

Negotiating expectations: Coal phase out visibility

GOAL OF INVESTORS

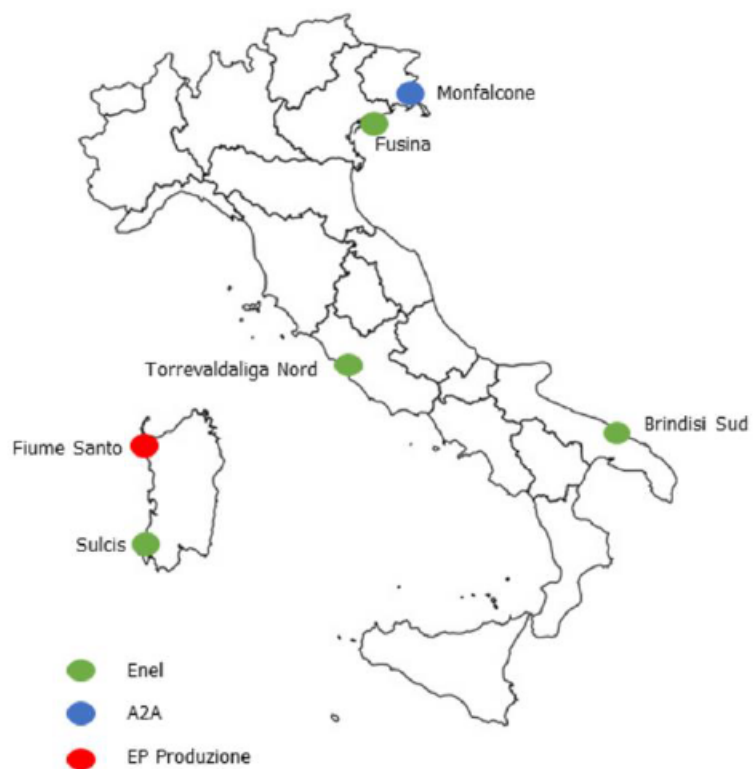
- We want to help ENEL explain and gain trust on the coal phase out: lenders and investors have increasing focus on coal.
- We want to support ENEL in its potential discussion with regulatory authorities to enable additional disclosures on the constraints/plans related to coal plants.



EXPECTATION TOWARDS ENEL

- Disclose publicly to the market the context and constraints applying to coal plants in Spain and Italy.
- Disclose publicly to the market the coal phase out strategy (high level principles)
- Disclose publicly to the market a road map that defines milestones plant by plant.

ENEL (Focus on Italy): Capacity installed



- Plant of Fiume Santo: owned by EP Produzione SpA, consisting of 2 coal-fired units with a total capacity of 640 MW.
- Plant of Monfalcone: owned by A2A, it has 2 coal-fired units of 165 and 171 MW respectively.
- **Plant of Torrealvaliga Nord**: owned by Enel SpA, is composed by 3 coal-fired units of 660 MW each.
- **Plant of South Brindisi**, owned by Enel SpA, is made of 3 coal-fired units of 660 MW each.
- **Plant of Fusina**, owned by Enel SpA, consists of 2 coal-fired units of 330 MW each.
- **Plant of Sulcis**, owned by Enel SpA, has 2 coal-fired units of 280 and 210 MW respectively.

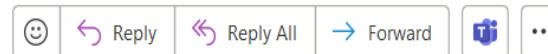
R: FFS - engagement with ENEL



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To Humbert Francois

Cc Girardi Monica (HLD AFC); Toppi Emanuele (HLD AFC); Ribeiro Da Encarnacao Danielle (HLD AFC); Bastianelli Oriana; Badia Michele



Mon 12/11/2023 10:07 AM

INTERNAL

Dear Oriana, Francois and Michele,

I hope this email finds you well. I just wanted to highlight that, together with the new Strategic Plan presentation for the 2024-2026 period, an ad-hoc deck tackling ESG issues has been uploaded on Enel website: "ESG Focus for Investors". Following our discussions on coal-based plants decommissioning, the deck includes – among other things – a set of information plant by plant, including essentiality, planned phase-out year, risk factors and constraints in relation to each coal plant.

I attach herewith the link to the Presentation (please see slides 4 and 5): <https://www.enel.com/content/dam/enel-com/documenti/investitori/informazioni-finanziarie/2023/esg-focus-for-investors.pdf>

You will see that the 2026 ESG targets (including emission reduction targets) are currently missing: the presentation will be updated with the 2026 targets after the approval by the Governance and Sustainability Committee of the 2024-2026 Sustainability Plan in mid-December.

We would like to thank you for the engagement with you, that has allowed us to disclose this important piece of information re. our coal-based plants.

We are available for an update call at your convenience after the 2026 ESG targets are disclosed (we would suggest some time in January).

Thank you and have a lovely day.

