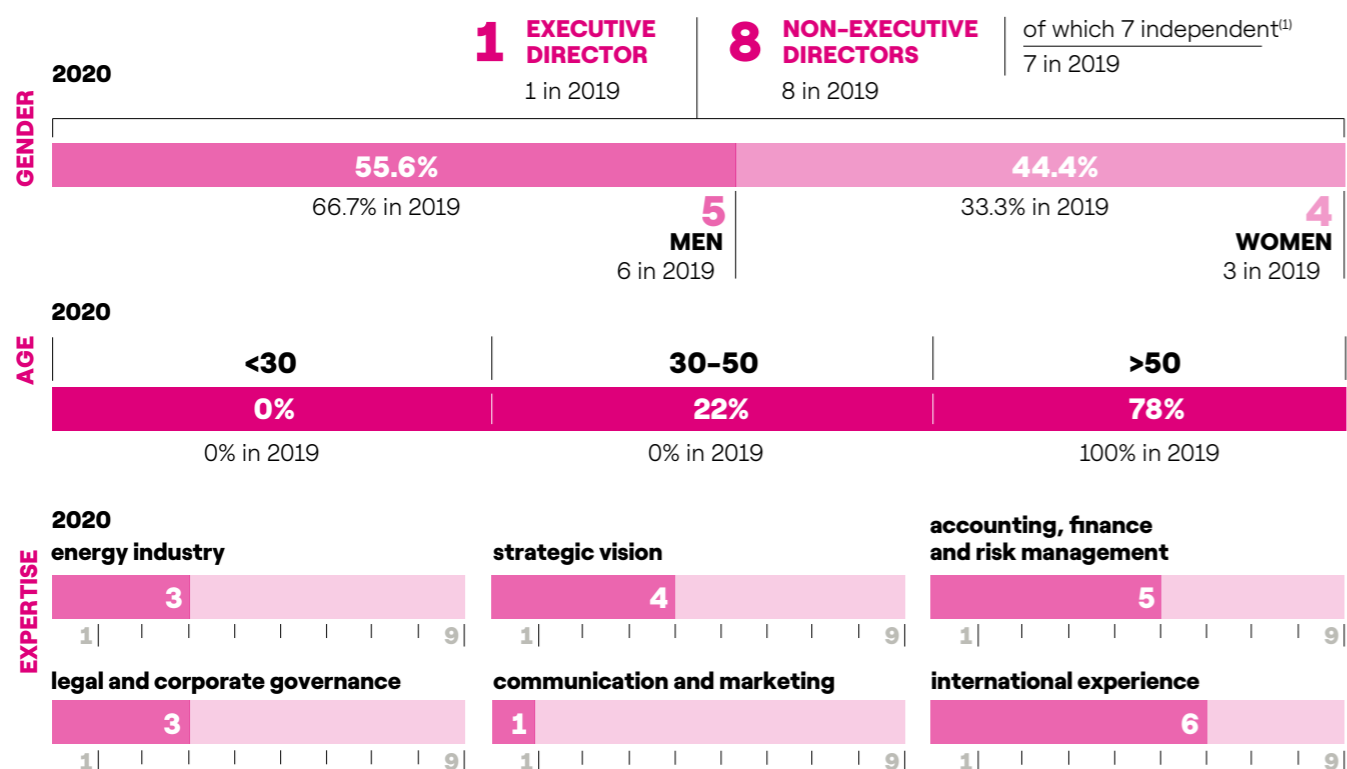


## Board of Directors

<b>CHAIRMAN</b> Michele Crisostomo	<b>CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER</b> Francesco Starace	<b>SECRETARY</b> Silvia Alessandra Fappani
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<b>DIRECTORS</b> Cesare Calari Costanza Esclapon de Villeneuve Samuel Leupold Alberto Marchi	Mariana Mazzucato Mirella Pellegrini Anna Chiara Svelto
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(1) The figures for 2020 and 2019 refer to directors qualifying as independent pursuant to the Corporate Governance Code (2018 edition).

## Board of Statutory Auditors

<b>CHAIRMAN</b> Barbara Tadolini	<b>AUDITORS</b> Romina Guglielmetti Claudio Sottoriva	<b>ALTERNATE AUDITORS</b> Maurizio De Filippo Francesca Di Donato Piera Vitali
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## Audit Firm

KPMG SpA

## Board of Directors

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The Board of Directors in office was **appointed by the Ordinary Shareholders' Meeting of May 14, 2020** and consists of nine members.

