

Appraisal Study of
**Enel's Property
Ecosystem Services**

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The current climate crisis makes it necessary for everyone to confront the development of territories approaching the issue in a systematic and integrated manner, considering natural capital as the support structure where societies that aim for a balanced and sustainable well-being can develop and thrive. According to the Natural Capital Coalition, a global collaboration that brings together major global initiatives and organizations to harmonize approaches to natural, social, and human capital management, natural capital is a term that refers to the inventory of renewable and non-renewable natural resources that when combined, can bring benefits to people.

Within the framework of Chile's socio-environmental context and in line with the Sustainable Development Goals committed by the Company and also those earmarked as essential by the market and society, in 2020 Enel decided to study the value of the services presented by the Company's property and came up with properties that total approximately 44,000 hectares, contemplating, in the initial stage of the study, more than 10,000 ha distributed in the Maule, Bío Bío, Los Ríos and Aysén regions.

The study, a pioneering one in Chile, permits Enel Chile to identify, prioritize and put value to the systemic eco-services to propose appraised and sustainable management, always referencing the benefits that an ecosystem can offer to the society, improving social welfare and the economy in a balanced natural environment. These services are grouped according to the Common International Classification of Ecosystem Services (CICES) standards, namely ***Cultural, Regulation and Provisioning***.

- **Cultural:** These services complement human culture since nature and its elements are part of the creation of different lifestyles and also provide well-being.
- **Regulation:** Regulatory services allow nature to temporarily resist or solve problems and also it protects humans from certain difficulties.
- **Provisioning:** This type of service is provided directly by nature to humans, usually these services are vital to our survival and they include food and water. Such services are purchased through trade, i.e., products are sold and purchased.

As a result of the first phase of this project we have studied 4,362 hectares, corresponding to land in the Maule region. We were able to identify 34 systemic Ecoservices. We identified 11 services under the Cultural category, 14 under the Regulation pillar and 9 in Provisioning, of which 21 have been included in the appraisal methodology, obtaining the results of their current situation totaling some US\$ 320,000 / year, potentially increasing their economic value by 34% when considering the sustainable management of each one.

After they have been identified and classified by hierarchy, the eco-systemic services are then appraised following a logical framework based on the methodology developed by the University of Cambridge, measuring them qualitatively, quantitatively (biophysically) and monetarily. Finally, these values are used to create biophysical mapping for each systemic eco-service, using the InVEST software.

The appraisal of one of the most interesting systemic ecoservices is the potential for carbon capture in Enel's environmental heritage in the Maule region. Thus, considering conservative parameters in the calculation methodology, the Company has detected carbon existence of 104,481 tCO₂e, with an annual capture rate of around 3.7% stored until 2019.

The methodologies and standards of these results provide basic information regarding the Forestry Institute's Continuous National Forestry Ecosystem Inventory (INFOR). This is a statistical tool that delivers qualitative and quantitative data, with respect to the state and condition of the resources included in forest ecosystems. Subsequently, carbon stocks stored in forest biomass were evaluated in terms of the equivalent of carbon dioxide (tCO₂e) tons, and the increase in forest biomass in carbon dioxide tons equivalent per year (tCO₂e/year), using internationally accepted methodologies (IPCCs) compatible with the relevant national (IFNC) and international (REDD+) processes.

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