 SA)	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power São Micael 05 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Services LLC	Wilmington	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel Green Power Shu SAE in liquidation	Cairo	EG	15,000,000.00	EGP		Line-by-line	Enel Green Power Egypt SAE	100.00%	100.00%
Enel Green Power Singapore Pte Ltd	Singapore	SG	6,100,000.00	SGD		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Solar Energy Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Enel Green Power Solar Metehara SpA	Rome	IT	50,000.00	EUR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Solar Ngonye SpA (formerly Enel Green Power Africa Srl)	Rome	IT	50,000.00	EUR		AFS	EGP Matimba NewCo 2 Srl	100.00%	100.00%
Enel Green Power South Africa (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power South Africa 3 (Pty) Ltd	Gauteng	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Swift Wind LP	Calgary	CA	1,000.00	CAD		Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Enel Green Power Tacaicó Eólica SA	Rio de Janeiro	BR	86,034,360.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	98.76% 1.24%	82.27%
Enel Green Power Tefnut SAE in liquidation	Cairo	EG	15,000,000.00	EGP		Line-by-line	Enel Green Power Egypt SAE	100.00%	100.00%
Enel Green Power Turkey Enerjí Yatirimlari Anoním Şírketí	Istanbul	TR	65,654,658.00	TRY		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power UB33 GmbH & Co. Kg	Berlin	DE	75,000.00	EUR		Line-by-line	Enel Green Power Germany GmbH	100.00%	100.00%
Enel Green Power Ventos de Santa Ângela 1 SA	Teresina	BR	132,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 10 SA (formerly Enel Green Power Projetos 21)	Teresina	BR	171,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 11 SA (formerly Enel Green Power Projetos 23)	Teresina	BR	185,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 14 SA (formerly Enel Green Power Projetos 24)	Teresina	BR	241,769,350.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 15 SA (formerly Enel Green Power Projetos 25)	Teresina	BR	182,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 17 SA (formerly Enel Green Power Projetos 26)	Teresina	BR	198,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 19 SA (formerly Enel Green Power Projetos 27)	Teresina	BR	126,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 2 SA	Teresina	BR	249,650,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de Santa Ângela 20 SA (formerly Enel Green Power Projetos 28)	Teresina	BR	126,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 21 SA (formerly Enel Green Power Projetos 29)	Teresina	BR	113,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 3 SA (formerly Enel Green Power Projetos 4)	Teresina	BR	132,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 4 SA (formerly Enel Green Power Projetos 6)	Teresina	BR	132,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 5 SA (formerly Enel Green Power Projetos 7)	Teresina	BR	132,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 6 SA (formerly Enel Green Power Projetos 8)	Teresina	BR	132,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 7 SA (formerly Enel Green Power Projetos 9)	Teresina	BR	106,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Esperança Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 8 SA (formerly Enel Green Power Projetos 18)	Teresina	BR	132,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela 9 SA (formerly Enel Green Power Projetos 20)	Teresina	BR	185,001,000.00	BRL		Line-by-line	Enel Brasil SA Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela ACL 12 (formerly Enel Green Power Projetos 36)	Teresina	BR	125,853,581.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela ACL 13 SA (formerly Enel Green Power Projetos 17 SA)	Teresina	BR	115,001,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de Santa Ângela ACL 16 SA (formerly Enel Green Power Projetos 38 SA)	Teresina	BR	128,700,091.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Ângela ACL 18 SA (formerly Enel Green Power Projetos 47 SA)	Teresina	BR	128,279,231.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 08 SA (formerly Enel Green Power Projetos 34 SA)	Rio de Janeiro	BR	110,200,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 1 SA (formerly Enel Green Power Fonte dos Ventos 1 SA)	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de Santa Esperança 13 (formerly Enel Green Power Projetos 33 SA)	Rio de Janeiro	BR	147,000,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 15 SA	Rio de Janeiro	BR	202,100,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 16 SA (formerly Enel Green Power Projetos 35 SA)	Rio de Janeiro	BR	183,700,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 17 SA (formerly Enel Green Power Projetos 31 SA)	Rio de Janeiro	BR	183,700,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 21 SA (formerly Enel Green Power Projetos 37 SA)	Rio de Janeiro	BR	202,100,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 22 SA (formerly Enel Green Power Projetos 39 SA)	Rio de Janeiro	BR	202,100,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 25 SA (formerly Enel Green Power Projetos 40 SA)	Rio de Janeiro	BR	110,200,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de Santa Esperança 26 SA (formerly Enel Green Power Projetos 41 SA)	Rio de Janeiro	BR	202,100,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda Enel Green Power Ventos de Santa Esperança 26 SA (formerly Enel Green Power Projetos 41 SA)	100.00% 0.00% 0.00%	82.27%
Enel Green Power Ventos de Santa Esperança 3 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de Santa Esperança 7 SA (formerly Enel Green Power Lagedo Alto SA)	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de Santa Esperança Participações SA (formerly Enel Green Power Cumaru 06 SA)	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de Santo Orestes 1 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de Santo Orestes 2 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 01 SA	Teresina	BR	313,963,791.98	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 02 SA	Teresina	BR	300,285,891.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 03 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 04 SA	Teresina	BR	270,507,771.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de São Roque 05 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 06 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 07 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 08 SA	Teresina	BR	138,001,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 11 SA	Teresina	BR	301,267,691.98	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 13 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 16 SA	Teresina	BR	283,811,791.98	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 17 SA	Teresina	BR	138,001,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 18 SA	Teresina	BR	138,001,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Ventos de São Roque 19 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 22 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de São Roque 26 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Ventos de São Roque 29 SA	Teresina	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Green Power Verwaltungs GmbH	Berlin	DE	25,000.00	EUR		Line-by-line	Enel Green Power Germany GmbH	100.00%	100.00%
Enel Green Power Vietnam LLC (Công ty TNHH Enel Green Power Việt Nam)	Ho Chi Minh City	VN	231,933.00	USD		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Villoresi Srl	Rome	IT	1,200,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	51.00%	51.00%
Enel Green Power Volta Grande SA (formerly Enel Green Power Projetos 1 SA)	Niterói	BR	565,756,528.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Zambia Limited	Lusaka	ZM	15,000.00	ZMW		Line-by-line	Enel Green Power Development Srl Enel Green Power RSA (Pty) Ltd	1.00% 99.00%	100.00%
Enel Green Power Zeus II - Delfina 8 SA	Rio de Janeiro	BR	129,639,980.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Green Power Zeus Sul 1 Ltda	Rio de Janeiro	BR	6,986,993.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	82.27%
Enel Green Power Zeus Sul 2 SA	Rio de Janeiro	BR	1,000.00	BRL		Line-by-line	Enel Brasil SA Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	82.27%
Enel Holding Finance Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Iberia Srl	Madrid	ES	336,142,500.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Innovation Hubs Srl	Rome	IT	1,100,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Insurance NV	Amsterdam	NL	60,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Investment Holding BV	Amsterdam	NL	1,000,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Italia SpA	Rome	IT	100,000,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Enel Kansas Development Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Kansas LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Land HoldCo LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Logistics Srl	Rome	IT	1,000,000.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel Minnesota Holdings LLC	Minneapolis	US	-	USD		Line-by-line	EGP Geronimo Holding Company Inc.	100.00%	100.00%
Enel Nevkan Inc.	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel North America Inc.	Andover	US	50.00	USD		Line-by-line	Enel SpA	100.00%	100.00%
Enel Operations Canada Ltd	Alberta	CA	1,000.00	CAD		Line-by-line	Enel Green Power Canada Inc.	100.00%	100.00%
Enel Perú SAC	San Miguel	PE	5,361,789,105.00	PEN		Line-by-line	Enel Américas SA	100.00%	82.27%
Enel Produzione SpA	Rome	IT	1,800,000,000.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel Rinnovabile SA de Cv	Mexico City	MX	100.00	MXN		Line-by-line	Enel Green Power Global Investment BV Hidroelectricidad del Pacífico S de RL de Cv	99.00% 1.00%	100.00%
Enel Roadrunner Solar Project Holdings II LLC	Andover	US	-	USD		Line-by-line	Enel Green Power Roadrunner Solar Project Holdings II LLC	100.00%	100.00%
Enel Roadrunner Solar Project Holdings LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power Roadrunner Solar Project Holdings LLC	100.00%	100.00%
Enel Romania SA	Buftea	RO	200,000.00	RON		Line-by-line	Enel SpA	100.00%	100.00%
Enel Rus Finance LLC	Konakovo	RU	10,000.00	RUB		Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Rus Wind Azov LLC	Moscow	RU	200,000,000.00	RUB		Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Rus Wind Kola LLC	Murmansk City	RU	10,000.00	RUB		Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Rus Wind Stavropolye LLC	Region of Stavropol	RU	350,000.00	RUB		Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Russia PJSC	Yekaterinburg	RU	35,371,898,370.00	RUB		Line-by-line	Enel SpA	56.43%	56.43%