Kind regards,

Federico

Federico Baroncelli

Investor Relations

Administration Finance and Control

Sticking to our coal phase-out plan | Italy



Torrevaldaliga Nord – 1.8 GW

- **Essential Plant:** No
- **Planned phase-out:** progressive within 2025¹
- **Risk factors:** Authorities may delay closure authorization

Fusina – 0.5 GW

- **Essential Plant:** No
- **Planned phase-out:** 2023, conversion to CCGT ongoing
- **Risk factors:** Closure authorization already granted

Sulcis – 0.5 GW

- **Essential Plant:** Yes
- **Planned phase-out:** 2027
- **Risk factors:** Plant closure subject to the realization of the transmission Tyrrhenian link Sardinia – Italy mainland

Federico II – 1.8 GW

- **Essential Plant:** No
- **Planned phase-out:** progressive within 2025¹
- **Risk factors:** Authorities may delay closure authorization

For the reconversion of the coal-fired plants Enel will evaluate the best available technologies, based on the needs indicated by the national transmission grid operator, in integration with projects in no energy sector developed by third-parties

1. Potential advance request for single units



COMUNICATO STAMPA

**TYRRHENIAN LINK: AUTORIZZATA DAL MINISTERO
DELL'AMBIENTE E SICUREZZA ENERGETICA LA TRATTA
OVEST, CHE COLLEGA SICILIA E SARDEGNA**

L'opera, per cui Terna investirà complessivamente circa 3,7 miliardi, consentirà una migliore integrazione delle fonti rinnovabili e un importante impulso alla transizione energetica.

L'opera sarà realizzata per fasi successive e completata nel 2028

<https://www.terna.it/it/media/comunicati-stampa/dettaglio/tyrrhenian-link-autorizzazione-mase-tratta-ovest-sicilia-sardegna>

<https://www.arera.it/atti-e-provvedimenti/dettaglio/23/501-23>

<https://webtv.camera.it/evento/23891>

Sticking to our coal phase-out plan | Spain & Colombia



As Pontes – 1.4 GW

- **Essential Plant:** No
- **Planned phase-out:** 2023
- **Risk factors:** Closure authorization already granted



Termozipa – 0.2 GW

- **Essential plant:** Yes
- **Planned phase-out:** 2027

Alcudia – 0.2 GW

- **Essential Plant:** No (production limitation)¹
- **Planned phase-out:** 2027
- **Risk factors:** Plant closure subject to the realization of the second transmission link Mallorca – Spain mainland

For the reconversion of the coal-fired plants Enel will evaluate the best available technologies, based on the needs indicated by the national transmission grid operator, in integration with projects in no energy sector developed by third-parties

1. Current production limitation: 500 hours per year



Just Transition | Enel people



Plan

Social dialogue, social protection and wage guarantees in line with International Labor Organization (ILO) standards

Lines of work

Engagement

Social dialogue and listening

Transition out

Upskilling/reskilling, redeployment, knowledge sharing, retirements¹

Transition in

Upskilling/reskilling to green jobs and digital

Actions taken in 2023²

- 30% of people leaving coal power plants **redeployed** and attended upskilling/reskilling programs; the remaining 70% **retired/early retired**
- Coal redeployed people: **~80%** within GPG perimeter, **~20%** to other Enel business areas
- 35% of overall training dedicated to total employees conducted on **reskilling and upskilling**
- In 2020-23E **>1.5 €bn** provisions dedicated to managing Enel people affected by the energy transition

2024-26 targets

- 80%** of people leaving coal power plants will be redeployed; the other **20%** will be involved in early retirement plans
- 40%** in 2026 of overall training dedicated to total employees conducted on **reskilling and upskilling**
- Strengthening of 'internal training' approach

1. Retirements, early retirements, voluntary terminations 2.Expected figures

1.5°C SBTi certification covering GHG emissions (Scope 1, 2 & 3) along the whole value chain



	2017 <i>Baseline</i>	2026 <i>Short-term targets</i>	2030 <i>Medium-term targets</i>	2040 <i>Long-term targets</i>
Scope 1 Generation (gCO _{2e} /kWh)	365	125 -66%	72 -80%	0 -100%
Scope 1 & 3 Integrated Power (gCO _{2e} /kWh)	332	135 -59%	73 -78%	0 -100%
Scope 3 Gas Retail (MtCO _{2e})	25.3	20.0 -21%	11.4 -55%	0 -100%

No negative emission technologies or offsets will be deployed on the path to the zero-emission goal

#% Reduction vs 2017



1.5°C SBTi certified

1. Target on additional Scope 1,2 & 3 emissions has also been certified by the SBTi as compliant with the 1.5°C pathway. 2030 target: 10.4 MtCO_{2e} (-55% vs 2017); 2040 target: <2.5 MtCO_{2e} (-90% vs 2017). The latter to be offset starting in 2040 through negative emissions technologies or offsets, to reach net zero.