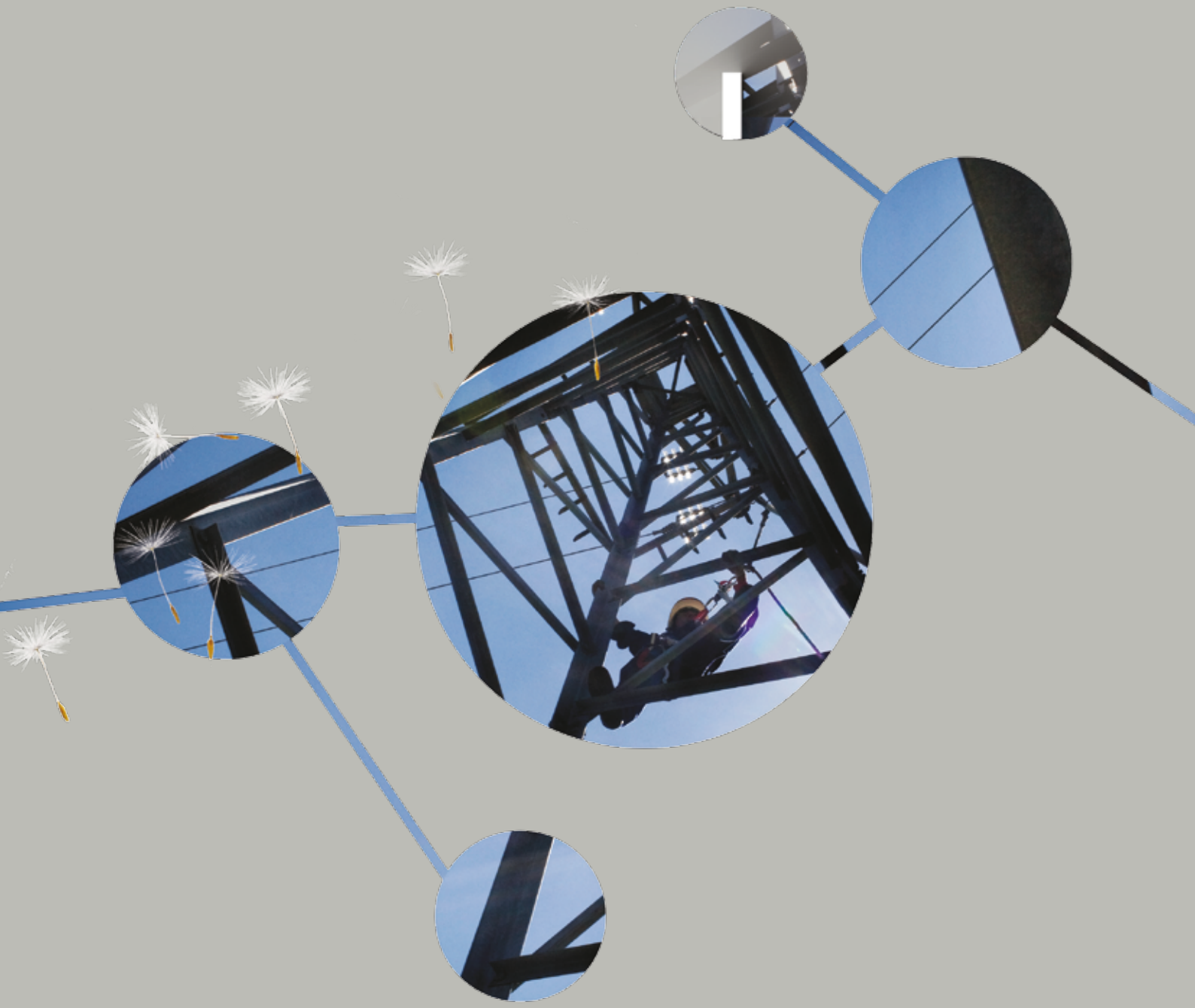
Seeding Energies
Sustainability Report
2016



enel

Seeding Energies

Sustainability Report

2016


GRI
GOLD Community
Enel
2016


FTSE4Good


Member 2015/2016
STOXX
ESG LEADERS INDICES


CDP
A LIST
2016
CLIMATE


EURONEXT
vigeo eiris
INDICES WORLD 120


MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM


UN GLOBAL COMPACT
Global Compact
LEAD
PARTICIPANT


UN GLOBAL COMPACT
WE SUPPORT


SUSTAINABLE
ENERGY
FOR ALL


Enterprise
2020
CSR
EUROPE


The
EUROPEAN
PACT 4 YOUTH


ECPI
Sense in
sustainability

Index

Letter to stakeholders

G4-1 G4-2

Enel's business model considers sustainability and innovation as an inseparable pairing, which creates value for the Company and for all its stakeholders and enables new opportunities to be taken. Sustainability is an integral part of our way of doing business, and drives us to constantly seek out new solutions to reduce the environmental impact of our activities, to grow together with the communities of which we are part, to increase the safety of our colleagues and our suppliers. Listening to and actively involving all stakeholders, together with rational use of resources, enable the promotion of synergy between economic and social progress. The way we operate is based on principles of ethics, transparency, inclusiveness, respect of human rights and utmost attention to safety.

We are currently living through significant and sudden changes to the global outlook, characterized by the technological and digital revolution, by growth in the population and in its expectations, by climate change and by pressure on the use of natural resources. This rapidly evolving scenario offers the energy sector new challenges and opportunities. In a world whose energy needs are growing, we are witnessing ever greater penetration of electric vehicles and the gradual replacement of fossil fuel based energy usage. Global energy consumption is increasing, not only in percentage terms, but also in absolute terms, while over 1 billion people still have no access to energy, or have it to only a limited extent. Renewables are the energy source seeing the greatest growth, while the other sources remain constant or are falling slightly. Given this significant penetration by renewables, electricity grids and their digitalization, in both transmission and distribution, are becoming increasingly important, attracting various industrial sectors and creating new opportunities and competitive challenges.
So it is increasingly important not only to be aware of and

anticipate technological developments, but also what society around us wants, thus ensuring that communities understand and share the strategy and investments which a large group such as Enel can provide. This is one of the reasons why, in our organization, sustainability and innovation go hand in hand in integrated fashion, leading the ongoing energy transition. Enel's ability to anticipate changes in the sector in its Strategic Plan and its leadership in innovation and sustainability were recognized with the Platts 2016 prize in the "Industry Leadership Award - Power" category.
An essential contribution to defining a new economic, social and environmental model is connected to the approval by the United Nations of the Global Agenda for sustainable development and the related goals (17 goals and 169 targets), to be achieved by 2030. Enel has made a formal commitment in regard to 4 of the 17 goals: (i) ensure access to clean and affordable energy (SDG 7), (ii) support educational projects (SDG 4), (iii) promote employment and inclusive economic growth (SDG 8), (iv) take action for carbon free energy by 2050 (SDG 13). Enel was one of the first companies in the world to integrate the United Nations Sustainable Development Goals (SDGs) into the processes of defining strategies and reporting.
This is because we are aware that the contribution of our business is not only connected to economic results, but also, and increasingly, to our ability to generate solutions and positive impacts on long-term economic and social growth in the communities with which we interact. And our investors are convinced of this too. In 2016, 68% of institutional investors were long-term investors, confirming Enel's commitment to adopting a business model which is sustainable over time. In particular, Enel's share capital includes 150 Socially Responsible Investors (SRIs), who hold around 8% of total shares outstanding. In absolute terms, the shares held by SRIs increased by 13% compared to the previous year. This increase is even more significant if we consider the greater number of shares making up Enel's share capital compared to 2015, following the completion of the merger of Enel Green Power into Enel.

2016 was a year characterized by several important strategic decisions and by the achievement of significant goals. In 2016 the first stage of corporate reorganization in Latin America was completed, while the process of simplification at the level of each individual country in the region continues. The integration of the renewables activities within the Group was also completed, with the convergence of the whole hydroelectric sector into the "Renewable Energies" Global Business Line. The project was also started to build the ultra-broad band network infrastructure, in order to take up the new opportunities to create value which are available to those who can offer competitive, modern infrastructure for interconnectivity.
In 2016 the project continued to reconvert 23 thermoelectric power plants in Italy, "Futur-e", with the launch of 5 new design competitions for their redevelopment. This is a "circular economy" project which shows in concrete terms our ability to look forward with vision and a proactive approach to the future of our Company, and which, with its call for ideas, once again confirms the importance and the need for an "Open Power" approach to address complex, modern-day issues.
In order to facilitate new uses of energy, new ways of managing it and making it accessible to an increasing number of people in a sustainable way, the commitment to innovation has been strengthened. Within the Group there are around 300 active innovative projects which cover the whole value chain in the various regions and which also look to the future in terms of electric transport, the e-home, industry 4.0, microgrids, and storage. In many cases these projects have required the activation of partnerships with other leaders in their own sectors, or the contribution of start-ups that can develop solutions which are still not available on the market. Three innovation hubs have also been set up in the regions with the highest degree of innovation, to enable their inclusion in the most avant-garde eco-systems in the world.
As for occupational health and safety, Enel continues in its commitment to increasingly efficient standards and to the development of new instruments and means of operating. The combined indices of the injury frequency rate and the lost day rate for injuries involving employees of Enel and of contractors are falling, as is the overall number of injuries recorded during the year.
The "Open Power" model, which links the strategy to concrete values and conduct for all the people who work in the Enel Group, has been further broken down into operational aspects, in order to increase involvement and the ability to communicate the innovations linked to the new strategy. This approach permeates all the process for the management, development and motivation of people. 2016 was also the year of the climate survey, which envisaged the

involvement of all colleagues right from the preliminary stages, in order to identify the priorities together, and an "open" question approach, so that everyone could put forward ideas for improvement. In addition, Enel's commitment to the increasing dissemination of the principles of diversity and inclusion continued.