Enel Salt Wells LLC	Fallon	US	-	USD		Line-by-line	Enel Geothermal LLC	100.00%	100.00%
Enel Saudi Arabia Limited	Al Khobar	SA	1,000,000.00	SAR		Line-by-line	e-distribuzione SpA	60.00%	60.00%
Enel Servicii Comune SA	Bucharest	RO	33,000,000.00	RON		Line-by-line	E-Distribuţie Banat SA E-Distribuţie Dobrogea SA	50.00% 50.00%	51.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel Solar Srl	Panama City	PA	10,100.00	USD		Line-by-line	Enel Green Power Panamá Srl	99.01%	82.27%
							ESSA2 SpA	0.99%	
Enel Sole Srl	Rome	IT	4,600,000.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel Soluções Energéticas Ltda	Rio de Janeiro	BR	42,863,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
							Enel Soluções Energéticas Ltda	0.00%	
Enel Stillwater LLC	Wilmington	US	-	USD		Line-by-line	Enel Geothermal LLC	100.00%	100.00%
Enel Surprise Valley LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Enel Texkan Inc.	Wilmington	US	100.00	USD		Line-by-line	Chi Power Inc.	100.00%	100.00%
Enel Trade Energy Srl	Bucharest	RO	2,437,050.00	RON		Line-by-line	Enel Romania SA	100.00%	100.00%
Enel Trade Serbia doo	Belgrade	RS	300,000.00	EUR		Line-by-line	Enel Global Trading SpA	100.00%	100.00%
Enel Trading Argentina Srl	Buenos Aires	AR	14,011,100.00	ARS		Line-by-line	Enel Américas SA	55.00%	82.26%
							Enel Argentina SA	45.00%	
Enel Trading Brasil SA	Rio de Janeiro	BR	5,280,312.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Trading North America LLC	Wilmington	US	10,000,000.00	USD		Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Transmisión Chile SA	Santiago de Chile	CL	52,569,315,875.00	CLP		Line-by-line	Enel Chile SA	99.09%	64.34%
Enel Uruguay SA	Montevideo	UY	20,000.00	UYU		Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel Vayu (Project 2) Private Limited	Gurugram	IN	45,000,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Enel Wind Project (Amberi) Private Limited	New Delhi	IN	5,000,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Enel X AMPCI Ebus Chile SpA	Santiago de Chile	CL	18,000,000.00	USD		Equity	Enel X Chile SpA	20.00%	12.99%
Enel X AMPCI L1 Holdings SpA	Santiago de Chile	CL	18,000,000.00	USD		Equity	Enel X AMPCI Ebus Chile SpA	100.00%	12.99%
Enel X AMPCI L1 SpA	Santiago de Chile	CL	18,000,000.00	USD		Equity	Enel X AMPCI L1 Holdings SpA	100.00%	12.99%
Enel X Arecibo LLC	Boston	US	-	USD		Line-by-line	Enel X Pr Holdings LLC	100.00%	100.00%
Enel X Argentina SAU	Buenos Aires	AR	127,800,000.00	ARS		Line-by-line	Enel X International Srl	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel X Asputeck Ave. Project LLC	Boston	US	-	USD	X	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X Australia Holding (Pty) Ltd	Melbourne	AU	21,224,578.00	AUD	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Australia (Pty) Ltd	Melbourne	AU	9,880.00	AUD	X	Line-by-line	Energy Response Holdings (Pty) Ltd	100.00%	100.00%
Enel X Battery Storage Limited Partnership	Oakville	CA	10,000.00	CAD	X	Line-by-line	Enel X Canada Holding Inc. Enel X Canada Ltd	0.01% 99.99%	100.00%
Enel X Brasil Gerenciamento de Energia Ltda	Sorocaba	BR	5,538,403.00	BRL	X	Line-by-line	Enel X Ireland Limited EnerNOC UK II Limited	0.00% 100.00%	100.00%
Enel X Brasil SA	Niterói	BR	324,725,892.00	BRL	X	Line-by-line	Enel Brasil SA	100.00%	82.27%
Enel X Canada Holding Inc.	Oakville	CA	1,000.00	CAD	X	Line-by-line	Enel X Canada Ltd	100.00%	100.00%
Enel X Canada Ltd	Mississauga	CA	1,000.00	CAD	X	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel X Chile SpA	Santiago de Chile	CL	3,800,000,000.00	CLP	X	Line-by-line	Enel Chile SA	100.00%	64.93%
Enel X College Ave. Project LLC	Boston	US	-	USD	X	Line-by-line	Enel X MA Holdings LLC	100.00%	100.00%
Enel X Colombia SAS	Bogotá	CO	5,186,737,000.00	COP	X	Line-by-line	Codensa SA ESP	100.00%	39.74%
Enel X Energy (Shanghai) Co. Ltd	Shanghai	CN	3,500,000.00	USD	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Federal LLC	Boston	US	5,000.00	USD	X	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Enel X Finance Partner LLC	Boston	US	100.00	USD	X	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Enel X Financial Services Srl	Rome	IT	1,000,000.00	EUR	X	AFS	Enel X Srl	100.00%	100.00%
Enel X France SAS	Paris	FR	2,901,000.00	EUR	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Germany GmbH	Berlin	DE	25,000.00	EUR	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Hayden Rowe St. Project LLC	Boston	US	100.00	USD	X	Line-by-line	Enel X MA Holdings LLC	100.00%	100.00%
Enel X International Srl	Rome	IT	100,000.00	EUR	X	Line-by-line	Enel X Srl	100.00%	100.00%
Enel X Ireland Limited	Dublin	IE	10,841.00	EUR	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Italia Srl	Rome	IT	200,000.00	EUR	X	Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel X Japan KK	Tokyo	JP	655,000,000.00	JPY	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X KOMIPO Solar Limited	Seoul	KR	8,472,600,000.00	KRW	X	Line-by-line	Enel X Korea Limited	80.00%	80.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel X Korea Limited	Seoul	KR	11,800,000,000.00	KRW	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Las Piedras LLC	Boston	US	-	USD	X	Line-by-line	Enel X Pr Holdings LLC	100.00%	100.00%
Enel X MA Holdings LLC	Boston	US	100.00	USD	X	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X MA PV Portfolio 1 LLC	Boston	US	-	USD	X	Line-by-line	Enel X MA Holdings LLC	100.00%	100.00%
Enel X MA PV Portfolio 2 LLC	Boston	US	-	USD	X	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Enel X MA PV Portfolio 3 LLC	Boston	US	-	USD	X	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X Mobility HPC Srl	Rome	IT	1,000,000.00	EUR	X	Equity	Enel X Srl	50.00%	50.00%
Enel X Mobility Romania Srl	Bucharest	RO	6,937,800.00	RON	X	Line-by-line	Enel X International Srl	99.86%	100.00%
							Enel X Srl	0.14%	
Enel X Mobility Srl	Rome	IT	100,000.00	EUR	X	Line-by-line	Enel Italia SpA	100.00%	100.00%
Enel X Morrissey Blvd. Project LLC	Boston	US	100.00	USD	X	Line-by-line	Enel X MA Holdings LLC	100.00%	100.00%
Enel X New Zealand Limited	Wellington	NZ	313,606.00	AUD	X	Line-by-line	Energy Response Holdings (Pty) Ltd	100.00%	100.00%
Enel X North America Inc.	Boston	US	1,000.00	USD	X	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel X Norway AS	Porsgrunn	NO	1,000,000.00	NOK	X	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Perú SAC	San Miguel	PE	12,005,000.00	PEN	X	Line-by-line	Enel Perú SAC	100.00%	82.27%
Enel X Polska Sp. zo.o.	Warsaw	PL	12,275,150.00	PLN	X	Line-by-line	Enel X Ireland Limited	100.00%	100.00%
Enel X Pr Holdings LLC	Boston	US	-	USD	X	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X Project MP Holdings LLC	Boston	US	-	USD	X	Line-by-line	Enel X Project MP Sponsor LLC	100.00%	100.00%
Enel X Project MP Sponsor LLC	Boston	US	-	USD	X	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Enel X Romania Srl	Bucharest	RO	7,044,450.00	RON	X	Line-by-line	Enel X International Srl	99.97%	100.00%
							Enel X Srl	0.03%	
Enel X Rus LLC	Moscow	RU	8,000,000.00	RUB	X	Line-by-line	Enel X International Srl	99.00%	99.00%
Enel X Srl	Rome	IT	1,050,000.00	EUR	X	Line-by-line	Enel SpA	100.00%	100.00%
Enel X Services India Private Limited	Mumbai City	IN	45,000.00	INR	X	Line-by-line	Enel X International Srl	100.00%	100.00%
							Enel X North America Inc.	0.00%	

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Enel X Singapore Pte Ltd	Singapore	SG	1,212,000.00	SGD		Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Sweden AB	Stockholm	SE	50,000.00	SEK		Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Taiwan Co. Ltd	Taipei City	TW	70,000,000.00	TWD		Line-by-line	Enel X Ireland Limited	100.00%	100.00%
Enel X UK Limited	London	GB	32,626.00	GBP		Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Wood St. Project LLC	Boston	US	-	USD		Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enelco SA	Maroussi	GR	60,108.80	EUR		Line-by-line	Enel Investment Holding BV	75.00%	75.00%
Enelpower Contractor and Development Saudi Arabia Ltd	Riyadh	SA	5,000,000.00	SAR		Line-by-line	Enelpower SpA	51.00%	51.00%
Enelpower do Brasil Ltda	Rio de Janeiro	BR	5,689,000.00	BRL		Line-by-line	Enel Brasil SA Energía y Servicios South America SpA	100.00% 0.00%	82.27%
Enelpower SpA	Milan	IT	2,000,000.00	EUR		Line-by-line	Enel SpA	100.00%	100.00%
Energética Monzón SAC	San Miguel	PE	6,463,000.00	PEN		Line-by-line	Enel Green Power Perú SAC Energía y Servicios South America SpA	100.00% 0.00%	82.27%
Energía Base Natural SLU	Valencia	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energía Ceuta XXI Comercializadora de Referencia SA	Ceuta	ES	65,000.00	EUR		Line-by-line	Empresa de Alumbrado Eléctrico de Ceuta SA	100.00%	67.59%
Energía Eólica Ábrego SLU	Valencia	ES	3,576.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energía Eólica Galerna SLU	Madrid	ES	3,413.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energía Eólica Gregal SLU	Madrid	ES	3,250.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energia Eolica Srl - EN.EO. Srl	Rome	IT	4,840,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Energía Global de México (Enermex) SA de Cv	Mexico City	MX	50,000.00	MXN		Line-by-line	Enel Green Power SpA	99.00%	99.00%
Energía Global Operaciones Srl	San José	CR	10,000.00	CRC		Line-by-line	Enel Green Power Costa Rica SA	100.00%	82.27%
Energía Limpia de Amistad SA de Cv	Mexico City	MX	33,452,769.00	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Energía Limpia de Palo Alto SA de Cv	Mexico City	MX	673,583,489.00	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Energía Limpia de Puerto Libertad S de RL de Cv	Mexico City	MX	2,953,980.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	0.01%	100.00%
							Enel Rinnovabile SA de Cv	99.99%	
Energía Marina SpA	Santiago de Chile	CL	2,404,240,000.00	CLP		Equity	Enel Green Power Chile SA	25.00%	16.23%
Energía Neta Sa Caseta Llucmajor SL (Sociedad Unipersonal)	Palma de Mallorca	ES	9,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energía Nueva de Iguu S de RL de Cv	Mexico City	MX	51,879,307.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.90%	99.91%
							Energía Nueva Energía Limpia México S de RL de Cv	0.01%	
Energía Nueva Energía Limpia México S de RL de Cv	Mexico City	MX	5,339,650.00	MXN		Line-by-line	Enel Green Power Guatemala SA	0.04%	99.99%
							Enel Green Power SpA	99.96%	
