Tax strategy

Objectives of the tax strategy

In order to safeguard the assets and transparency of the Enel Group (hereinafter also “the Group”), together with the related shareholders’ interests, with this document the Board of Enel Spa sets out the **tax strategy** guidelines for the whole Enel Group with the aim of ensuring **consistent and uniform tax management** across all entities belonging to the Group. Enel’s tax management activity is based on the concurrent objectives of (i) the accurate and timely calculation and payment of due **taxes**, and fulfilment of the related obligations; (ii) the mitigation of **tax risk**, defined as the risk of violating tax laws, or of abusing the principles and purposes of tax regulations.

Principles of the tax strategy

The **principles** described in this section are an integral part of the tax strategy that the Enel Group aims to pursue. These principles define guidelines for the entities that belong to the Group, inform the companies’ tax management activities and require the implementation of adequate processes to ensure their effectiveness and application.

Values

The Enel Group, in the spirit of its sustainability strategy, manages its tax-related activities in accordance with values of **honesty** and **integrity**, fully aware of the fact that tax revenue is one of the main contributors to the economic and social development in the countries in which the Group operates.

Legality

The Group pursues an approach that is fully oriented to **complying with applicable tax laws** in the countries in which it operates and interpreting those laws with the goal of responsibly mitigating tax risk in such a way as to satisfy the interests of all stakeholders.

Tone at the top

The Board defines the Enel Group’s tax strategy, ensuring its application across the whole Group and assuming the responsibility for driving the spread of a **corporate culture** based on values of honesty and integrity and respect for the rule of law.

Transparency

The Group maintains a collaborative and transparent **relationship** with the **tax authority**, ensuring that it can fully comprehend the facts that underlie the application of tax laws.

Shareholder value
The Enel Group considers taxes as a business cost that needs to be managed in full compliance with the law, with the goal of safeguarding the Group's **assets** and pursuing the primary objective of value creation for **shareholders** in the medium-to-long term.

Guidelines for the implementation of the tax strategy

In order to ensure the effective implementation of the general principles outlined in the previous section of this document, the Enel Group's tax strategy can be detailed through the following guidelines:

Correct application of tax laws
Entities that belong to the Group must fully respect the rule of law, complying with the tax laws of the countries in which the Group operates to ensure respect for the spirit and the purpose set by the law for each matter in question. Whenever a tax law is not sufficiently clear or has an ambiguous meaning, the appropriate tax unit is to pursue a reasonable interpretation of that law, inspired by the principle of full compliance with the law, utilizing internal fiscal expertise and, if necessary, external professionals.

Agree to disagree
To protect the companies' and their shareholders' interests, the Enel Group considers it legitimate to defend, also in a court of law, its reasonable interpretation of the law, in the case of disagreements with the relevant tax authority. To avoid double taxation, the Enel Group promotes the settling of disputes related to international tax law with the involvement of the relevant tax authorities for the different jurisdictions concerned *(Mutual Agreement Procedure).*

Full collaboration with tax authorities
The Enel Group ensures transparency and propriety in its relationship with tax authorities, also in the event of audits of the Group's entities or of third parties. In order to consolidate transparency in relation to the tax authorities, the Group promotes adhesion to co-operative compliance regimes for the companies that possess the requirements stated by their domestic legislation, with the aim of reinforcing relationships. The Group also complies with the regulations concerning Transfer Pricing documentation, in accordance with OECD's Transfer Pricing Guidelines (the so-called three-tiered approach, consisting of a Master File, a Local File and a Country-by-Country Report).

Intercompany transactions
For tax purposes, intercompany transactions are regulated in conformity with the "arm's length" principle, as outlined in the OECD's Model Tax Convention and Transfer Pricing Guidelines, with the aim of aligning, the transfer conditions and prices with the places where value for the Group is created. In the case of an entity belonging to the Group operating in a country that does not recognize the OECD rules, Transfer Pricing policies will have a dual goal: firstly, to ensure consistency between

the place where the value is created and the place where taxes are paid; secondly, to avoid double taxation. To mitigate tax risk, and within the limits of the applicable regulations, the Enel Group promotes the establishment of agreements with local tax authorities, also to define methods to determine transfer prices, to attribute profits and losses to permanent establishments and to apply rules on the subject of cross-border flows between different entities belonging to the Group.

Aggressive tax planning

The Enel Group does not pursue domestic or cross-border behaviours or operations that are merely artificial constructs, or that do not reflect economic reality and offer undue tax advantages by contrasting with the purposes or the spirit of the applicable regulations or tax laws or generate double tax deduction/non-inclusion or double non-taxation, also due to asymmetries between the different tax systems of the jurisdictions involved.

Tax management

In recognition of the fact that the most effective way to ensure the conformity of its actions with the relevant tax law is the adoption of an adequate system of internal controls, the Enel Group implements and adds to its System of Internal Control and Risk Management – beginning with the parent company and progressively extending it to its other most significant companies – a Tax Control Framework in accordance with OECD recommendations. This ensures that the units that are tasked with tax management activities (within the parent company and, when necessary, the other entities) have adequate human, material and financial resources and organizational relevance to ensure the execution of their functions. The Group utilizes technology for tax-related purposes, to maximize the quality and accuracy of data to support tax management activities and the filing of related tax returns and forms.

Enel Code of conduct

The approach outlined in this tax strategy requires behaviours that are consistent with the Enel Group's values.

In full awareness of the social and environmental implications of its activities, the Group has adopted a Code of Ethics that expresses the ethical commitments and responsibilities of conducting business, regulating and levelling up corporate behaviour to the highest standards of transparency and fairness towards all stakeholders. The Code of Ethics is the framework for Enel's ethical controls, to which also its tax strategy is fully subject. The provisions regarding violations of the Code of Ethics ensure the effectiveness of the rules stated within it and are fully applicable to the contents of the tax strategy.

The tax strategy constitutes a part of the Tax Control Framework that not only defines the characteristics of a healthy and prudential tax management activity, but is also a tool to prevent crimes that might entail corporate criminal responsibility (as outlined in the Italian law, D. Lgs. 231/2001) and the related reputational risks. From this perspective, the Tax Control Framework integrates the controls included in the **organizational and managerial model**, adopted by the Group's Italian entities and the provisions of the Enel Global Compliance Program for foreign entities belonging to the Group, with the related rules and sanctions. The Tax Control Framework is also subjected to the evaluation of the Supervisory Committee in accordance with the processes and flows that regulate the activities of such a body.

Adoption and incorporation, publication, validity and updates

The Enel Group's tax strategy is defined by Enel Spa as parent company and is approved by the Board of Enel Spa.

The Governing Bodies of entities belonging to the Enel Group must incorporate, with a specific resolution, the tax strategy adopted by their parent company, thus assuming the responsibility to ensure its knowledge and application throughout the respective entity together with the specific task of spreading its culture and values – a task that the Enel Group's tax strategy itself assigns them.

Enel Spa's Board receives, through the Committee for Risks and Control, an annual report on the results of the monitoring of the tax risk internal system control and on the state of tax management activities, for the relevant fiscal year.

The tax strategy comes into effect from the first day following the day of its approval by the Enel Spa Board. The tax strategy is published on the Enel Group's website (www.enel.com). Its interpretation is the responsibility of the parent company, through the Fiscal Unit, which is also responsible for updating it.