These are all concrete facts and data which reflect Enel's daily commitment to protecting the environment, relationships with local communities, the motivation of people, customer relations, investments in innovation, technologies for information and communication and the development of clean energy.

Energy is a door to the future, and the Strategic Plan 2017-2019 represents the instrument to reach that future. In November 2016, we presented the new Strategic Plan, which updated the contents of the Group strategy, taking account of the fact that we achieved the goals identified in the previous Plan one year ahead of schedule. This new Plan, alongside the existing fundamental pillars of the strategy (operating efficiency, industrial growth, simplification of the Group's structure and active management of the portfolio), envisages digitalization and a customer focus as levers to promote further growth and efficiency. These pillars are broken down from both the industrial and Environmental, Social and Governance (ESG) viewpoints, also through the inclusion in the Plan itself of the Agenda 2030 goals.

The overall Investment Plan for 2017-2019 is 20.9 billion euro, of which 60% is investment for growth, split between emerging and mature economies. In mature markets, which are characterized by the increasing presence of renewable sources and distributed generation, a key element will be the development of a modern distribution network open to multiple uses and services. In emerging markets, the challenge is to satisfy electricity demand in economies where economic growth, an increasing population and urbanization are driving their development. Our presence in over 30 countries enables us to offer technologically more advanced solutions, promoting social development and guaranteeing high safety standards.

In addition, our commitment will continue to achieve the United Nations Sustainable Development Goals to which we adhere, and in relation to which we had already achieved significant results at the end of 2016. In particular:

- **as for SDG 4 (quality of education), we have already reached 300 thousand beneficiaries, against the goal of 400 thousand beneficiaries by 2020;**
- **in relation to SDG 7 (clean and affordable energy), we have involved 1.2 million beneficiaries, compared to the goal of 3 million beneficiaries by 2020 (mainly in Africa, Asia and Latin America);**
- **as for SDG 8 (dignity of labor and economic growth), the beneficiaries currently number 1.1 million, given the new target (compared to the initial 500 thousand) of 1.5 million by 2020;**
- **in reference to SDG 13 (combating climate change), the grams of CO_2/kWh_{eq} have fallen to around 395, compared to the goal of achieving a level below 350 grams by 2020.**

Enel is a company which pursues growth based on sharing, internally and externally, ideas, innovation, concepts and areas for improvement, of which sustainability is an integral part, since it is an important driver for innovation. Given rapidly changing scenarios, and with everyone's collaboration, Enel wants to write the future of the world of energy: a world in which old power plants acquire a new life, connections travel faster, smart homes are a reality, meters facilitate the dialogue between homes and people, and electric transport travels ever further.

Chairman of the Board of Directors
Patrizia Grieco

Chief Executive Officer and General Manager
Francesco Starace

01_Getting to know Enel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enel
NEW

Getting to know Enel

G4-4 | G4-6 | G4-8 | G4-9
G4-EU1 | G4-EU2 | G4-EU3 | G4-EU4

Enel operates in over 30 countries, with installed net capacity of around 83 GW, with 1.9 million kilometers of distribution networks and over 61 million customers.

62,080

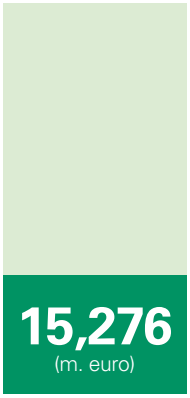
Number of **employees**

129,158

Employees of contracting companies (FTE)

8%

Socially Responsible **Investors** in total Enel shares outstanding



EBITDA

Revenues

Energy generation

Enel produces energy in Europe, Russia, America, South Africa and India through a balanced mix of sources, in which a leading role is played by renewables (hydro, wind, solar, geothermal, biomass) and where fossil fuels are diversified across natural gas, coal and oil. Almost half of the electricity produced by Enel has no CO_2 emissions, making the Group one of the main producers of clean energy.

261,812 GWh

Total net **production**

85,974 GWh

Renewable net **production**

46%

Zero-emission **generation**

Networks

The Group, through its distribution companies, transports energy in Italy, Romania, Iberia and Latin America thanks to 1,875,107 km of electricity distribution networks across two continents.

426,000 GWh

Energy **distributed**

Electricity and gas market

The Enel Group operates through its sales companies on the protected categories market, with controlled prices, and on the free market. With over 61 million end users worldwide (56,039,735 of whom are on the electricity market and 5,511,005 on the gas market), Enel has the broadest customer base compared to its European competitors.

263,054 GWh
Electricity volumes **sold**

10.6 billions of m³
Gas volumes **sold**

61,429,305
Number of **customers**

Main organizational changes

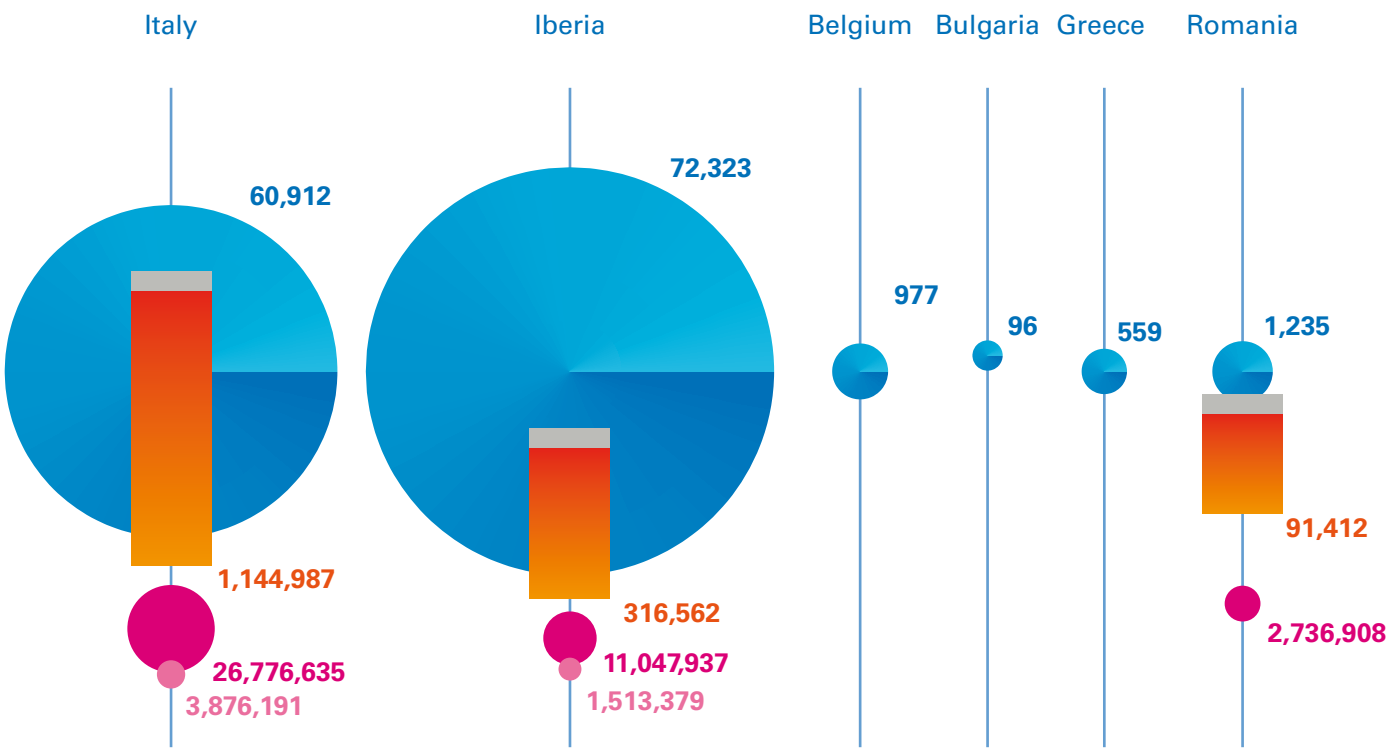
G4-13

- Increase in March 2016 for the Group of the stake in **Enel Green Power** from 68.29% to 100%;
- merger in December 2016 of Endesa Américas and Chilectra Américas, all companies created from the spin-off of Enersis, Endesa Chile and Chilectra, into **Enel Américas**;
- sale in July 2016 of 50% of the share capital of **Slovak Power Holding (SPH)**, the company which in its turn holds 66% of the share capital of **Slovenské elektrárne (SE)**;
- acquisition of control in October 2016 of **Distribuidora Eléctrica de Cundinamarca (DEC)**, which was achieved through the merger of DEC into Codensa (which already held a 49% stake);
- sale, between November and December 2016, of 100% of **Enel France**, a company operating in thermal generation in France and of **Marcinelle Energie**, a company operating in thermal generation in Belgium;
- on December 20, 2016 OpEn Fiber SpA ("OF"), the new name of Enel Open Fiber SpA, completed the acquisition of the entire share capital of Metroweb Italia SpA ("Metroweb").