Energía XXI Comercializadora de Referencia SL	Madrid	ES	2,000,000.00	EUR		Line-by-line	Endesa Energía SA	100.00%	70.11%
Energía y Naturaleza SLU	Valencia	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energía y Servicios South America SpA	Santiago de Chile	CL	12,120,575.70	USD		Line-by-line	Enel Américas SA	100.00%	82.27%
Energías Alternativas del Sur SL	Las Palmas de Gran Canaria	ES	546,919.10	EUR		Line-by-line	Enel Green Power España SLU	54.95%	38.52%
Energías de Aragón I SL	Zaragoza	ES	3,200,000.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%
Energías de Graus SL	Barcelona	ES	1,298,160.00	EUR		Line-by-line	Enel Green Power España SLU	66.67%	46.74%
Energías Especiales de Careón SA	Santiago de Compostela	ES	270,450.00	EUR		Line-by-line	Enel Green Power España SLU	77.00%	53.99%
Energías Especiales de Peña Armada SA	Madrid	ES	963,300.00	EUR		Line-by-line	Enel Green Power España SLU	80.00%	56.09%
Energías Especiales del Alto Ulla SA	Madrid	ES	19,594,860.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Energías Especiales del Bierzo SA	Torre del Bierzo	ES	1,635,000.00	EUR		Equity	Enel Green Power España SLU	50.00%	35.06%
Energías Renovables La Mata SA de Cv	Mexico City	MX	656,615,400.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.00%	100.00%
							Energía Nueva de Iguu S de RL de Cv	1.00%	
Energie Electrique de Tahaddart SA	Tanger	MA	510,270,000.00	MAD		Equity	Endesa Generación SA	32.00%	22.44%
Energo Sonne Srl	Bucharest	RO	31,520.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Energotel AS	Bratislava	SK	2,191,200.00	EUR		Equity	Slovenské elektrárne AS	20.00%	6.60%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Energy Hydro Piave Srl in liquidation	Belluno	IT	800,000.00	EUR		Line-by-line	Enel Produzione SpA	100.00%	100.00%
Energy Response Holdings (Pty) Ltd	Melbourne	AU	630,451.00	AUD		Line-by-line	Enel X Australia Holding (Pty) Ltd	100.00%	100.00%
Enerlive Srl	Rome	IT	6,520,000.00	EUR		Line-by-line	Maicor Wind Srl	100.00%	100.00%
EnerNOC GmbH	Munich	DE	25,000.00	EUR		Line-by-line	Enel X North America Inc.	100.00%	100.00%
EnerNOC Ireland Limited	Dublin	IE	10,535.00	EUR		Line-by-line	Enel X Ireland Limited	100.00%	100.00%
EnerNOC UK II Limited	London	GB	21,000.00	GBP		Line-by-line	Enel X UK Limited	100.00%	100.00%
Entech (China) Information Technology Co. Ltd	Shenzhen	CN	140,000.00	USD		Equity	EnerNOC UK II Limited	50.00%	50.00%
Entech Utility Service Bureau Inc.	Lutherville	US	1,500.00	USD		Line-by-line	Enel X North America Inc.	100.00%	100.00%
Envatios Promoción I SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Envatios Promoción II SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Envatios Promoción III SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Envatios Promoción XX SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Eólica Valle del Ebro SA	Zaragoza	ES	3,561,342.50	EUR		Line-by-line	Enel Green Power España SLU	50.50%	35.40%
Eólica Zopiloapan SA de Cv	Mexico City	MX	1,877,201.54	MXN		Line-by-line	Enel Green Power México S de RL de Cv Enel Green Power Partecipazioni Speciali Srl	56.98% 39.50%	96.48%
Eólicas de Agaete SL	Las Palmas de Gran Canaria	ES	240,400.00	EUR		Line-by-line	Enel Green Power España SLU	80.00%	56.09%
Eólicas de Fuencaliente SA	Las Palmas de Gran Canaria	ES	216,360.00	EUR		Line-by-line	Enel Green Power España SLU	55.00%	38.56%
Eólicas de Fuerteventura AIE	Puerto del Rosario	ES	-	EUR		Equity	Enel Green Power España SLU	40.00%	28.04%
Eólicas de la Patagonia SA	Buenos Aires	AR	480,930.00	ARS		Equity	Enel Green Power España SLU	50.00%	35.06%
Eólicas de Lanzarote SL	Las Palmas de Gran Canaria	ES	1,758,000.00	EUR		Equity	Enel Green Power España SLU	40.00%	28.04%
Eólicas de Tenerife AIE	Santa Cruz de Tenerife	ES	420,708.40	EUR		Equity	Enel Green Power España SLU	50.00%	35.06%
Eólicas de Tirajana SL	Las Palmas de Gran Canaria	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	60.00%	42.07%
Epresa Energía SA	Cadiz	ES	2,500,000.00	EUR		Equity	Endesa Red SA (Sociedad Unipersonal)	50.00%	35.06%
E-Solar Srl	Rome	IT	2,500.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
ESSA2 SpA	Santiago de Chile	CL	701,166,335.30	USD		Line-by-line	Enel Américas SA	100.00%	82.27%
Essaouira Wind Farm	Casablanca	MA	300,000.00	MAD		Equity	Nareva Enel Green Power Morocco SA	70.00%	35.00%
European Energy Exchange AG	Leipzig	DE	40,050,000.00	EUR		-	Enel Global Trading SpA	2.38%	2.38%
Expedition Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Explorer Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Explotaciones Eólicas de Escucha SA	Zaragoza	ES	3,505,000.00	EUR		Line-by-line	Enel Green Power España SLU	70.00%	49.08%
Explotaciones Eólicas El Puerto SA	Zaragoza	ES	3,230,000.00	EUR		Line-by-line	Enel Green Power España SLU	73.60%	51.60%
Explotaciones Eólicas Santo Domingo de Luna SA	Zaragoza	ES	100,000.00	EUR		Line-by-line	Enel Green Power España SLU	51.00%	35.76%
Explotaciones Eólicas Saso Plano SA	Zaragoza	ES	5,488,500.00	EUR		Line-by-line	Enel Green Power España SLU	65.00%	45.57%
Explotaciones Eólicas Sierra Costera SA	Zaragoza	ES	8,046,800.00	EUR		Line-by-line	Enel Green Power España SLU	90.00%	63.10%
Explotaciones Eólicas Sierra La Virgen SA	Zaragoza	ES	4,200,000.00	EUR		Line-by-line	Enel Green Power España SLU	90.00%	63.10%
Fayette Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Fazenda Aroeira Empreendimento de Energia Ltda	Rio de Janeiro	BR	2,362,045.90	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Fence Post Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Fenner Wind Holdings LLC	Dover	US	100.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Finsec Lab Ltd	Tel Aviv	IL	100.00	ILS		Equity	Enel X Srl	30.00%	30.00%
Flagpay Srl	Milan	IT	10,000.00	EUR		AFS	PayTipper SpA	100.00%	55.00%
Flat Rock Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Flat Top Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Flint Rock Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Florence Hills LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Flowing Spring Farms LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Fontibon ZE SAS	Bogotá	CO	392,420,000.00	COP		Line-by-line	Bogotá ZE SAS	100.00%	39.74%
Fótons de Santo Anchieta Energias Renováveis SA	Rio de Janeiro	BR	577,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Fotovoltaica Yunclillos SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Fourmile Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Franklintown Farm LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Freedom Energy Storage LLC	Andover	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Front Marítim del Besòs SL	Barcelona	ES	9,000.00	EUR		Equity	Endesa Generación SA	61.37%	43.03%
Frontiersman Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
FRV Corchitos I SLU	Madrid	ES	75,800.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
FRV Corchitos II SOLAR SLU	Madrid	ES	22,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
FRV Gibalbín - Jerez SLU	Madrid	ES	23,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
FRV Tarifa SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
FRV Villalobillos SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
FRV Zamora Solar 1 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
FRV Zamora Solar 3 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Fundamental Recognized Systems SLU	Rivas-Vaciamadrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Furatena Solar 1 SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Galaxy Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Ganado Solar LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Ganado Storage LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Garob Wind Farm (RF) (Pty) Ltd	Johannesburg	ZA	100.00	ZAR		AFS	Enel Green Power RSA 2 (RF) (Pty) Ltd	55.00%	55.00%
Gas y Electricidad Generación SAU	Palma de Mallorca	ES	213,775,700.00	EUR		Line-by-line	Endesa Generación SA	100.00%	70.11%
Gauley Hydro LLC	Wilmington	US	-	USD		Equity	GRPP Holdings LLC	100.00%	50.00%
Gauley River Management LLC	Willison	US	1.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Generadora de Occidente Ltda	Guatemala City	GT	16,261,697.33	GTQ		Line-by-line	Enel Green Power Guatemala SA ESSA2 SpA	1.00% 99.00%	82.27%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Generadora Eólica Alto Pacora Srl	Panama City	PA	10,100.00	USD		Line-by-line	Enel Green Power Panamá Srl ESSA2 SpA	99.01% 0.99%	82.27%
Generadora Montecristo SA	Guatemala City	GT	3,820,000.00	GTQ		Line-by-line	Enel Green Power Guatemala SA ESSA2 SpA	0.00% 100.00%	82.27%
Generadora Solar Austral SA	Chiriquí	PA	10,000.00	USD		Line-by-line	Enel Green Power Panamá Srl	100.00%	82.27%
Generadora Solar de Occidente SA	Panama City	PA	10,000.00	USD		Line-by-line	Enel Green Power Panamá Srl	100.00%	82.27%
Generadora Solar El Puerto SA	Chiriquí	PA	10,000.00	USD		Line-by-line	Enel Green Power Panamá Srl	100.00%	82.27%
Generadora Solar Tolé Srl	Panama City	PA	10,100.00	USD		Line-by-line	Enel Green Power Panamá Srl ESSA2 SpA	99.01% 0.99%	82.27%
Geotérmica del Norte SA	Santiago de Chile	CL	326,577,419,702.00	CLP		Line-by-line	Enel Green Power Chile SA	84.59%	54.92%
Gibson Bay Wind Farm (RF) (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Girgarre Solar Farm (Pty) Ltd	Sydney	AU	-	AUD		Line-by-line	Enel Green Power Girgarre Holdings (Pty) Ltd	100.00%	100.00%
Girgarre Solar Farm Trust	Sydney	AU	10.00	AUD		Line-by-line	Enel Green Power Girgarre Trust	100.00%	100.00%
Global Commodities Holdings Limited	London	GB	4,042,375.00	GBP		-	Enel Global Trading SpA	4.68%	4.68%
Globyte SA	San José	CR	900,000.00	CRC		-	Enel Green Power Costa Rica SA	10.00%	8.23%
Gloucester Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Gnl Chile SA	Santiago de Chile	CL	3,026,160.00	USD		Equity	Enel Generación Chile SA	33.33%	20.25%
Goodwell Wind Project LLC	Wilmington	US	-	USD		Equity	Origin Goodwell Holdings LLC	100.00%	20.00%
Gorona del Viento El Hierro SA	Santa Cruz de Tenerife	ES	30,936,736.00	EUR		Equity	Unión Eléctrica de Canarias Generación SAU	23.21%	16.27%
Grand Prairie Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Gridspertise Latam SA	São Paulo	BR	2,010,000.00	BRL		Line-by-line	Enel Brasil SA Gridspertise Srl	0.00% 100.00%	100.00%
Gridspertise Srl	Rome	IT	7,500,000.00	EUR		Line-by-line	Enel Global Infrastructure and Networks Srl	100.00%	100.00%
GRPP Holdings LLC	Andover	US	2.00	USD		Equity	EGPNA REP Holdings LLC	50.00%	50.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Guadarranque Solar 4 SLU	Seville	ES	3,006.00	EUR		Line-by-line	Endesa Generación II SA	100.00%	70.11%