Enel applies diversity criteria, also in relation to gender, in the composition of the Board of Directors, in line with the priority goal of ensuring adequate competence and professionalism of its members. Specifically, In January 2018 the Board of Directors approved a diversity policy, which describes the optimal characteristics of the Board's composition to ensure it can fulfil its duties as effectively as possible, making decisions that can tangibly benefit from the contribution of a plurality of qualified point of views able to examine the issues under discussion from diverse perspectives.

The Board of Directors held **16 meetings in 2020, of which 12 addressed climate-related matters, reflected in the strategies and related implementation methods.** Moreover, a broad ranging and articulated induction program was defined in 2020, with 17 initiatives aimed at providing the Directors with adequate knowledge of the Group's business sectors, as well as its corporate dynamics and their evolution, market trends, and the legal framework; also the Statutory Auditors participated in this program. The induction initiatives carried out in 2020 concerned all Business Lines and the main Countries and Regions in which the Group is present, and also the Global Service Functions ("Digital Solutions" and "Procurement") and the principal staff Functions ("Administration, Finance and Control", "Communications", "Innovability®" and "People and Organization"), plus a session on "Digital Transformation", conducted with the participation of an external expert. In this context, one of the induction activities also concerned the Enel Group's 2021-2023 Sustainability Plan and the positioning of the Group companies in the main sustainability indexes. In February 2020, the Board of Directors updated the specific corporate policy on the **maximum number of offices Enel Directors may hold** in administrative and/or control bodies of other companies of significant size, so as to adapt its contents to reflect the relevant best practices developed by the main proxy advisors and by significant institutional investors. In February and March 2021 the Board of Directors also adopted several measures aimed to ensure the implementation in Enel of the new Italian Corporate Governance Code, published on January 31, 2020. The measures in question include the adoption of a **policy for the management of the dialogue with institutional investors** and with the generality of shareholders and bondholders

of Enel ("engagement policy"), that takes into account the best practices adopted in this area by institutional investors and reflected in Stewardship codes. In relation to the topic of succession plans for executive directors, in September 2016 the Board of Directors shared the contents of a specific "**contingency plan**" aimed at regulating the actions to be taken to ensure proper management of the Company in case of early cessation of the Chief Executive Officer before the expiry of the ordinary term of office (defined as "crisis management" case). Finally, in the closing months of 2020 and during the initial months of 2021, with the assistance of the independent consultant Spenser Stuart the Board of Directors carried out an assessment of the size, composition, and functioning of the Board itself and its committees ("**board review**"), in line with the most advanced corporate governance practices followed internationally and adopted under the Corporate Governance Code. The board review, which was extended also to include the Board of Statutory Auditors, was conducted in accordance with the peer-to-peer review method, i.e. through assessment not merely of the functioning of each body considered as a whole, but also of the style and contents of the contribution supplied by each director and statutory auditor. In the context of the board review of the Board of Directors, the questionnaires and interviews also concerned *inter alia* the implementation of the principles of sustainability in the strategies and business model of the Company and the Group, together with the attention devoted to sustainability topics by the Board of Directors.

## Remuneration policy

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The Enel remuneration policy for 2020, adopted by the Board of Directors and approved by the Shareholders' Meeting of May 14, 2020, was defined taking account of national and international best practices, the indications that emerged from the favorable vote of the Shareholders' Meeting of May 16, 2019 concerning the remuneration policy for 2019, and the results of a benchmark analysis concerning the remuneration treatment of the Chair of the Board of Directors, the Chief Executive Officer/General Manager and the non-executive Directors of Enel for the 2017/2019 mandate, prepared by the independent consultant Willis Towers Watson.

In line with the recommendations of the Corporate Governance Code for listed companies (2018 edition), the 2020 remuneration policy is designed to attract, motivate and retain talent with the most suitable professional qual-

ities to manage the Company successfully, incentivize the achievement of strategic goals and sustainable growth of the Company, and to align management interests to the priority goal of creating sustainable value for shareholders in the medium/long term and promoting the corporate mission and values.