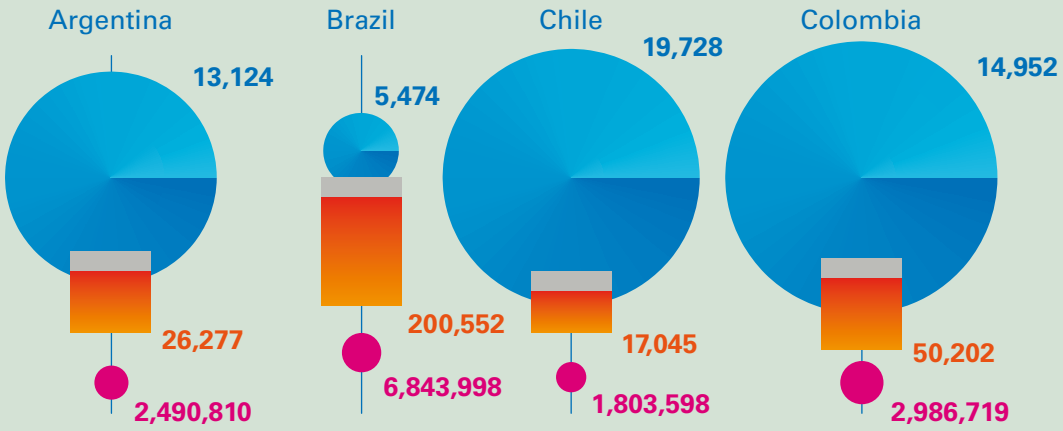
Enel worldwide

G4-4 G4-6 G4-8 G4-9
G4-EU1 G4-EU2 G4-EU3 G4-EU4

Europe



Latin America

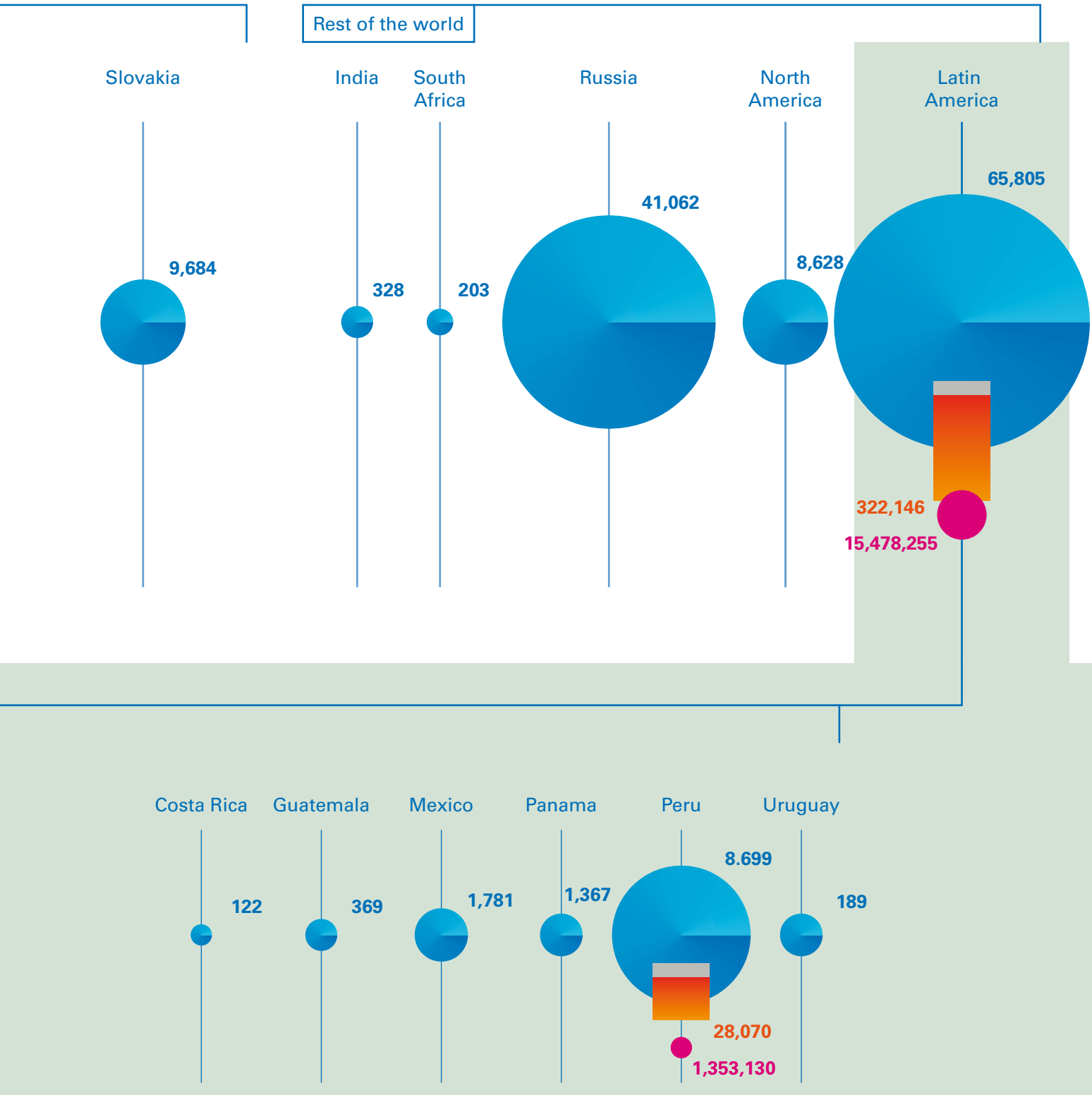


Energy generation
Net production by geographical area (GWh) - 2016

Network
Electricity distribution network by geographical area (km) - 2016

Electricity market
Electricity customers by geographical area (no.) - 2016

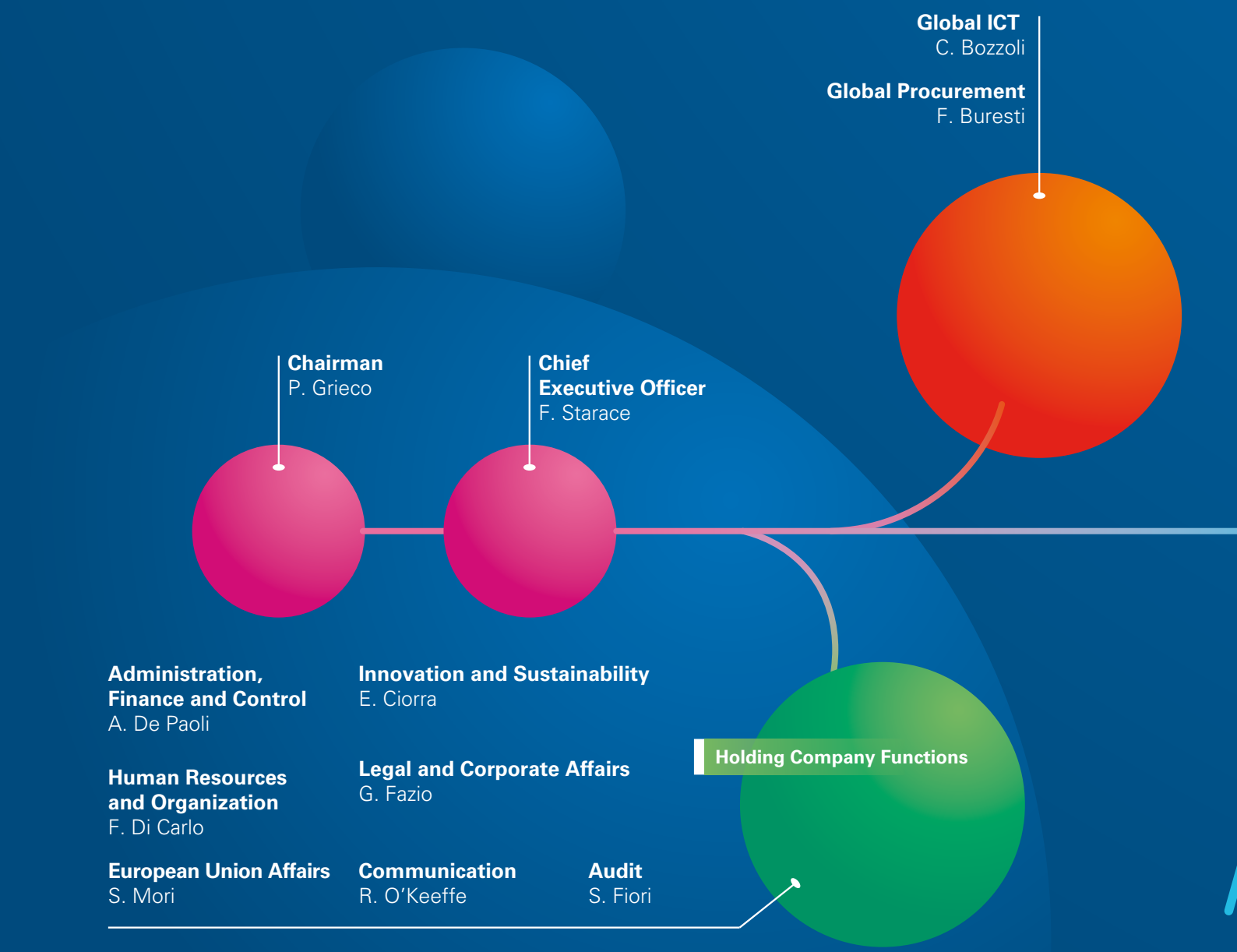
Gas market
Gas customers by geographical area (no.) - 2016



Enel's organizational model

G4-4 G4-7 G4-17 G4-34 G4-35

During 2016 the organizational model was updated with the merger of the Upstream Gas and Trading Global Business Lines, the integration of Enel Green Power into the Group's organizational matrix, the establishment of the Renewable Energies Global Business Line and the shifting of the management of major hydroelectric plants from the Generation Global Business Line (subsequently renamed Thermal Generation) to the Renewable Energies Global Business Line, as well as the creation of two new regions, North and Central America and Sub-Saharan Africa and Asia, in order to guarantee effective organizational control over these areas which are constantly growing.