Guayepo Solar SAS	Bogotá	CO	1,000,000.00	COP		Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	82.27%
Gusty Hill Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
GV Energie Rigenerabili ITAL-RO Srl	Bucharest	RO	1,145,400.00	RON		Line-by-line	Enel Green Power Romania Srl Enel Green Power SpA	100.00% 0.00%	100.00%
Hadley Ridge LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Hamilton County Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Hansborough Valley Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Harmony Plains Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Harvest Ridge Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Harvest Ridge Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Hastings Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Hatch Data Inc.	San Francisco	US	10,000.00	USD		-	Enel X North America Inc.	5.00%	5.00%
Heartland Farms Wind Project LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Hidroeléctrica de Catalunya SL	Barcelona	ES	126,210.00	EUR		Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.11%
Hidroeléctrica de Ourol SL	Lugo	ES	1,608,200.00	EUR		Equity	Enel Green Power España SLU	30.00%	21.03%
Hidroelectricidad del Pacífico S de RL de Cv	Colima	MX	30,890,736.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.99%	99.99%
Hidroflamicell SL	Barcelona	ES	78,120.00	EUR		Line-by-line	Hidroeléctrica de Catalunya SL	75.00%	52.58%
Hidroinvest SA	Buenos Aires	AR	55,312,093.00	ARS		Line-by-line	Enel Américas SA Enel Argentina SA	41.94% 54.76%	79.55%
HIF H2 SpA	Santiago de Chile	CL	6,303,000.00	USD		Equity	Enel Green Power Chile SA	50.00%	32.46%
High Chaparral Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
High Lonesome Storage LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
High Lonesome Wind Holdings LLC	Wilmington	US	100.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
High Lonesome Wind Power LLC	Boston	US	100.00	USD		Line-by-line	High Lonesome Wind Holdings LLC	100.00%	100.00%
High Noon Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
High Street Corporation (Pty) Ltd	Melbourne	AU	2.00	AUD		Line-by-line	Energy Response Holdings (Pty) Ltd	100.00%	100.00%
Hilltopper Wind Holdings LLC	Wilmington	US	1,000.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Hispano Generación de Energía Solar SL	Jerez de los Caballeros	ES	3,500.00	EUR		Line-by-line	Enel Green Power España SLU	51.00%	35.76%
Honey Stone Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Honeybee Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Hope Creek LLC	Crestview	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Hope Ridge Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Horse Run Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Horse Wrangler Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Hubject eRoaming Technology (Shanghai) Co. Ltd	Shanghai	CN	12,668,015.70	CNY		-	Hubject GmbH	100.00%	12.50%
Hubject GmbH	Berlin	DE	65,943.00	EUR		-	Enel X International Srl	12.50%	12.50%
Hubject Inc.	Santa Monica	US	100,000.00	USD		-	Hubject GmbH	100.00%	12.50%
Hydro Energies Corporation	Willison	US	5,000.00	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Idalia Park Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Idrosicilia SpA	Milan	IT	22,520,000.00	EUR		Equity	Enel SpA	1.00%	1.00%
Ifx Networks Argentina Srl	Buenos Aires	AR	2,260,551.00	ARS		Equity	Ifx/eni - Spc V Inc. Minority Stock Holding Corp.	99.85% 0.15%	20.60%
Ifx Networks Chile SA	Santiago de Chile	CL	6,235,913,725.00	CLP		Equity	Ifx/eni - Spc IV Inc. Servicios de Internet Eni Chile Ltda	41.20% 58.80%	20.60%
Ifx Networks Colombia SAS	Bogotá	CO	15,734,959,000.00	COP		Equity	Ifx Networks Panama SA Ifx/eni - Spc III Inc.	58.33% 41.67%	20.60%
Ifx Networks LLC	Wilmington	US	80,848,653.00	USD		Equity	Ufinet Latam SLU	100.00%	20.60%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Ifx Networks Ltd	Tortola	VG	50,001.00	USD		Equity	Ifx Networks LLC	100.00%	20.60%
Ifx Networks Panama SA	Panama City	PA	21,000.00	USD		Equity	Ifx/eni - Spc Panama Inc.	100.00%	20.60%
Ifx/eni - Spc III Inc.	Tortola	VG	100.00	USD		Equity	Ifx Networks Ltd	100.00%	20.60%
Ifx/eni - Spc IV Inc.	Tortola	VG	100.00	USD		Equity	Ifx Networks Ltd	100.00%	20.60%
Ifx/eni - Spc Panama Inc.	Tortola	VG	100.00	USD		Equity	Ifx Networks Ltd	100.00%	20.60%
Ifx/eni - Spc V Inc.	Tortola	VG	100.00	USD		Equity	Ifx Networks Ltd	100.00%	20.60%
Infraestructuras Puerto Santa María 220 SL	Madrid	ES	3,000.00	EUR		Line-by-line	Puerto Santa María Energía I SLU	50.00%	70.11%
							Puerto Santa María Energía II SLU	50.00%	
Infraestructuras San Serván 220 SL	Madrid	ES	12,000.00	EUR		Equity	Castiblanco Solar SL	10.20%	21.59%
							Navalvillar Solar SL	10.30%	
							Valdecaballero Solar SL	10.30%	
Inkolan Información y Coordinación de obras AIE	Bilbao	ES	84,141.68	EUR		-	Edistribución Redes Digitales SL (Sociedad Unipersonal)	14.29%	10.02%
International Multimedia University Srl in bankruptcy	-	IT	24,000.00	EUR		-	Enel Italia SpA	13.04%	13.04%
Inversora Codensa SAS	Bogotá	CO	6,500,000.00	COP		Line-by-line	Codensa SA ESP	100.00%	39.74%
Inversora Dock Sud SA	Buenos Aires	AR	828,941,660.00	ARS		Line-by-line	Enel Américas SA	57.14%	47.01%
Isamu Ikeda Energia SA	Niterói	BR	45,474,475.77	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Italgest Energy (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Jack River LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Jade Energia Ltda	Rio de Janeiro	BR	4,107,097.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Jaguito Solar 10 MW SA	Panama City	PA	10,000.00	USD		Line-by-line	Enel Green Power Panamá Srl	100.00%	82.27%
Jessica Mills LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
JuiceNet GmbH	Berlin	DE	25,000.00	EUR		Line-by-line	Enel X International Srl	100.00%	100.00%
JuiceNet Ltd	London	GB	1.00	GBP		Line-by-line	Enel X International Srl	100.00%	100.00%
Julia Hills LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Juna Renewable Energy Private Limited	Gurugram	IN	36,600,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Junia Insurance Srl	Mosciano Sant'Angelo (Teramo)	IT	100.00	EUR		Line-by-line	Enel X Srl	100.00%	100.00%
Keeneys Creek Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Kelley's Falls LLC	Wilmington	US	-	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Ken Renewables India Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Khaba Renewable Energy Private Limited	Gurugram	IN	10,100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Khidrat Renewable Energy Private Limited	Gurugram	IN	38,100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
King Branch Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Kings River Hydro Company Inc.	Wilmington	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Kingston Energy Storage LLC	Wilmington	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Kino Contractor SA de Cv	Mexico City	MX	100.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.00%	100.00%
							Hidroelectricidad del Pacífico S de RL de Cv	1.00%	
Kino Facilities Manager SA de Cv	Mexico City	MX	100.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.00%	100.00%
							Hidroelectricidad del Pacífico S de RL de Cv	1.00%	
Kongul Enerjí Sanayí Ve Tícaret Anoním Şírketí	Istanbul	TR	125,000,000.00	TRY		Line-by-line	Enel Green Power Turkey Enerjí Yatirimlari Anoním Şírketí	100.00%	100.00%
Koporie WPS LLC	Region of Leningrad	RU	21,000,000.00	RUB		Line-by-line	Enel Green Power Rus Limited Liability Company	100.00%	100.00%
Korea Line Corporation	Seoul	KR	122,132,520,000.00	KRW		-	Enel Global Trading SpA	0.25%	0.25%
Kromschroeder SA	Barcelona	ES	627,126.00	EUR		Equity	Endesa Medios y Sistemas SL (Sociedad Unipersonal)	29.26%	20.51%
Lake Emily Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Lake Pulaski Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Land Run Wind Project LLC	Dover	US	100.00	USD		Line-by-line	Sundance Wind Project LLC	100.00%	100.00%
Lantern Trail Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Latamsolar Fotovoltaica Fundación SAS	Bogotá	CO	8,000,000.00	COP		Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	82.27%
Lathrop Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Lava Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Lawrence Creek Solar LLC	Minneapolis	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Lebanon Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Lemonade Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Liberty Energy Storage LLC	Andover	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Libyan Italian Joint Company - Azienda Libico-Italiana (A.L.I)	Tripoli	LY	1,350,000.00	EUR		-	Enelpower SpA	0.33%	0.33%
Lily Solar Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Green Power Lily Solar Holdings LLC	100.00%	100.00%
Lily Solar LLC	Andover	US	-	USD		Line-by-line	Enel Kansas Development Holdings LLC	100.00%	100.00%
Lindahl Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	EGPNA Preferred Wind Holdings LLC	100.00%	100.00%
Lindahl Wind Project LLC	Wilmington	US	-	USD		Line-by-line	Lindahl Wind Holdings LLC	100.00%	100.00%
Little Elk Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Little Elk Wind Project LLC	Wilmington	US	-	USD		Line-by-line	Little Elk Wind Holdings LLC	100.00%	100.00%
Little Salt Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Littleville Power Company Inc.	Boston	US	100.00	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Litus Energy Storage LLC	Andover	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Livister Guatemala SA	Guatemala City	GT	742,000.00	GTQ		Equity	Livister Latam SLU Ufinet Guatema SA	99.99% 0.01%	20.60%
Livister Latam SLU	Madrid	ES	2,442,066.00	EUR		Equity	Ufinet Latam SLU	100.00%	20.60%
Llano Sánchez Solar Power One Srl	Panama City	PA	10,020.00	USD		Line-by-line	Enel Green Power Panamá Srl ESSA2 SpA	99.80% 0.20%	82.27%
Lone Pine Wind Inc.	Alberta	CA	-	CAD		-	Enel Green Power Canada Inc.	10.00%	10.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Lone Pine Wind Project LP	Alberta	CA	-	CAD		Equity	Enel Green Power Canada Inc.	10.00%	10.00%
Lower Valley LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Lucas Sostenible SL	Madrid	ES	1,099,775.00	EUR		Equity	Enel Green Power España SLU	35.29%	24.74%
Luminary Highlands Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Luz de Angra Energia SA	Rio de Janeiro	BR	4,062,085.00	BRL		Line-by-line	Enel X Brasil SA	51.00%	41.96%
Luz de Macapá Energia SA	Rio de Janeiro	BR	1,000.00	BRL		Equity	Enel X Brasil SA	51.00%	41.96%