The remuneration policy for 2020 sets out the following compensation for the Chief Executive Officer/General Manager and for executives with strategic responsibilities ("ESRs"):

- > a fixed component;
- > a short-term variable component ("MBO"), to be paid based on the achievement of specific performance objectives. In particular:
  - for the Chief Executive Officer/General Manager, the 2020 MBO is based on the following annual performance objectives:
    - Ordinary consolidated net income;
    - Group Opex;
    - Funds from operations/Consolidated net financial debt;
    - Management of Covid-19 emergency: remote management of operations;
    - Safety in the workplace;
  - for ESRs, the respective MBOs identify specific and objective annual targets linked to the reference business and differentiated in accordance with the Functions and assigned responsibilities;
- > a long-term variable component linked to participation in specific multi-annual incentive plans. In particular, for 2020 this component is linked to participation in the

Long-Term Incentive Plan reserved to the management of Enel SpA and/or of its subsidiaries pursuant to article 2359 of the Italian Civil Code ("2020 LTI Plan"), which contains the following three-year performance goals:

- average TSR (Total Shareholder Return) of Enel vs average TSR of Euro Stoxx Utilities Index – EMU in the three-year period 2020-2022;
- cumulative ROACE (Return on Average Capital Employed) in the three-year period 2020-2022;
- Renewable net consolidated installed capacity/Total net consolidated installed capacity at the end of 2022;
- CO<sub>2</sub> grams emissions per kWh equivalent produced by the Group in 2022.

The 2020 LTI Plan also envisages any premium accrued to be represented by a share component, to which – based on the level of achievement of the various objectives – a monetary component can be added. In particular, 100% of the base amount of the Chief Executive Officer/General Manager and 50% of the base amount of the ESRs will be paid in Enel shares, previously acquired by the Company. In addition, the disbursement of a significant portion of the long-term variable remuneration component (70% of the total) is deferred to the second financial year after the three-year performance period of the 2020 LTI Plan (i.e. deferred payment).

For more information on the contents of the 2020 remuneration policy, refer to Enel's Report on the remuneration policy for 2020 and compensations paid in 2019, available on the Company website (www.enel.com).

Finally, we draw your attention to the fact that the table below gives both for 2019 and 2020 the ratio between the total remuneration accrued by Enel's Chief Executive Officer/

General Manager and average gross annual remuneration of the Group's employees ("pay ratio").

	2020	2019
Pay ratio – Ratio between total remuneration of the Enel CEO/GM and average gross annual remuneration of Group employees	146x (35x fixed compensation)	143x (36x fixed compensation)

For the sake of full disclosure, the same ratio is shown also with reference exclusively to the fixed component of the remunerations in question. For more information on pay

ratio calculation methods, see Enel's Report on the remuneration policy for 2021 and compensations paid in 2020, available on the Company website (www.enel.com).

## Internal Control and Risk Management System

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Enel adopts a governance model in line with best risk management practices, which involves:



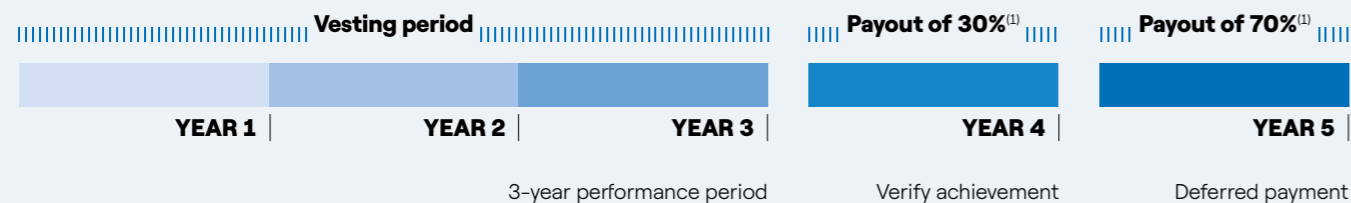
In consideration of its operations, Enel adopts a classification of the risks to which it is exposed, composed of six categories: **strategic, financial, operative, governance & culture, digital technology, and compliance.**

The risks are defined in a **catalogue** to be referred to in all Group areas and for all the structures involved in management and monitoring processes. Adoption of a common language facilitates mapping and organic representation of risks within the Group, thus aiding identification of risks

that affect Group processes and of the roles of the organizational units involved in their management.

The Group also adopts a **Risk Appetite Framework**, in order to enable, for each risk and in accordance with an integrated approach, the appropriate management and control measures, plus development and updating (metrics and models for measurement of risks). For the effective management of such risks, Enel set up an Internal Control and Risk Management System ("SCIGR"), updated period-

## LTI PLANS (Long-Term Incentive Plans)



(1) In case of achievement of performance goals.