Enel is **Open Power**

Open Power is the strategic concept underpinning how Enel acts, which translates into being open to the outside world, to technology and internally among its people. It is an integrated and diffuse model, which creates a common culture among the various parts of the Group in order to face the planet's major challenges, a mission to 2025 and a vision which translate into values (responsibility, innovation, trust, proactivity) and forms of conduct.

VISION

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

MISSION 2025

1. We will open up access to energy to more people
2. We will open up the world of energy to new technologies
3. We will be open to new ways of managing energy for people
4. We will be open to new uses of energy
5. We will be open to new partnerships

G4-4 G4-7 G4-17 G4-34 G4-35

Regions and countries

Iberia
J. Bogas Gálvez

North and Central America, Sub-Saharan Africa and Asia
F. Venturini

Europe and North Africa
R. Deambrogio

Latin America
L. D'Agnese

Italy
C. Tamburi

Global Business Lines

Global Trading and Upstream Gas
C. Machetti

Global Renewable Energies
F. Venturini

Global Infrastructure and Networks
L. Gallo

Global Thermal Generation
E. Viale

A sustainable year

MARCH

At the Open Forum of CSR Europe held in Brussels, first document presented for the integration of the respect of human rights in company departments, with Enel also participating in its realization.

MAY

Enel participates in the **fifth edition of the GRI - Global Conference**, where over 1,500 sustainability leaders from around the globe set out expectations and goals regarding the "new era of transparency" for companies and institutions.

JUNE

The Enel Chief Executive Officer takes part in New York in the opening session **"How to Change a Mindset"**, of the Global Compact Leaders Summit at the United Nations, bearing witness to how the Enel Group, in keeping with its Open Power philosophy, puts environmental, social and economic sustainability at the center of its corporate culture and as a key driver for growth in the energy sector.

"ESG engagement - Seeding Energies": the first road show dedicated to Socially Responsible Investors (SRIs). 16 one-to-one meetings between London and Paris with institutional investors to present the Group's mission and strategic vision.

OCTOBER

The Enel Chief Executive Officer speaks in London at the opening seminar of **The Future of Energy Summit**. The summit, promoted by Bloomberg New Energy Finance, seeks to focus on the changes which characterize the electricity sector given the challenges set in tackling climate change.

NOVEMBER

Enel, one of the biggest utilities in the world to have taken up and taken on the challenges of the COP21 climate agreement, takes part in the **New York Times Energy for Tomorrow Conference**, an international summit promoted by the New York Times, which brings together 250 representatives of governments and companies in Paris.

A new appointment for Enel with the **Global Compact LEAD Symposium/Breakthrough Innovation Challenge (BIC)** which brings together in Cambridge (Great Britain) representatives from companies which are leaders in sustainability and which contribute to and are part of the UN initiative to discuss and document the value of innovation in constructing a new global and shared path towards sustainable development.

Launch in Brussels at the European Investment Bank of the new **GRI Standards**. The GRI Standards represent the latest edition of the reporting principles on sustainability performance for an organization/business.

In London the Enel Group presents the financial community with the new **Strategic Plan 2017-2019**, which introduces, alongside the fundamental pillars, two additional factors to promote further growth and efficiency: digitalization and customer-focus. The Plan includes the United Nations Sustainable Development Goals ("SDGs") 4, 7, 8 and 13 which were taken on about access to energy, climate change, employment and economic development, and education.

Enel takes part in **COP22 in Marrakesh**, reiterating its commitment to facilitating access to energy for the most isolated communities in the world. A sustainable development perspective which starts from the bottom.

What they say about us

Enel in the media

Enel constantly monitors the perception of the Group in the press, radio, TV and online, locally, nationally and internationally, in both the general and specialist media. Enel's attitude in dealings with the press has always been open and positive – a fact widely acknowledged by journalists. Among the aspects which were most commonly seen as positive by the Italian and international media were the presentation of the Group's new identity and new brand, the Futur-e program for the requalification of power plants which are no longer efficient, the project for the broad band rollout, the activities linked to renewable energies and agreements for electric transport.

From the viewpoint of the **Italian media**, considerable importance was attached to the aforementioned issues, while the financial papers followed closely the various stages of the corporate reorganization process with the integration of Enel Green Power and the rearrangement of the Group companies in Latin America. In terms of innovation and sustainability, there was the European INCENSe Program dedicated to start-ups, the opening of the innovation hub in Tel Aviv and the My Best Failure Program dedicated to sharing experiences among Enel people. Activities were undertaken to target the media and specialist press to valorize sustainability as an integral part of the business, its financial effects and the commitments on the four UN Sustainable Development Goals; to this may be added the recognition obtained for transparency and accuracy from the Global Reporting Initiative (GRI) and the United Nations Global Compact. Importance was also placed on the "Fare Scuola" Project of Enel Cuore Onlus.
The activities linked to renewable energies (construction and operation of new plants, public tenders in Mexico, Peru and Morocco) and the offers and services for the Italian market (e-goodlife, the kit of devices to control and manage the home, the e-go All Inclusive offer) were of interest to the media.
Italian press placed its attention on the fines relating to market activities imposed by the Authority for electricity gas and water (AEEGSI). To these elements may be added in Italy the issues over service-quality, scams by phony operators, excessive billing and blackouts in the local press.

In the international press there was significant and positive coverage of the participation and speeches by the Chief Executive Officer at the World Economic Forum in Davos, the opening session of the UN Global Compact Leaders Summit 2016 in New York and the World Economic Forum on Latin America held in Medellín, Colombia. There was positive coverage of the participation in the Bloomberg New Energy Finance Future of Energy Summit in London and in the Energy for Tomorrow conference of the New York Times in Paris, as well as the opening of the New York Stock Exchange on the first day of listing of Enel Américas. In this regard, the conclusion of the corporate reorganization process for the Group's Latin American assets was an interesting theme for the international press, as also the positive completion of other operations envisaged by the Strategic Plan (the integration of Enel Green Power, the sale of HDE, the Italian upstream gas assets, the Belgian CCGT plant at Marcinelle, and the finalization of the sale of the first tranche of Slovenské elektrárne). Enel's commitment to renewables and innovation is an issue of great interest for the foreign press.

In Spain, the political uncertainty which was a feature of the country during the year made constant monitoring necessary, above all for the impact on decisions in regard to the plans to support domestic coal used by power plants and on the future of the nuclear power plant in Garoña.

In Chile, the various stages of the corporate reorganization process of the Group's Latin American assets were constantly followed by the press, representing an issue of interest above all due to the opposition of some minority shareholders to the process and doubts about the growth and investment opportunities for Enel Generación Chile. In Argentina the revision of electricity tariffs with consequent increases in costs for consumers was closely followed. In Russia, there was a problem with the interruption in August of the operations at the Reftinskaya power plant due to a technical malfunction.

G4-26

Brand equity and digital strategy

At the start of 2016 a thorough corporate reorganization and a new industrial strategy saw the **launch of the new Enel brand**, dynamic, open and which tells the story of the profound changes inside and outside the Company. The new brands were launched for Enel and its subsidiaries Enel Green Power and Endesa, and the global rebranding process started in the countries where it operates, going from over twenty brands to just three. Awareness and dissemination of the new logo are ensured through commercial and promotional activities involving sport and culture which have always been a feature of Enel.

Formula E

In May 2016, Enel became Official Power Partner of Formula E, the first motor racing championship for electric powered single-seat cars and an initiative for global change management to promote sustainable transport.
Enel will help Formula E become the most advanced global energy event, showing that the motorsport sector can and, indeed, must evolve towards more sustainable energy. The agreement envisages not only traditional sponsorship, but also an industrial dimension: the Group will provide Formula E with the most advanced technologies and solutions that are typical of a smart grid, thus enabling more efficient energy management in keeping with the principles of sustainability. In this sense, Enel will work with Formula E to offset and gradually reduce the CO_2 emissions generated by the championship, with the aim of making the whole event carbon neutral. This partnership shows Enel's commitment to using its sustainable business model to help and address some of the world's greatest challenges.

G4-26

Enel decided to launch a project to redefine the methods to analyze the brand equity and image of the brands at global level, in order to deepen its understanding and knowledge of its consumers. The main activities concern the periodic monitoring of the presence of the Group's companies in the media (newspapers and audio-visual media, radio, TV and online), measurement of the perceived image by analyzing the characteristics of the brand and their development over time, as well as analysis of specific issues linked to the brand itself.