Maicor Wind Srl	Rome	IT	20,850,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Malaspina Energy Scarl in liquidation	Bergamo	IT	100,000.00	EUR		Line-by-line	Enel X Italia Srl	100.00%	100.00%
Maple Canada Solutions Holdings Ltd	-	CA	-	CAD		Equity	Enel X Canada Ltd	20.00%	20.00%
Maple Energy Solutions LP	-	CA	-	CAD		Equity	Enel X Canada Holding Inc.	20.00%	20.00%
Marengo Solar LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Marte Srl	Rome	IT	6,100,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Marudhar Wind Energy Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Más Energía S de RL de Cv	Mexico City	MX	61,872,926.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv Hidroelectricidad del Pacífico S de RL de Cv	99.99% 0.01%	100.00%
Mason Mountain Wind Project LLC	Wilmington	US	-	USD		Line-by-line	Padoma Wind Power LLC	100.00%	100.00%
Matrigenix (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Maty Energia Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
MC Solar I LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
McBride Wind Project LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Medidas Ambientales SL	Burgos	ES	60,100.00	EUR		Equity	Tecnatom SA	50.00%	15.78%
Merit Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Metro Wind LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Mexicana de Hidroelectricidad Mexhidro S de RL de Cv	Mexico City	MX	181,728,901.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.99%	99.99%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Mibgas SA	Madrid	ES	3,000,000.00	EUR		-	Endesa SA	1.35%	0.95%
Midelt Wind Farm SA	Casablanca	MA	145,000,000.00	MAD		Equity	Nareva Enel Green Power Morocco SA	70.00%	35.00%
Minglanilla Renovables 400 kV AIE	Valencia	ES	-	EUR		Proportional	Energía Base Natural SLU	4.79%	25.35%
							Energía Eólica Ábrego SLU	7.98%	
							Energía Eólica Galerna SLU	9.31%	
							Energía Eólica Gregal SLU	9.31%	
							Energía y Naturaleza SLU	4.79%	
Minicentrales Acequia Cinco Villas AIE	Ejea de los Caballeros	ES	3,346,993.04	EUR		-	Enel Green Power España SLU	5.39%	3.78%
Minicentrales del Canal de las Bárdenas AIE	Zaragoza	ES	1,202,000.00	EUR		-	Enel Green Power España SLU	15.00%	10.52%
Minicentrales del Canal Imperial-Gallur SL	Zaragoza	ES	1,820,000.00	EUR		Equity	Enel Green Power España SLU	36.50%	25.59%
Minority Stock Holding Corp.	Tortola	VG	100.00	USD		Equity	Ifx Networks Ltd	100.00%	20.60%
Mira Energy (Pty) Ltd	Johannesburg	ZA	100.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Miranda Plataforma Logística SA	Burgos	ES	1,800,000.00	EUR		-	Nuclenor SA	0.22%	0.08%
Moebius Tecnologia em Informática SA	Rio de Janeiro	BR	150,000.00	BRL		Equity	Ufinet Brasil Telecomunicação Ltda	70.00%	35.00%
Monte Reina Renovables SL	Madrid	ES	4,000.00	EUR		Equity	FRV Zamora Solar 1 SLU	20.58%	14.43%
Montrose Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Moonbeam Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Morgan Branch Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Mountrail Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
MPG Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Mucho Viento Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Muskegon County Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Muskegon Green Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Mustang Run Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Nabb Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Napolean Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Nareva Enel Green Power Morocco SA	Casablanca	MA	98,750,000.00	MAD		Equity	Enel Green Power Morocco SARLAU	50.00%	50.00%
Navalvillar Solar SL	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Negocios y Telefonía Nedetel SA	Guayaquil	EC	4,773,525.00	USD		-	Livister Latam SLU	70.00%	14.42%
Net Botanic Internet Inteligente SA	Rio de Janeiro	BR	450,000.00	BRL		Equity	Ufinet Brasil Telecomunicação Ltda	70.00%	35.00%
Nevkan Renewables LLC	Wilmington	US	-	USD		Line-by-line	Enel Nevkan Inc.	100.00%	100.00%
New York Distributed Storage Projects LLC	Boston	US	-	USD		Line-by-line	Enel X North America Inc.	100.00%	100.00%
Newbury Hydro Company LLC	Andover	US	-	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Ngonye Power Company Limited	Lusaka	ZM	10.00	ZMW		AFS	Enel Green Power Solar Ngonye SpA (formerly Enel Green Power Africa Srl)	80.00%	80.00%
Nojoli Wind Farm (RF) (Pty) Ltd	Johannesburg	ZA	10,000,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
North English Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
North Rock Wind LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Northland Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Northstar Wind Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Northumberland Solar Project I LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Northwest Hydro LLC	Wilmington	US	-	USD		Line-by-line	Chi West LLC	100.00%	100.00%
Notch Butte Hydro Company Inc.	Wilmington	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Nuclenor SA	Burgos	ES	102,000,000.00	EUR		Equity	Endesa Generación SA	50.00%	35.06%
Nuove Energie Srl	Porto Empedocle	IT	5,204,028.73	EUR		Line-by-line	Enel Global Trading SpA	100.00%	100.00%
Nxuba Wind Farm (RF) (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		AFS	Enel Green Power RSA 2 (RF) (Pty) Ltd	51.00%	51.00%
Nyc Storage (353 Chester) Spe LLC	Wilmington	US	1.00	USD		Line-by-line	Enel X North America Inc.	100.00%	100.00%
Ochrana A Bezpecnost Se SRO	Kalná Nad Hronom	SK	33,193.92	EUR		Equity	Slovenské elektrárne AS	100.00%	33.00%
Olathe Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Olivum PV Farm 01 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
OMIP - Operador do Mercado Ibérico (Portugal) SGPS SA	Lisbon	PT	2,610,000.00	EUR		-	Endesa SA	5.00%	3.51%
Open Range Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Operador del Mercado Ibérico de Energía - Polo Español SA	Madrid	ES	1,999,998.00	EUR		-	Endesa SA	5.00%	3.51%
Oravita Power Park Srl	Bucharest	RO	2,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Orchid Acres Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Origin Goodwell Holdings LLC	Wilmington	US	-	USD		Equity	EGPNA Wind Holdings 1 LLC	100.00%	20.00%
Origin Wind Energy LLC	Wilmington	US	-	USD		Equity	Origin Goodwell Holdings LLC	100.00%	20.00%
Osage Wind Holdings LLC	Wilmington	US	100.00	USD		Line-by-line	Enel Kansas LLC	50.00%	50.00%
Osage Wind LLC	Wilmington	US	-	USD		Line-by-line	Osage Wind Holdings LLC	100.00%	50.00%
Ottauquechee Hydro Company Inc.	Wilmington	US	100.00	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Ovacik Eolíko Enerjí Elektrík Üretím Ve Tícaret Anoním Şírketí	Istanbul	TR	11,250,000.00	TRY		Line-by-line	Enel Green Power Turkey Enerjí Yatirimlari Anoním Şírketí	100.00%	100.00%
Oxagesa AIE	Alcañiz	ES	6,010.00	EUR		Equity	Enel Green Power España SLU	33.33%	23.37%
Oyster Bay Wind Farm (RF) (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		AFS	Enel Green Power RSA 2 (RF) (Pty) Ltd	55.00%	55.00%
Padoma Wind Power LLC	Elida	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Palo Alto Farms Wind Project LLC	Dallas	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Pampinus PV Farm 01 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Paradise Creek Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Paravento SL	Lugo	ES	3,006.00	EUR		Line-by-line	Enel Green Power España SLU	90.00%	63.10%
Parc Eòlic La Tossa - La Mola d'en Pascual SL	Madrid	ES	1,183,100.00	EUR		Equity	Enel Green Power España SLU	30.00%	21.03%
Parc Eòlic Los Aligars SL	Madrid	ES	1,313,100.00	EUR		Equity	Enel Green Power España SLU	30.00%	21.03%
Parco Eolico Monti Sicani Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Parque Amistad II SA de Cv	Mexico City	MX	1,413,533,480.00	MXN		Line-by-line	Enel Rinnovabile SA de Cv	99.00%	100.00%
							Hidroelectricidad del Pacífico S de RL de Cv	1.00%	
Parque Amistad III SA de Cv	Mexico City	MX	931,692,540.00	MXN		Line-by-line	Enel Rinnovabile SA de Cv	99.00%	100.00%
							Hidroelectricidad del Pacífico S de RL de Cv	1.00%	
Parque Amistad IV SA de Cv	Mexico City	MX	1,489,508,400.00	MXN		Line-by-line	Enel Rinnovabile SA de Cv	99.00%	100.00%
							Hidroelectricidad del Pacífico S de RL de Cv	1.00%	
Parque Eólico A Capelada SL (Sociedad Unipersonal)	La Coruña	ES	5,857,704.33	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Parque Eólico BR-1 SAPI de Cv	Mexico City	MX	-	MXN		Line-by-line	Enel Green Power México S de RL de Cv	0.50%	25.50%
							Enel Rinnovabile SA de Cv	25.00%	
Parque Eólico Carretera de Arinaga SA	Las Palmas de Gran Canaria	ES	1,603,000.00	EUR		Line-by-line	Enel Green Power España SLU	80.00%	56.09%
Parque Eólico de Barbanza SA	La Coruña	ES	3,606,072.60	EUR		Line-by-line	Enel Green Power España SLU	75.00%	52.58%
							Parque Eólico de Barbanza SA	0.00%	
Parque Eólico de Belmonte SA	Madrid	ES	120,400.00	EUR		Line-by-line	Enel Green Power España SLU	50.17%	35.17%
Parque Eólico de San Andrés SA	La Coruña	ES	552,920.00	EUR		Line-by-line	Enel Green Power España SLU	82.00%	57.49%
Parque Eólico de Santa Lucía SA	Las Palmas de Gran Canaria	ES	901,500.00	EUR		Line-by-line	Enel Green Power España SLU	65.67%	46.51%
							Parque Eólico de Santa Lucía SA	1.00%	
Parque Eólico Finca de Mogán SA	Santa Cruz de Tenerife	ES	3,810,340.00	EUR		Line-by-line	Enel Green Power España SLU	90.00%	63.10%
Parque Eólico Montes de Las Navas SA	Madrid	ES	6,540,000.00	EUR		Line-by-line	Enel Green Power España SLU	75.50%	52.93%
Parque Eólico Muniesa SL	Madrid	ES	3,006.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Parque Eólico Palmas dos Ventos Ltda	Salvador	BR	4,096,626.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
							Enel Green Power Desenvolvimento Ltda	0.00%	
Parque Eólico Pampa SA	Buenos Aires	AR	477,139,364.00	ARS		Line-by-line	Enel Green Power SpA	100.00%	100.00%
Parque Eólico Punta de Teno SA	Santa Cruz de Tenerife	ES	528,880.00	EUR		Line-by-line	Enel Green Power España SLU	52.00%	36.46%
Parque Eólico Sierra del Madero SA	Madrid	ES	7,193,970.00	EUR		Line-by-line	Enel Green Power España SLU	58.00%	40.66%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Parque Eólico Tico SLU	Zaragoza	ES	234,900.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Parque Salitrillos SA de Cv	Mexico City	MX	100.00	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Parque Solar Cauchari IV SA	San Salvador de Jujuy	AR	500,000.00	ARS		Equity	Enel Green Power Argentina SA Energía y Servicios South America SpA	95.00% 5.00%	82.27%
Parque Solar Don José SA de Cv	Mexico City	MX	100.00	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Parque Solar Villanueva Tres SA de Cv	Mexico City	MX	306,024,631.13	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Parque Talinay Oriente SA	Santiago de Chile	CL	66,092,165,170.93	CLP		Line-by-line	Enel Green Power Chile SA Enel Green Power SpA	60.91% 39.09%	78.64%
Pastis - Centro Nazionale per la ricerca e lo sviluppo dei materiali SCPA in liquidation	Brindisi	IT	2,065,000.00	EUR		-	Enel Italia SpA	1.14%	1.14%
Paynesville Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
PayTipper Network Srl	Cascina	IT	40,000.00	EUR		AFS	PayTipper SpA	100.00%	55.00%
PayTipper SpA	Milan	IT	3,000,000.00	EUR		AFS	Enel X Srl	55.00%	55.00%
PDP Technologies Ltd	Israel	IL	1,129,252.00	ILS		-	Enel Global Infrastructure and Networks Srl	5.72%	5.72%
Pegop - Energia Eléctrica SA	Pego	PT	50,000.00	EUR		Equity	Endesa Generación Portugal SA Endesa Generación SA	0.02% 49.98%	35.06%
PH Chucas SA	San José	CR	100,000.00	CRC		Line-by-line	Enel Green Power Costa Rica SA ESSA2 SpA	40.31% 24.69%	53.48%
PH Don Pedro SA	San José	CR	100,001.00	CRC		Line-by-line	Enel Green Power Costa Rica SA Globyte SA	33.44% 66.54%	32.99%
PH Río Volcán SA	San José	CR	100,001.00	CRC		Line-by-line	Enel Green Power Costa Rica SA Globyte SA	34.32% 65.66%	33.64%
Pilesgrove Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Pincher Creek LP	Alberta	CA	-	CAD		Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	99.00% 1.00%	100.00%
Pine Island Distributed Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Planta Eólica Europea SAU	Seville	ES	1,198,532.32	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Point Rider Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Pomerado Energy Storage LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Potoc Power Park Srl	Bucharest	RO	2,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
PowerCrop Macchiareddu Srl	Bologna	IT	100,000.00	EUR		AFS	PowerCrop SpA (formerly PowerCrop Srl)	100.00%	50.00%
PowerCrop Russi Srl	Bologna	IT	100,000.00	EUR		AFS	PowerCrop SpA (formerly PowerCrop Srl)	100.00%	50.00%
PowerCrop SpA (formerly PowerCrop Srl)	Bologna	IT	4,000,000.00	EUR		AFS	Enel Green Power Italia Srl	50.00%	50.00%
Prairie Rose Transmission LLC	Minneapolis	US	-	USD		Equity	Prairie Rose Wind LLC	100.00%	20.00%
Prairie Rose Wind LLC	Albany	US	-	USD		Equity	EGPNA REP Wind Holdings LLC	100.00%	20.00%
Primavera Energia SA	Niterói	BR	36,965,444.64	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Productive Solar Systems SLU	Rivas-Vaciamadrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Productora de Energías SA	Barcelona	ES	60,101.22	EUR		Equity	Enel Green Power España SLU	30.00%	21.03%
Productora Eléctrica Urgelense SA	Lérida	ES	8,400,000.00	EUR		-	Endesa SA	8.43%	5.91%
Progreso Solar 20 MW SA	Panama City	PA	10,000.00	USD		Line-by-line	Enel Green Power Panamá Srl	100.00%	82.27%
Promociones Energéticas del Bierzo SL	Madrid	ES	12,020.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Proveedora de Electricidad de Occidente S de RL de Cv	Mexico City	MX	89,708,835.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	99.99%	99.99%
Proyecto Almería Mediterráneo SA	Madrid	ES	601,000.00	EUR		Equity	Endesa SA	45.00%	31.55%
Proyectos Universitarios de Energías Renovables SL	Alicante	ES	27,000.00	EUR		Equity	Enel Green Power España SLU	33.33%	23.37%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Proyectos y Soluciones Renovables SAC	San Miguel	PE	1,000.00	PEN		Line-by-line	Enel Green Power Partecipazioni Speciali Srl Energía y Servicios South America SpA	99.90% 0.10%	99.98%
PSG Energy Private Limited	Hyderabad	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
PT Enel Green Power Optima Way Ratai	Jakarta	ID	10,002,600.00	USD		Line-by-line	Enel Green Power SpA	90.00%	90.00%
Puerto Santa María Energía I SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Puerto Santa María Energía II SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Pulida Energy (RF) (Pty) Ltd	Johannesburg	ZA	10,000,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	52.70%	52.70%
Pumpkin Vine Wind Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Quatiara Energia SA	Niterói	BR	13,766,118.96	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Queens Energy Storage LLC	Andover	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Raleigh Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Ranchland Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Ranchland Wind Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Ranchland Wind Project II LLC	Andover	US	1.00	USD		Line-by-line	Ranchland Wind Holdings LLC	100.00%	100.00%
Ranchland Wind Project LLC	Andover	US	-	USD		Line-by-line	Rockhaven Ranchland Holdings LLC	100.00%	100.00%
Ranchland Wind Storage LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rattlesnake Creek Holdings LLC	Delaware	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rausch Creek Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
RC Wind Srl	Milan	IT	10,000.00	EUR		-	Enel Green Power Italia Srl	0.50%	0.50%
RE Arroyo LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Reaktortest SRO	Trnava	SK	66,389.00	EUR		Equity	Slovenské elektrárne AS	49.00%	16.17%
Red Centroamericana de Telecomunicaciones SA	Panama City	PA	2,700,000.00	USD		-	Enel SpA	11.11%	11.11%
Red Dirt Wind Holdings I LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Red Dirt Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Red Dirt Wind Project LLC	Dover	US	1.00	USD		Line-by-line	Red Dirt Wind Holdings LLC	100.00%	100.00%
Red Fox Wind Project LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Redes y Telecomunicaciones S de RL de Cv	San Pedro Sula	HN	82,395,000.00	HNL		-	Livister Latam SLU	80.00%	16.48%
Renovables Andorra SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Renovables de Guatemala SA	Guatemala City	GT	1,924,465,600.00	GTQ		Line-by-line	Enel Green Power Guatemala SA	0.00%	82.27%
							ESSA2 SpA	100.00%	
Renovables La Pedrera SLU	Zaragoza	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Renovables Manzanares 400 kV SL	Madrid	ES	5,000.00	EUR		Equity	Enel Green Power España SLU	27.86%	19.53%
Renovables Mediavilla SLU	Zaragoza	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Renovables Teruel SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Riverbend Farms Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Riverview LP	Alberta	CA	-	CAD		Line-by-line	Enel Alberta Wind Inc.	99.00%	100.00%
							Enel Green Power Canada Inc.	1.00%	
Riverview Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Roadrunner Solar Project LLC	Andover	US	100.00	USD		Line-by-line	Enel Roadrunner Solar Project Holdings LLC	100.00%	100.00%
Roadrunner Storage LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rochelle Solar LLC	Coral Springs	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rock Creek Wind Holdings I LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Rock Creek Wind Holdings II LLC	Dover	US	100.00	USD		Line-by-line	Rock Creek Wind Holdings LLC	100.00%	100.00%
Rock Creek Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	EGPNA Preferred Wind Holdings II LLC	100.00%	100.00%
Rock Creek Wind Project LLC	Clayton	US	1.00	USD		Line-by-line	Rock Creek Wind Holdings LLC	100.00%	100.00%
Rockhaven Ranchland Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rockhaven Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Rockhaven Ranchland Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Rocky Caney Holdings LLC	Oklahoma City	US	1.00	USD		Equity	Enel Kansas LLC	20.00%	20.00%
Rocky Caney Wind LLC	Albany	US	-	USD		Equity	Rocky Caney Holdings LLC	100.00%	20.00%
Rocky Ridge Wind Project LLC	Oklahoma City	US	-	USD		Equity	Rocky Caney Wind LLC	100.00%	20.00%
Rodnikovskaya WPS	Moscow	RU	6,010,000.00	RUB		Line-by-line	Enel Green Power Rus Limited Liability Company	100.00%	100.00%
Roha Renewables India Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Rolling Farms Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Rusenergosbyt LLC	Moscow	RU	18,000,000.00	RUB		Equity	Enel SpA	49.50%	49.50%
Rusenergosbyt Siberia LLC	Krasnoyarsk City	RU	4,600,000.00	RUB		Equity	Rusenergosbyt LLC	50.00%	24.75%
Rustler Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Ruthton Ridge LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Saburoy SA	Montevideo	UY	100,000.00	UYU		Equity	Ifx Networks LLC	100.00%	20.60%
Sacme SA	Buenos Aires	AR	12,000.00	ARS		Equity	Empresa Distribuidora Sur SA - Edesur	50.00%	29.66%
Saddle House Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Salmon Falls Hydro LLC	Wilmington	US	-	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Salt Springs Wind Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Salto de San Rafael SL	Seville	ES	462,185.98	EUR		Equity	Enel Green Power España SLU	50.00%	35.06%
San Francisco de Borja SA	Zaragoza	ES	60,000.00	EUR		Line-by-line	Enel Green Power España SLU	66.67%	46.74%
San Juan Mesa Wind Project II LLC	Wilmington	US	-	USD		Line-by-line	Padoma Wind Power LLC	100.00%	100.00%
Sanosari Energy Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Avikiran Energy India Private Limited	100.00%	100.00%
Santo Rostro Cogeneración SA	Seville	ES	207,340.00	EUR		Equity	Enel Green Power España SLU	45.00%	31.55%
Sardhy Green Hydrogen Srl	Sarroch	IT	10,000.00	EUR		Equity	Enel Green Power Italia Srl	50.00%	50.00%
Saugus River Energy Storage LLC	Dover	US	100.00	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Savanna Power Solar 10 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Savanna Power Solar 12 SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Savanna Power Solar 13 SLU	Seville	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Savanna Power Solar 4 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Savanna Power Solar 5 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Savanna Power Solar 6 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Savanna Power Solar 9 SLU	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Se Služby Inžinierskych Stavieb SRO	Kalná Nad Hronom	SK	200,000.00	EUR		Equity	Slovenské elektrárne AS	100.00%	33.00%
Seguidores Solares Planta 2 SL (Sociedad Unipersonal)	Madrid	ES	3,010.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Servicio de Operación y Mantenimiento para Energías Renovables S de RL de Cv	Mexico City	MX	3,000.00	MXN		Line-by-line	Enel Green Power Guatemala SA Energía Nueva Energía Limpia México S de RL de Cv	0.01% 99.99%	99.99%