In 2016 the new global digital identity was launched which led to the restructuring and standardization of the websites of the main Group companies and the rationalization and concentration of contact points with stakeholders. As well as the new website www.enel.com, which was created with a "user centric" approach with useful information and which can be accessed from any mobile device (such as a smartphone or tablet), the next step was to replicate the model on the whole network of the Group's websites: a further 12 new websites were launched, a tangible example of the new Open Power identity. In particular, the main sustainability and innovation projects are set out in the "Stories" section of the website www.enel.com, while the data relating to non-financial information and the materiality matrix are in the "Investors" section.

SOCIAL MEDIA | AROUND 17 thousand PUBLICATIONS ON THEMES OF INNOVATION AND SUSTAINABILITY IN 2016

Channels					
Impressions* (no.)	120,402,578	81,425,292			17,811,582
Interactions** (no.)	1,764,694	178,400	3,209		158,433
Viewing of videos (no.)				5,473,906	

INNOVATION AND SUSTAINABILITY CONTENT ON ENEL WEBSITES IN 2016

Publications (no.)	1,669
Visitors (no.)	6,624,068
Page views (no.)	18,707,412

* Impression: represents the number of times that a web page or banner is viewed by Internet users.
** Interactions: represents the number of times a user has interacted through a comment, sharing, a click, or a "Like".

Prizes and awards

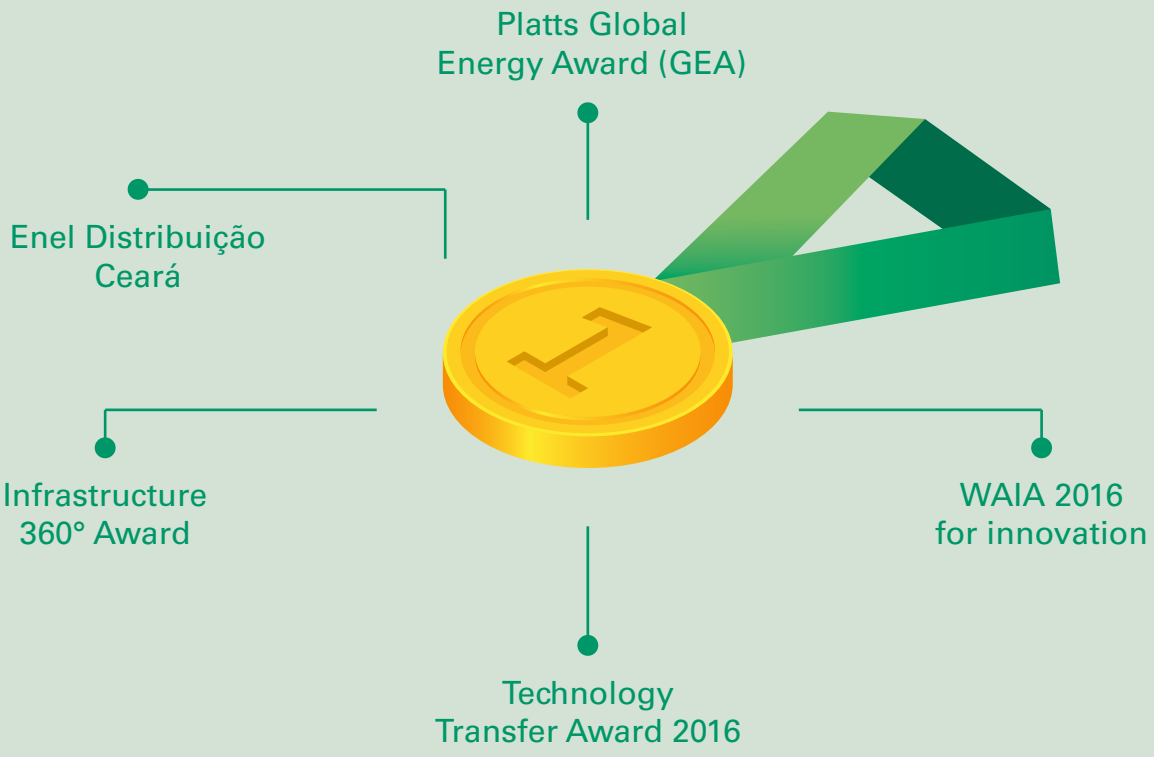
Enel was recognized at the **Platts Global Energy Award (GEA)** in the Industry Leadership – Energy category. The award recognizes the Group's proactive positioning to include changes in the energy sector in its Strategic Plan and its leadership in innovation and sustainability.

Enel's 200 MW wind farm in Dominica, Mexico, won the **Infrastructure 360° Award** in the "Climate and environment" category. The award, which is presented by the Inter-American Development Bank (IDB), each year recognizes the private projects which make the biggest contribution to creating a sustainable infrastructure system in Latin America.

Enel Distribuição Ceará was selected as the best energy distribution company in Brazil for the sixth time by the association of energy distributors (Abradee). The company also took first place in the category for Corporate Social Responsibility.

Enel wins the WAIA 2016 award for innovation. Enel won first place in the "big company" category. There was particular appreciation for the significant effort to support renewable energies and digitalization, highlighted in the Strategic Plan 2017-2019 presented in London. The widespread diffusion of smart meters, remote control and system connectivity has proven the strong point of Enel's offer which can move equally smoothly on both networks and in retail.

The Electric Power Research Institute (EPRI) gave **Technology Transfer Awards 2016** to two Endesa projects developed in Spain and a third Group project. Through these awards, EPRI recognizes leaders and innovators in the electricity sector who have been able to transform research and development into practical applications, contributing to more reliable, efficient, competitive and environmentally responsible electricity production. The projects regard the development in the As Pontes thermal plant of software that can monitor in real time the residual life of components of critical parts (for example, a boiler), the analysis of the impact on the electricity network and on the systems of the islands of a high level of distributed generation, in this case from photovoltaic energy, and finally the Advanced Distribution Management Systems Assessment Project.



Sound governance

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Enel has been listed on the electronic stock exchange (MTA) organized and managed by Borsa Italiana SpA since 1999. By virtue of the Company's international development and its increasing profitability, together with a strong environmental and sustainability policy and the adoption of best practice in transparency and corporate governance, among Enel's shareholders are Italian and international investment funds, insurance companies, pension funds, and ethical funds, as well as around one million small savers. Enel confirms its standing as the Italian company with the highest number of shareholders.

In the spirit of contributing to improving the transparency on corporate governance systems and to promoting the dissemination of a "culture of excellent governance", the corporate governance report includes, for the first time, an analysis regarding sustainability issues, describing the materiality matrix and the definition of sustainability objectives (www.enel.com, "Investors" section).

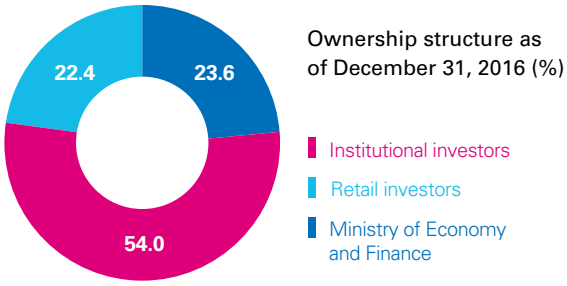
Index of corporate governance excellence 2016

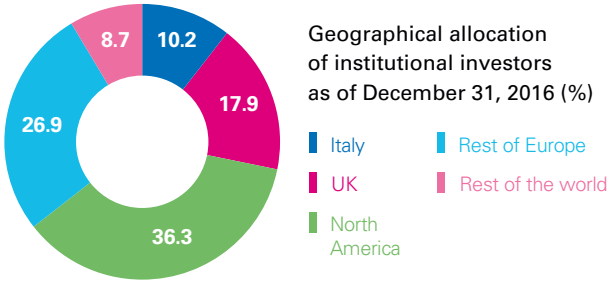
At the annual workshop on corporate governance organized by The European House - Ambrosetti which took place in Milan in **November 2016**, the results of the index of corporate governance excellence for Italian listed companies ("EG Index") for 2016 were published. The EG Index intends to measure, on an annual basis and on the basis of public documents, the health of the corporate governance systems of Italian listed companies. In particular the index analyzes five key areas: structure and representation of the shareholding structure; composition of the Board of Directors; operation of the Board of Directors; pay and bonus mechanisms; system of risk controls and management.

Enel was ranked in first place among industrial companies in the FTSE-MIB segment (as happened in 2015 too), and, with a score of 8.62/10, it was well above all the other industrial and financial companies in various segments of the listing.

Enel shareholders

Enel builds its relationship with all shareholders through dedicated corporate structures and, in particular, through the Investor Relations unit in the Administration, Finance and Control Department and a unit dedicated to dialogue with all shareholders in the Legal and Corporate Affairs Department. In 2016 there were 615 meetings with institutional investors and 148 responses were provided to information requests from retail shareholders.
In order to further strengthen dialogue with investors, in 2016 the structure of the contents of the Company's website was revised (www.enel.com, "Investors" section), on which it is possible to find both economic, financial, environmental, social and governance information and updated data and documents of particular interest, which make possible a multidisciplinary and integrated view.