Servicios de Internet Eni Chile Ltda	Santiago de Chile	CL	2,768,688,228.00	CLP		Equity	Ifx Networks Ltd Ifx/eni - Spc IV Inc.	0.10% 99.90%	20.60%
Servizio Elettrico Nazionale SpA	Rome	IT	10,000,000.00	EUR		Line-by-line	Enel Italia SpA	100.00%	100.00%
Setyl Srl	Bergamo	IT	100,000.00	EUR		Equity	Enel X Italia Srl	27.50%	27.50%
Seven Cowboy Wind Project Holdings LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Seven Cowboy Wind Project II LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Seven Cowboy Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Seven Cowboy Wind Project Holdings LLC	100.00%	100.00%
Seven Cowboys Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Shiawassee Wind Project LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Shield Energy Storage Project LLC	Wilmington	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Shikhar Surya (One) Private Limited	Gurugram	IN	10,100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
SIET - Società Informazioni Esperienze Termoidrauliche SpA	Piacenza	IT	697,820.00	EUR		Equity	Enel Innovation Hubs Srl	41.55%	41.55%
Silt Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Silver Dollar Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Sinergia GP6 Srl	Rome	IT	10,000.00	EUR		Equity	Enel Green Power Italia Srl	100.00%	100.00%
Sinergia GP7 Srl	Rome	IT	10,000.00	EUR		Equity	Enel Green Power Italia Srl	100.00%	100.00%
Sistema Eléctrico de Conexión Valcaire SL	Madrid	ES	175,200.00	EUR		Equity	Enel Green Power España SLU	28.13%	19.72%
Sistemas Energéticos Mañón Ortigueira SA	La Coruña	ES	2,007,750.00	EUR		Line-by-line	Enel Green Power España SLU	96.00%	67.31%
Skyview Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Sleep Hollow Solar I LLC	Andover	US	1.00	USD		Line-by-line	Brick Road Solar Holdings LLC	100.00%	100.00%
Slovak Power Holding BV	Amsterdam	NL	25,010,000.00	EUR		Equity	Enel Produzione SpA	50.00%	50.00%
Slovenské elektrárne - Energetické Služby SRO	Bratislava	SK	4,505,000.00	EUR		Equity	Slovenské elektrárne AS	100.00%	33.00%
Slovenské elektrárne AS	Bratislava	SK	1,269,295,724.66	EUR		Equity	Slovak Power Holding BV	66.00%	33.00%
Slovenské elektrárne Česká Republika SRO	Moravská Ostrava	CZ	295,819.00	CZK		Equity	Slovenské elektrárne AS	100.00%	33.00%
Smoky Hill Holdings II LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Smoky Hills Wind Farm LLC	Topeka	US	-	USD		Line-by-line	EGPNA Project HoldCo 1 LLC	100.00%	100.00%
Smoky Hills Wind Project II LLC	Lenexa	US	-	USD		Line-by-line	EGPNA Project HoldCo 1 LLC	100.00%	100.00%
Snyder Wind Farm LLC	Hermleigh	US	-	USD		Line-by-line	Texkan Wind LLC	100.00%	100.00%
Socibe Energia SA	Niterói	BR	12,969,032.25	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Sociedad Agrícola de Cameros Ltda	Santiago de Chile	CL	5,738,046,495.00	CLP		Line-by-line	Enel Chile SA	57.50%	37.33%
Sociedad de Inversiones K Cuatro SpA	Santiago de Chile	CL	316,318,800.00	CLP		-	Enel X Chile SpA	10.00%	6.49%
Sociedad Eólica de Andalucía SA	Seville	ES	4,507,590.78	EUR		Line-by-line	Enel Green Power España SLU	64.75%	45.40%
Sociedad Eólica El Puntal SL	Seville	ES	1,643,000.00	EUR		Equity	Enel Green Power España SLU	50.00%	35.06%
Sociedad Eólica Los Lances SA	Seville	ES	2,404,048.42	EUR		Line-by-line	Enel Green Power España SLU	60.00%	42.07%
Sociedad para el Desarrollo de Sierra Morena Cordobesa SA	Cordoba	ES	86,063.20	EUR		-	Endesa Generación SA	1.82%	1.27%
Sociedad Portuaria Central Cartagena SA	Bogotá	CO	89,714,600.00	COP		Line-by-line	Emgesa SA ESP Inversora Codensa SAS	94.94% 5.05%	39.87%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Società Elettrica Trigno Srl	Trivento	IT	100,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Soetwater Wind Farm (RF) (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		AFS	Enel Green Power RSA 2 (RF) (Pty) Ltd	55.00%	55.00%
Solana Renovables SL	Madrid	ES	5,000.00	EUR		Equity	Enel Green Power España SLU	49.84%	34.94%
Solas Electricity Srl	Bucharest	RO	740,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Soliloquoy Ridge LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Somersworth Hydro Company Inc.	Wilmington	US	100.00	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
Sona Enerjí Üretím Anoním Şírketí	Istanbul	TR	50,000.00	TRY		Line-by-line	Enel Green Power Turkey Enerjí Yatirimlari Anoním Şírketí	100.00%	100.00%
Sonak Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Sotavento Galicia SA	Santiago de Compostela	ES	601,000.00	EUR		Equity	Enel Green Power España SLU	36.00%	25.24%
South Italy Green Hydrogen Srl	Rome	IT	10,000.00	EUR		Equity	Enel Green Power Italia Srl	50.00%	50.00%
South Rock Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
South Wind Energy Srl	Bucharest	RO	2,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Southwest Transmission LLC	Cedar Bluff	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	100.00%	100.00%
Spartan Hills LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Spinazzola SPV Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Spring Wheat Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Stampede Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Sterling and Wilson Enel X e-Mobility Private Limited	Mumbai	IN	90,000,000.00	INR		Equity	Enel X International Srl	50.00%	50.00%
Stillman Valley Solar LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Stillwater Woods Hill Holdings LLC	Wilmington	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Stipa Nayaá SA de Cv	Mexico City	MX	1,811,016,348.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv Enel Green Power Partecipazioni Speciali Srl	55.21% 40.16%	95.37%
Stockyard Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Strinestown Solar I LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Suave Energía S de RL de Cv	Mexico City	MX	1,000.00	MXN		Line-by-line	Enel Green Power México S de RL de Cv	0.10%	100.00%
							Enel Rinnovabile SA de Cv	99.90%	
Sublunary Trading (RF) (Pty) Ltd	Bryanston	ZA	13,750,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	57.00%	57.00%
Sugar Pine Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Suggestion Power (Unipessoal) Ltda	Paço de Arcos	PT	50,000.00	EUR		Line-by-line	Endesa Generación Portugal SA	100.00%	70.11%
Suministradora de buses K Cuatro SpA	Santiago de Chile	CL	14,840,473,200.00	CLP		-	Sociedad de Inversiones K Cuatro SpA	99.00%	6.43%
Suministradora Eléctrica de Cádiz SA	Cadiz	ES	12,020,240.00	EUR		Equity	Endesa Red SA (Sociedad Unipersonal)	33.50%	23.49%
Suministro de Luz y Fuerza SL	Barcelona	ES	2,800,000.00	EUR		Line-by-line	Hidroeléctrica de Catalunya SL	60.00%	42.07%
Summit Energy Storage Inc.	Wilmington	US	1,000.00	USD		Line-by-line	Enel Green Power North America Inc.	75.00%	75.00%
Sun River LLC	Bend	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Sundance Wind Project LLC	Dover	US	100.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Sunflower Prairie Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Swather Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Sweet Apple Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Tae Technologies Inc.	Pauling	US	53,207,936.00	USD		-	Enel Produzione SpA	1.12%	1.12%
							Tae Technologies Inc.	0.00%	
Tauste Energía Distribuida SL	Zaragoza	ES	60,508.00	EUR		Line-by-line	Enel Green Power España SLU	51.00%	35.76%
Tecnatom SA	Madrid	ES	4,025,700.00	EUR		Equity	Endesa Generación SA	45.00%	31.55%
Tecnoguat SA	Guatemala City	GT	30,948,000.00	GTQ		Line-by-line	ESSA2 SpA	75.00%	61.70%
Tejo Energia - Produção e Distribuição de Energia Eléctrica SA	Lisbon	PT	5,025,000.00	EUR		Equity	Endesa Generación SA	43.75%	30.67%
Tenedora de Energía Renovable Sol y Viento SAPI de Cv	Mexico City	MX	2,892,643,576.00	MXN		Equity	Enel Green Power SpA	32.89%	32.90%
Teploprogress JSC	Sredneuralsk	RU	128,000,000.00	RUB		Line-by-line	Enel Russia PJSC	60.00%	33.86%
Tera Renewables India Private Limited	Gurugram	IN	100,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Termica Colleferro SpA	Bologna	IT	6,100,000.00	EUR		Equity	Cogenio Srl	60.00%	12.00%
Termoeléctrica José de San Martín SA	Buenos Aires	AR	7,078,298.00	ARS		-	Central Dock Sud SA	0.42%	4.22%
							Enel Generación Costanera SA	1.68%	
							Enel Generación El Chocón SA	5.60%	
Termoeléctrica Manuel Belgrano SA	Buenos Aires	AR	7,078,307.00	ARS		-	Central Dock Sud SA	0.47%	4.71%
							Enel Generación Costanera SA	1.89%	
							Enel Generación El Chocón SA	6.23%	
Termotec Energía AIE in liquidation	La Pobla de Vallbona	ES	481,000.00	EUR		Equity	Enel Green Power España SLU	45.00%	31.55%
Terrer Renovables SL	Madrid	ES	5,000.00	EUR		Equity	Baylio Solar SLU	11.66%	20.73%
							Dehesa de los Guadalupes Solar SLU	8.83%	
							Seguidores Solares Planta 2 SL (Sociedad Unipersonal)	9.08%	
Testing Stand of Ivanovskaya GRES JSC	Komsomolsk	RU	118,213,473.45	RUB		-	Enel Russia PJSC	1.65%	0.93%
Texkan Wind LLC	Andover	US	-	USD		Line-by-line	Enel Texkan Inc.	100.00%	100.00%
Thar Surya 1 Private Limited	Gurgaon	IN	100,000.00	INR		Line-by-line	Avikiran Surya India Private Limited	100.00%	100.00%
Thunder Ranch Wind Holdings I LLC	Dover	US	100.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Thunder Ranch Wind Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Thunder Ranch Wind Project LLC	Dover	US	1.00	USD		Line-by-line	Thunder Ranch Wind Holdings LLC	100.00%	100.00%
Thunderegg Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Tico Solar 1 SLU	Zaragoza	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Tico Solar 2 SLU	Zaragoza	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Tobivox (RF) (Pty) Ltd	Johannesburg	ZA	10,000,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Toledo PV AIE	Madrid	ES	26,887.96	EUR		Equity	Enel Green Power España SLU	33.33%	23.37%
Toplet Power Park Srl	Bucharest	RO	2,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Topwind Energy Srl	Bucharest	RO	2,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Toro Renovables 400 kV SL	Madrid	ES	3,000.00	EUR		-	FRV Zamora Solar 1 SLU	8.28%	5.81%
Torrepalma Energy 1 SLU	Madrid	ES	3,100.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Tradewind Energy Inc.	Wilmington	US	1,000.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Transmisora de Energía Renovable SA	Guatemala City	GT	233,561,800.00	GTQ		Line-by-line	Enel Green Power Guatemala SA	0.00%	82.27%
							ESSA2 SpA	100.00%	
							Generadora Montecristo SA	0.00%	
Transportadora de Energía SA-TESA	Buenos Aires	AR	2,584,473,416.00	ARS		Line-by-line	Enel Argentina SA	0.00%	82.27%
							Enel Brasil SA	60.15%	
							Enel CIEN SA	39.85%	
Transportes y Distribuciones Eléctricas SA in liquidation	Girona	ES	72,121.45	EUR		Line-by-line	Edistribución Redes Digitales SL (Sociedad Unipersonal)	73.33%	51.42%
Trévago Renovables SL	Madrid	ES	3,000.00	EUR		Equity	Furatena Solar 1 SLU	17.73%	24.89%
							Seguidores Solares Planta 2 SL (Sociedad Unipersonal)	17.77%	
Tsar Nicholas LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Tula WPS LLC	Tula	RU	-	RUB		Line-by-line	Enel Green Power Rus Limited Liability Company	100.00%	100.00%
Tulip Grove Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Tunga Renewable Energy Private Limited	Gurugram	IN	19,100,000.00	INR		Line-by-line	Avikiran Energy India Private Limited	100.00%	100.00%
TWE Franklin Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
TWE ROT DA LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Twin Lake Hills LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Twin Saranac Holdings LLC	Wilmington	US	-	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Tyme Srl	Bergamo	IT	100,000.00	EUR		Equity	Enel X Italia Srl	50.00%	50.00%
Ufinet Argentina SA	Buenos Aires	AR	9,745,583.00	ARS		Equity	Ufinet Latam SLU	99.95%	20.60%
							Ufinet Panamá SA	0.05%	
Ufinet Brasil Participações Ltda	Santo André	BR	120,784,639.00	BRL		Equity	Zacapa Topco II Sàrl	100.00%	50.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Ufinet Brasil SA	Barueri	BR	29,800,000.00	BRL		Equity	Ufinet Brasil Telecomunicação Ltda	60.00%	30.00%
Ufinet Brasil Telecomunicação Ltda	Santo André	BR	120,784,638.00	BRL		Equity	Ufinet Brasil Participações Ltda	100.00%	50.00%
							Ufinet Latam SLU	0.00%	
Ufinet Chile SpA	Santiago de Chile	CL	233,750,000.00	CLP		Equity	Ufinet Latam SLU	100.00%	20.60%
Ufinet Colombia Participaciones SAS	Bogotá	CO	10,001,001,000.00	COP		Equity	Ufinet Latam SLU	100.00%	20.60%
Ufinet Colombia SA	Bogotá	CO	1,180,000,000.00	COP		Equity	Ufinet Guatemala SA	0.00%	18.54%
							Ufinet Honduras SA	0.00%	
							Ufinet Latam SLU	90.00%	
							Ufinet Panamá SA	0.00%	
Ufinet Costa Rica SA	San José	CR	25,000.00	USD		Equity	Ufinet Latam SLU	100.00%	20.60%
Ufinet Ecuador Ufiec SA	Quito	EC	9,865,110.00	USD		Equity	Ufinet Guatemala SA	0.00%	20.60%
							Ufinet Latam SLU	100.00%	
Ufinet El Salvador SA de Cv	San Salvador	SV	10,000.00	USD		Equity	Ufinet Guatemala SA	0.01%	20.60%
							Ufinet Latam SLU	99.99%	
Ufinet FTTH Guatemala Ltda	Guatemala City	GT	50,000.00	GTQ		-	Ufinet Latam SLU	51.00%	10.51%
Ufinet Guatemala SA	Guatemala City	GT	3,000,000.00	GTQ		Equity	Ufinet Latam SLU	99.99%	20.60%
							Ufinet Panamá SA	0.01%	
Ufinet Honduras SA	Tegucigalpa	HN	194,520.00	HNL		Equity	Ufinet Latam SLU	99.99%	20.60%
							Ufinet Panamá SA	0.01%	
Ufinet Latam SLU	Madrid	ES	15,906,312.00	EUR		Equity	Zacapa Sàrl	100.00%	20.60%
Ufinet México S de RL de Cv	Mexico City	MX	7,635,430.00	MXN		Equity	Ufinet Guatemala SA	1.31%	20.60%
							Ufinet Latam SLU	98.69%	
Ufinet Nicaragua SA	Managua	NI	2,800,000.00	NIO		Equity	Ufinet Guatemala SA	0.50%	20.60%
							Ufinet Latam SLU	99.00%	
							Ufinet Panamá SA	0.50%	

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Ufinet Panamá SA	Panama City	PA	1,275,000.00	USD		Equity	Ufinet Latam SLU	100.00%	20.60%
Ufinet Paraguay SA	Asunción	PY	79,488,240,000.00	PYG		Equity	Ufinet Latam SLU	75.00%	15.45%
Ufinet Perú SAC	Lima	PE	2,836,474.00	PEN		Equity	Ufinet Latam SLU Ufinet Panamá SA	100.00% 0.00%	20.60%
Ufinet US LLC	Wilmington	US	1,000.00	USD		Equity	Ufinet Latam SLU	100.00%	20.60%
Ukuqala Solar Proprietary Limited	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Unión Eléctrica de Canarias Generación SAU	Las Palmas de Gran Canaria	ES	190,171,520.00	EUR		Line-by-line	Endesa Generación SA	100.00%	70.11%
Upington Solar (Pty) Ltd	Johannesburg	ZA	1,000.00	ZAR		Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
USME ZE SAS	Bogotá	CO	104,872,000.00	COP		Line-by-line	Bogotá ZE SAS	100.00%	39.74%
Ustav Jaderného Výzkumu Rez AS	Řež	CZ	524,139,000.00	CZK		Equity	Slovenské elektrárne AS	27.77%	9.17%
Valdecaballero Solar SL	Madrid	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
Vayu (Project 1) Private Limited	Gurugram	IN	30,000,000.00	INR		Line-by-line	Enel Green Power India Private Limited	100.00%	100.00%
Vektör Enerjí Üretím Anoním Şírketí	Istanbul	TR	3,500,000.00	TRY		AFS	Enel SpA	100.00%	100.00%
Ventos de Santa Ângela Energias Renováveis SA	Rio de Janeiro	BR	7,315,000.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Ventos de Santa Esperança Energias Renováveis SA	Rio de Janeiro	BR	4,727,414.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Ventos de Santo Orestes Energias Renováveis SA	Rio de Janeiro	BR	1,754,031.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Ventos de São Roque Energias Renováveis SA	Rio de Janeiro	BR	10,188,722.00	BRL		Line-by-line	Enel Brasil SA	100.00%	82.27%
Vientos del Altiplano SA de Cv	Mexico City	MX	1,455,854,094.00	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Villanueva Solar SA de Cv	Mexico City	MX	205,316,027.15	MXN		Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Viruleiros SL	Santiago de Compostela	ES	160,000.00	EUR		Line-by-line	Enel Green Power España SLU	67.00%	46.97%
Viva Labs AS	Oslo	NO	104,724.90	NOK		Line-by-line	Enel X International Srl	60.00%	60.00%
Wapella Bluffs Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Waseca Solar LLC	Waseca	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Waypost Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Weber Energy Storage Project LLC	Wilmington	US	-	USD		Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Wespire Inc.	Boston	US	1,625,000.00	USD		-	Enel X North America Inc.	11.21%	11.21%
West Faribault Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
West Hopkinton Hydro LLC	Wilmington	US	-	USD		AFS	Enel Green Power North America Inc.	100.00%	100.00%
West Waconia Solar LLC	Wilmington	US	-	USD		Line-by-line	Aurora Distributed Solar LLC	100.00%	74.13%
Western New York Wind Corporation	Albany	US	300.00	USD		Line-by-line	Enel Green Power North America Inc.	100.00%	100.00%
Wharton-El Campo Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
White Cloud Wind Holdings LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
White Cloud Wind Project LLC	Andover	US	1.00	USD		Line-by-line	White Cloud Wind Holdings LLC	100.00%	100.00%
White Peaks Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Whitetail Trails Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Whitney Hill Wind Power Holdings LLC	Andover	US	99.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Whitney Hill Wind Power LLC	Andover	US	-	USD		Line-by-line	Whitney Hill Wind Power Holdings LLC	100.00%	100.00%
Whittle's Ferry Solar Project LLC	Andover	US	1.00	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Wild Run LP	Alberta	CA	10.00	CAD		Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Wildcat Flats Wind Project LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Wilderness Range Solar Project LLC	Andover	US	-	USD		Line-by-line	Enel Kansas LLC	100.00%	100.00%
Wind Belt Transco LLC	Andover	US	1.00	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Wind Energy Green Park Srl	Bucharest	RO	2,000.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Wind Parks Anatolis - Prinias Single Member SA	Maroussi	GR	15,803,388.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Bolibas SA	Maroussi	GR	551,500.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Wind Parks Distomos SA	Maroussi	GR	556,500.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Folia SA	Maroussi	GR	424,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Gagari SA	Maroussi	GR	389,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Goraki SA	Maroussi	GR	551,500.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Gourles SA	Maroussi	GR	555,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Kafoutsi SA	Maroussi	GR	551,500.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Katharas Single Member SA	Maroussi	GR	19,932,048.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Kerasias Single Member SA	Maroussi	GR	26,107,790.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Milias Single Member SA	Maroussi	GR	19,909,374.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Mitikas Single Member SA	Maroussi	GR	22,268,039.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Petalo SA	Maroussi	GR	575,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Platanos Single Member SA	Maroussi	GR	13,342,867.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Skoubi SA	Maroussi	GR	472,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Spilias Single Member SA	Maroussi	GR	28,267,490.00	EUR		Line-by-line	Enel Green Power Hellas Wind Parks South Evia Single Member SA	100.00%	100.00%
Wind Parks Strouboulas SA	Maroussi	GR	576,500.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Vitalio SA	Maroussi	GR	361,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Vourlas SA	Maroussi	GR	554,000.00	EUR		Equity	Enel Green Power Hellas SA	30.00%	30.00%
Winter's Spawn LLC	Minneapolis	US	-	USD		Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Wkn Basilicata Development PE1 Srl	Rome	IT	10,000.00	EUR		Line-by-line	Enel Green Power Italia Srl	100.00%	100.00%
Woods Hill Solar LLC	Wilmington	US	-	USD		Line-by-line	Stillwater Woods Hill Holdings LLC	100.00%	100.00%
Xaloc Solar SLU	Valencia	ES	3,000.00	EUR		Line-by-line	Enel Green Power España SLU	100.00%	70.11%
X-bus Italia Srl	Milan	IT	15,000.00	EUR		Equity	Enel X Italia Srl	20.00%	20.00%

Company name	Headquarters	Country	Share capital	Currency	Segment	Consolidation method	Held by	% holding	Group % holding
Yacylec SA	Buenos Aires	AR	20,000,000.00	ARS		Equity	Enel Américas SA	33.33%	27.42%
Yedesa-Cogeneración SA	Almería	ES	234,394.72	EUR		Equity	Enel Green Power España SLU	40.00%	28.04%
Zacapa HoldCo Sàrl	Luxembourg	LU	76,180,812.49	EUR		Equity	Zacapa Topco Sàrl	100.00%	20.60%
Zacapa LLC	Wilmington	US	100.00	USD		Equity	Zacapa Topco Sàrl	100.00%	20.60%
Zacapa Sàrl	Luxembourg	LU	82,866,475.04	USD		Equity	Zacapa HoldCo Sàrl	100.00%	20.60%
Zacapa Topco II Sàrl	Luxembourg	LU	12,000.00	EUR		Equity	Enel X International Srl	50.00%	50.00%
Zacapa Topco Sàrl	Luxembourg	LU	30,000,000.00	EUR		Equity	Enel X International Srl	20.60%	20.60%
Zephir 3 Constanta Srl	Bucharest	RO	1,031,260.00	RON		Line-by-line	Enel Green Power Romania Srl	100.00%	100.00%
Zoo Solar Project LLC	Andover	US	-	USD		Line-by-line	Tradewind Energy Inc.	100.00%	100.00%


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