Enel and the financial market

Enel has continuous dialogue with institutional investors, who generally follow the announcement of the Industrial Plan and/or the interim results, collecting their indications and needs in a structured way.
On an annual basis an independent study is carried out on the perception of the Company by the financial community. Enel's commitment in the transition towards a new energy model has been recognized, characterized by the increase in generation from renewable sources and by the development of networks. In 2016 the aspects of Enel's strategy which were most commonly analyzed and appreciated were: the digitalization of assets, people and customers as enabling factors in the move towards a low carbon economy, the increased level of communication and involvement on risks and opportunities linked to the actions included in the Plan, as well as the conservative approach in assumptions about the macroeconomic scenario.

In the last year Enel further reinforced its commitment to promote sustainable growth, also by setting up inside Investor Relations a specific area dedicated to relations with the financial market on ESG issues. The Sustainability and Investor Relations units periodically organize specific activities and meetings to monitor the information needs and non-financial requests of the institutional funds. In particular, in June 2016 the first road show was held dedicated to ESG issues in London, Paris and Frankfurt.

In 2016, 68% of institutional investors had a long-term investment style, confirming Enel's commitment to a business model which is sustainable over time. In particular Enel's share capital included 150 Socially Responsible Investors (132 in 2015) holding around 8% of total Enel shares in circulation (7.7% in 2015). The increase is clearer if account is taken of the greater number of shares making up Enel's share capital (following the integration of Enel Green Power) compared to 2015. In absolute terms the shares held by SRI funds rose by 13%.

The corporate governance structure

The corporate governance system of the Enel Group complies with the principles set forth in the Corporate Governance Code for listed companies, in the most recently updated version from July 2015, and is inspired by Consob's recommendations on this matter and, more generally, international best practice. The corporate governance system is essentially aimed at creating value for the shareholders over the medium-long term, taking into account the social importance of the Group's business operations and the consequent need, in conducting such operations, to adequately consider all the interests involved.

Shareholders' Meeting

Responsible for passing resolutions on, among other things: the appointment and withdrawal of members of the Board of Directors and the Board of Statutory Auditors and the related fees and any liability claims; the approval of the financial statements and the allocation of profits; the acquisition and disposal of treasury shares; shareholding structure plans; changes to the bylaws; the issue of convertible bonds.

Board of Directors

Responsible for managing the Company.

Alfredo Antoniozzi

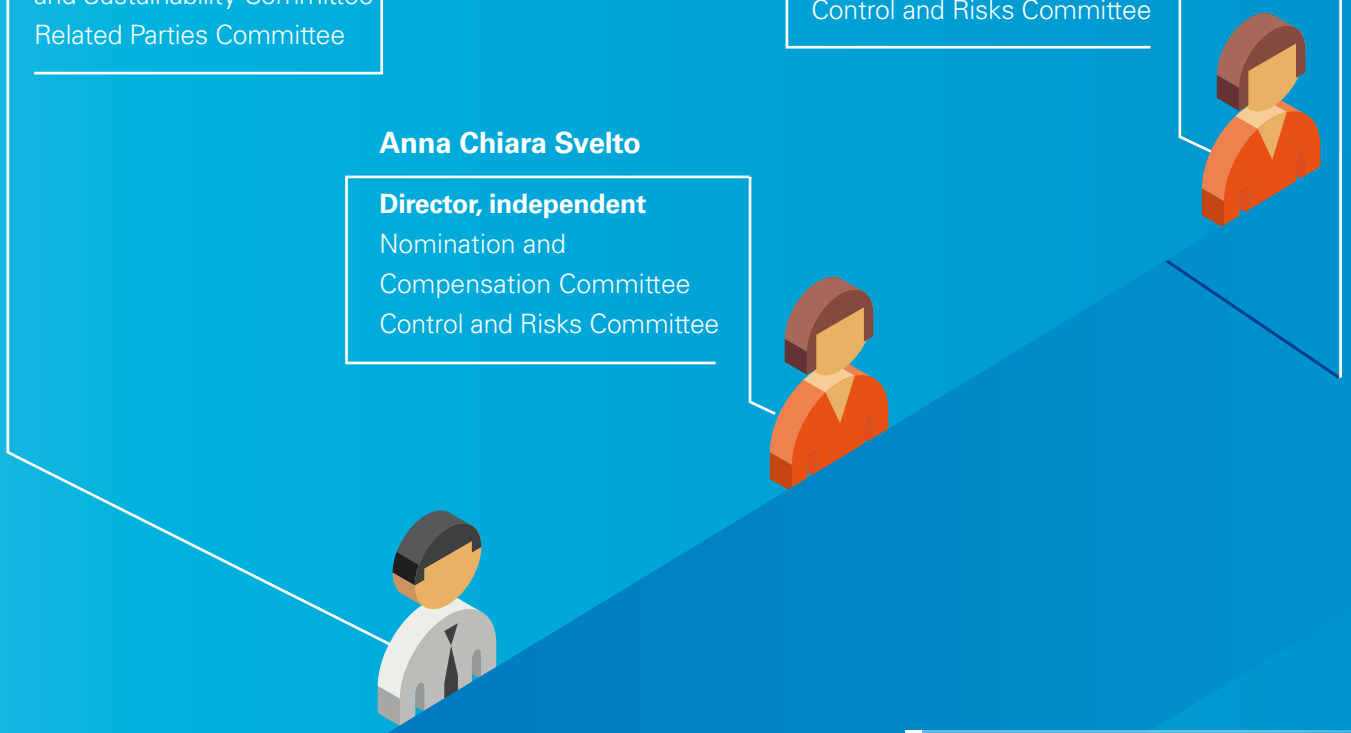
Director, independent
Corporate Governance and Sustainability Committee
Related Parties Committee

Paola Girdinio

Director, independent
Nomination and Compensation Committee
Control and Risks Committee

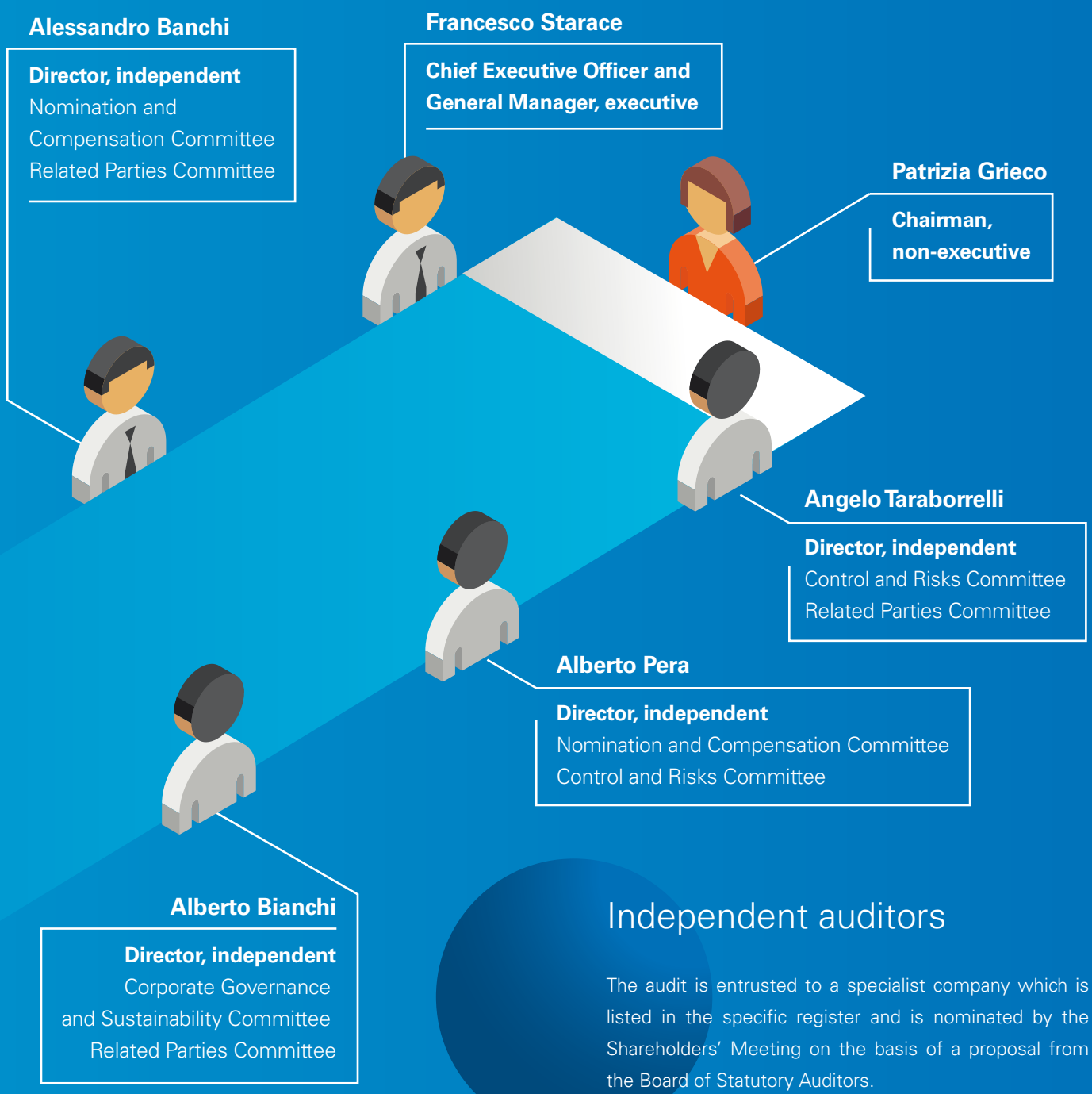
Anna Chiara Svelto

Director, independent
Nomination and Compensation Committee
Control and Risks Committee



Board of Statutory Auditors

It is responsible for overseeing: compliance with the law and bylaws, compliance with the principles of correct administration in undertaking corporate activities; the process of financial disclosure, as well as the adequacy of the organizational structure, the internal control system and the Company's administrative and accounting system; the audit of the annual accounts and the consolidated accounts, as well as the independence of the independent auditors; and, finally, the concrete implementation of the corporate governance rules envisaged by the Self-Regulation Code.



Alessandro Banchi

Director, independent
Nomination and Compensation Committee
Related Parties Committee

Francesco Starace

Chief Executive Officer and General Manager, executive

Patrizia Grieco

Chairman, non-executive

Angelo Taraborrelli

Director, independent
Control and Risks Committee
Related Parties Committee

Alberto Pera

Director, independent
Nomination and Compensation Committee
Control and Risks Committee

Alberto Bianchi

Director, independent
Corporate Governance and Sustainability Committee
Related Parties Committee

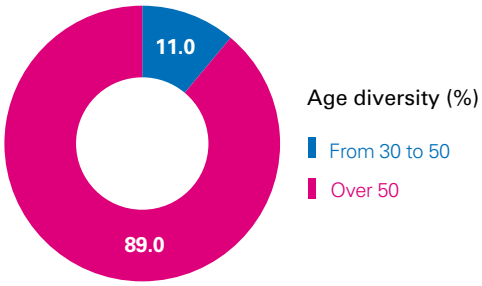
Independent auditors

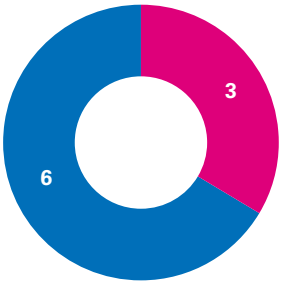
The audit is entrusted to a specialist company which is listed in the specific register and is nominated by the Shareholders' Meeting on the basis of a proposal from the Board of Statutory Auditors.

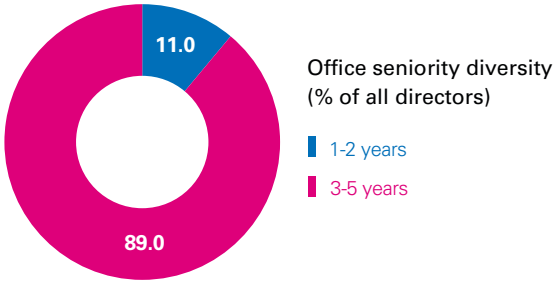
Board of Directors

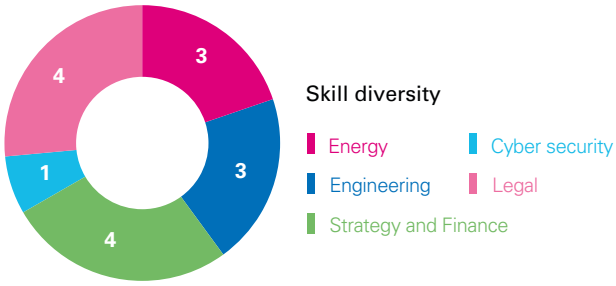
After being appointed by the Ordinary Shareholders' Meeting of May 22, 2014, at December 31, 2016 the Board consisted of nine members. During 2016 the Board met 13 times, dealing at 12 meetings with issues linked to governance, sustainability, the Code of Ethics and the 231 Compliance Program. The Board has set up the following four committees internally:

- **Nomination and Compensation Committee:** supports, through proper enquiry, the assessments and decisions of the Board of Directors relating to the size and composition of the Board itself, as well as to the compensation of executive directors and key executives;
- **Control and Risks Committee**: supports, through an adequate review process, the assessments and decisions of the Board of Directors relating to the internal control and risk management system as well as those relating to the approval of the periodic financial reports;
- **Corporate Governance and Sustainability Committee**: assists with preliminary functions, also by providing advice and proposals, the Board of Directors in its assessments and decisions relating to the corporate governance of the Company and of the Group, and oversees sustainability issues connected to the Company's business and to the trends in the Company's interaction with all the stakeholders;
- **Related Parties Committee**: it provides reasoned opinions on Enel's interest – as well of companies that are directly and/or indirectly controlled as necessary – in undertaking transactions with related parties, expressing a judgment on the substantial expediency and correctness of the related conditions, after receiving timely and adequate information flows.









During 2016 the Board of Directors completed its assessment regarding the **succession plans for executive directors**, following the hopes expressed on the outcome of the Board review in 2014. In particular, in September 2016 the Board of Directors, at the proposal of the Nomination and Compensation Committee formulated together with the Corporate Governance and Sustainability Committee, shared the contents of a specific contingency plan aimed at regulating the actions to be taken to ensure the Company's regular management should the Chief Executive Officer leave the position early compared to the ordinary deadline for their mandate (a crisis management situation).

Remuneration policy

G4-44 G4-51 G4-52

Enel's remuneration policy is consistent with the recommendations of the Corporate Governance Code and aims to (i) attract, motivate and keep those persons that have the skills to manage the Company successfully, (ii) incentivize the achievement of the strategic objectives and the sustainable growth of the Company, (iii) align the interests of management to the primary objective of creating sustainable value for shareholders in the long term and (iv) promote the corporate mission and values. In defining the policy adopted by Enel SpA on remuneration for the members of the Board of Directors, the Chief Executive Officer/General Manager and Executives with strategic responsibilities in reference to 2017, the Nomination and Compensation Committee took account of the recommendations contained in the Corporate Governance Code, best national and international practice and the indications that emerged from the approval by the Shareholders' Meeting in 2016 of the remuneration report.

In particular, the variable remuneration for the Chief Executive Officer/General Manager is made up of:

- a short-term variable component (MBO) which considers both internal financial indicators (such as consolidated net income from continuing operations, the ratio between operating cash flows (FFO – Funds from Operations) and net financial debt, and value of consolidated cash cost), and non-financial indicators (such as occupational health and safety);
- a long-term variable component (LTI) which considers both Enel's average TSR (Total Shareholder Return) compared to the average TSR of the EURO STOXX Utilities EMU index over a 3-year period, and the Group's accumulated ROACE (Return on Average Capital Employed) for the same 3-year period.

In addition, the bonus plan envisages the deferment of the payment of long-term variable remuneration. Specifically, 30% of the total is paid during the year subsequent to the 3-year performance period, the so-called control year, while the payment of the remaining part, 70% of the total, is deferred by two years compared to the 3-year period, thus making *de facto* completion of the plan last over a 5-year time horizon.

LTI Plan (Long-Term Incentive)

* In case of achieving the performance objectives.

Finally, the Company has the right to ask for the return of variable remuneration paid (both short and long term) or to withhold the variable remuneration which is being deferred, should such remuneration be paid on the basis of data which later proves manifestly wrong (clawback and malus clauses).

For further details see the remuneration report available on www.enel.com.

The internal control and risk management system

The internal control and risk management system consists of a collection of rules, procedures, and organizational structures aimed at enabling the identification, measurement, management and monitoring of the main corporate risks in the Group. The system covers three types of activity:

- **"line control"** (or **"first level control"**), consisting of the set of control activities the single operating units or Group companies perform on their own processes in order to guarantee the correct undertaking of operations;
- **"second level controls"**, which are entrusted to specific corporate departments and which aim to manage and monitor typical categories of risks;
- **internal audit** ("third level" controls), aims at verifying the structure and function of the system overall, also through monitoring the controls, as well as the second level control work.

The system is subject to periodic tests and checks, taking into account the evolution of corporate operations and the situation in question, as well as best practices.
For a detailed description of the duties and responsibilities of the main subjects involved in the system, as well as the means of coordination among them, please refer to Guidelines of the internal control and risk management system, which are available at www.enel.com.

Owing to the nature of its business the Group is exposed to various types of risk which are set out in the table below.

Risks linked to processes to liberalize markets and to regulatory changes	Risks linked to CO_2 emissions	Commodity price risk and risk of continuity of supply	Exchange rate risk	Interest rate risk
Credit risk	Liquidity risk	Risks connected to rating	Country risk	Industrial and environmental risks

For each of these, specific actions have been identified to mitigate its effects and ensure correct management.

In regard to financial risks, such as market risk (including the risk of changes in interest rates, exchange rates and commodity prices), credit risk and liquidity risk, the governance adopted by the Group envisages:

- the presence of specific internal committees, consisting of the Group's top management and chaired by the Enel Chief Executive Officer, responsible for policy setting and supervision of risk management;
- the issue of specific policies and procedures, at the Group and individual Division/Country/Business Line levels, which 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 managing risk;
- the definition of a system of operating limits at the Group and individual Division/Country/Business Line levels for the various types of risk, which are monitored periodically by risk management units.

Detailed information is available in the Group Annual Report 2016 available on the Company's website (www.enel.com).

Analysis of counterparties

The ability to adequately assess counterparties and to promptly intercept any threats and risk elements is increasingly an essential requirement not only to protect organizations' reputation but also for their very survival.
The analysis of the counterparties is requested by the Business Lines, Departments and services, the request is facilitated and supported by an instrument and by a methodology provided by the Security unit which at the same time is responsible for formally verifying and optimizing the operations requested.
Even if the analysis may also be assigned to third parties, the process and the methodology must guarantee the application of a criterion for standard assessment, monitoring and reporting.

The analysts are required to collect all the relevant information regarding the reputation of the subjects involved within the defined scope. This work is carried out by making searches from all sources which are open, private, and available, including at least: internet – social networks; Public Administration – Chamber of Commerce; public database of the judicial system; corporate database, paying attention not to violate the Company's policies/procedures or the laws of the country (for example protection of personal data, anti-trust laws, etc.); international databases (for example World Check).

The principles underpinning our work

G4-15 G4-41 G4-49 G4-56 G4-57
G4-DMA HR G4-HR2 G4-HR3 G4-HR4
G4-HR5 G4-HR6 G4-HR12 G4-DMA LA
G4-LA16 G4-DMA SO G4-SO3 G4-SO4
G4-SO5 G4-DMA EN G4-EN34

Underpinning its work the Enel Group has a solid system of ethics. This system is a dynamic collection of rules which is constantly oriented at introducing the best international practices which all the people who work in Enel and for Enel must comply with and apply in their daily work.

Code of Ethics

In 2002 Enel adopted the Code of Ethics, which expresses its commitments and responsibilities in the conduct of its affairs and corporate activities. This Code applies both in Italy and abroad, in light of the cultural, social and economic diversity of the various countries where Enel operates.

Policy on Human Rights

In order to enact the United Nations Guidelines on Business and Human Rights, in 2013 Enel approved the Policy on Human Rights, which sets out the commitments and responsibilities in regard to human rights entered into by employees of Enel SpA and of its subsidiaries, and promotes respect of the Policy by contractors, suppliers and commercial partners in its business relations.

Zero Tolerance of Corruption Plan

The Plan was adopted in 2006 and confirms the Group's commitment to ensuring correctness and transparency in conducting corporate affairs and activities. All parts of the organization are responsible, as appropriate, for effective risk management by putting adequate control and monitoring systems into place.

As from January 2016, it has been possible to use a new online communication channel, only at Group level, to notify any violation or suspected violation of the compliance programs adopted by the Group or by the individual companies, such as: the Code of Ethics, the Policy on Human Rights, the Zero Tolerance of Corruption Plan, the Enel Global Compliance Program, the Organizational and Management Model ex Legislative Decree no. 231/2001 and the other national compliance models which may be adopted by the Group companies in conformity with local law (www.enel.ethicspoint.com).

85
Notifications received in 2016

51
Anonymous notifications

18
Violations of the Code of Ethics

During the analyses undertaken to ascertain possible violations of the Code of Ethics, no facts or events emerged involving the harming of the rights of minors, while in 4 cases the violations regarded issues relating to "work practices": 2 cases referred to discriminatory conduct/mobbing and 2 regarded the corporate climate. For each confirmed violation, Enel has defined specific action plans.

Enel Global Compliance Program

The Enel Global Compliance Program, which is aimed at the Group's foreign companies, integrates, where they exist, any compliance programs (risk prevention models) adopted by those companies in conformity with local law. This document, which was approved by the Board of Directors of Enel SpA in September 2016, is inspired by the main international regulatory framework and qualifies as a governance instrument aimed at strengthening the Group's ethical and professional commitment to prevent the committing of illegal acts abroad from which corporate criminal liability may arise together with the related reputational risks.

The type of situation addressed in the Enel Global Compliance Program – which is accompanied by the provision of conduct standards and areas to be monitored by way of prevention – is based on illicit conduct which is generally considered as such in most countries, such as for example crimes of corruption, crimes against the Public Administration, false accounting, money-laundering, crimes committed in violation of the laws on occupational health and safety, environmental crimes, etc.

Organizational and Management Model

(ex Legislative Decree no. 231/01)

Legislative Decree no. 231/01 introduced into Italian law a regime of administrative (but *de facto* criminal) liability on companies, for some types of crimes committed by the related directors, executives or employees in the interests of or to the advantage of the companies themselves. Enel was the first company in Italy to adopt an Organizational and Management Model corresponding to the requirements of Legislative Decree no. 231/01 (231 Model) as early as 2002. Enel SpA started in 2015 and continued in 2016 a review of its 231 Model in order to take account of the regulatory update, which entailed an enlargement of the scope of the crimes which are considered relevant under Legislative Decree no. 231/01, as well as to align the Model to the organizational structure in force. In particular, a review was arranged of the General Part of the 231 Model and the updating of the Special Parts "G" (crimes of receiving stolen goods, money-laundering, use of money, goods or assets of illegal provenance and self-laundering), "H" (IT crimes and illicit processing of data) and "L" (environmental crimes).

G4-DMA HR

Enel's commitment on human rights

Enel is aware of the fact that a company is responsible for the respect of human rights not only in the actions which involve it directly, but, more generally, also indirectly in the context in which it operates. As required by the Guidelines and on the basis of policy principles, the Human Rights Compliance Assessment (HRCA) project is continuing in the various countries, through the establishment of multi-function and multi-country work groups which enable the definition of global policies and their exposition while taking into account local situations. As part of the work to define the Group's priorities (see "Analysis of priorities") various stakeholders are asked their opinion on human rights in various aspects. In general, Enel's policy focuses on two fundamental areas: labor practices and relations with communities.

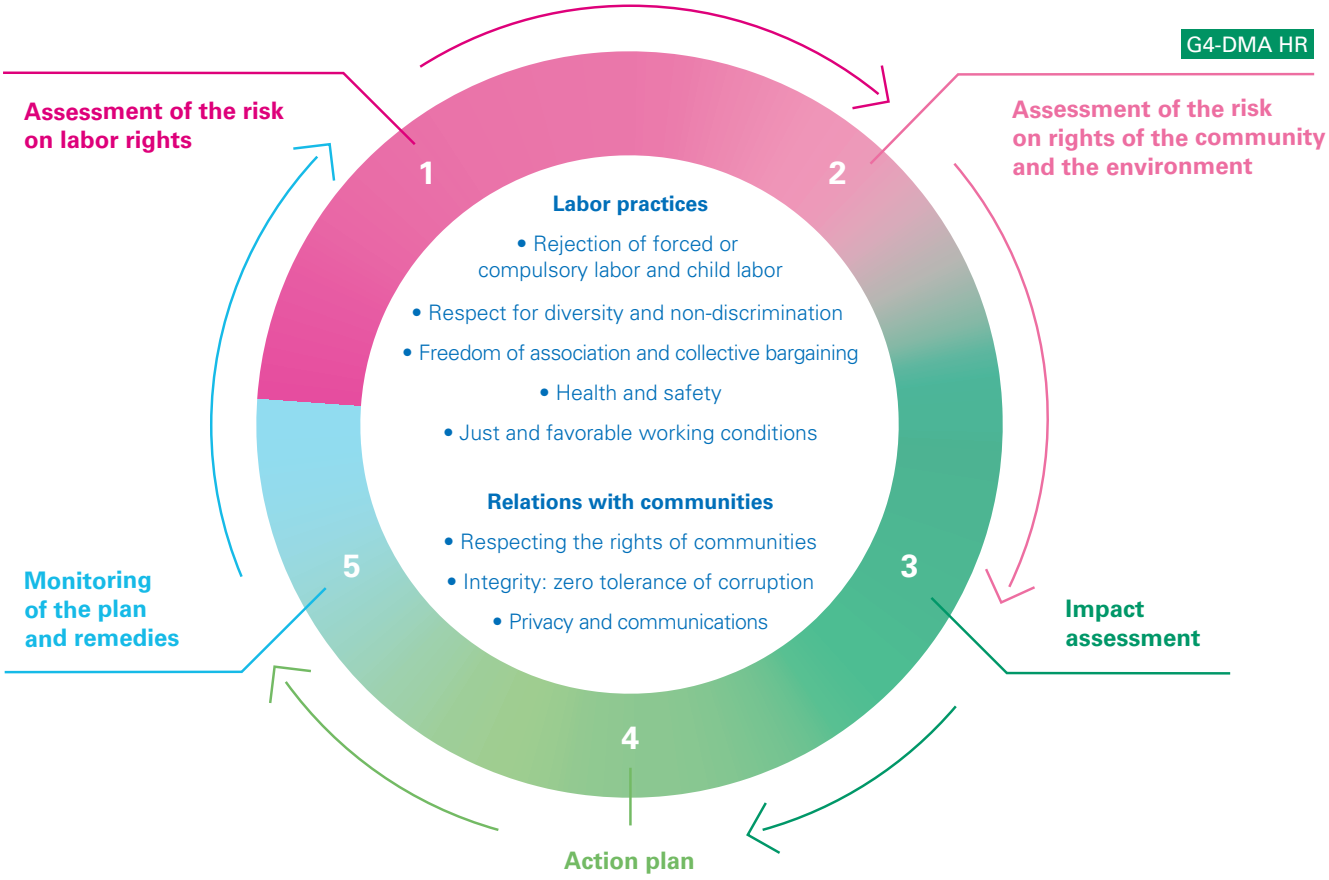
The new due diligence process

During 2016 Enel redesigned its due diligence process in order to align it to international best practice, focusing the analysis at first on the perceived risk assessment for human rights in the various areas where the Group operates.
In particular the process envisages 5 stages:

1. assessment of the country risk on labor rights;
2. assessment of the country risk on rights of the community and the environment;
3. impact assessment;
4. development of an action plan;
5. monitoring of the plan and remedies.

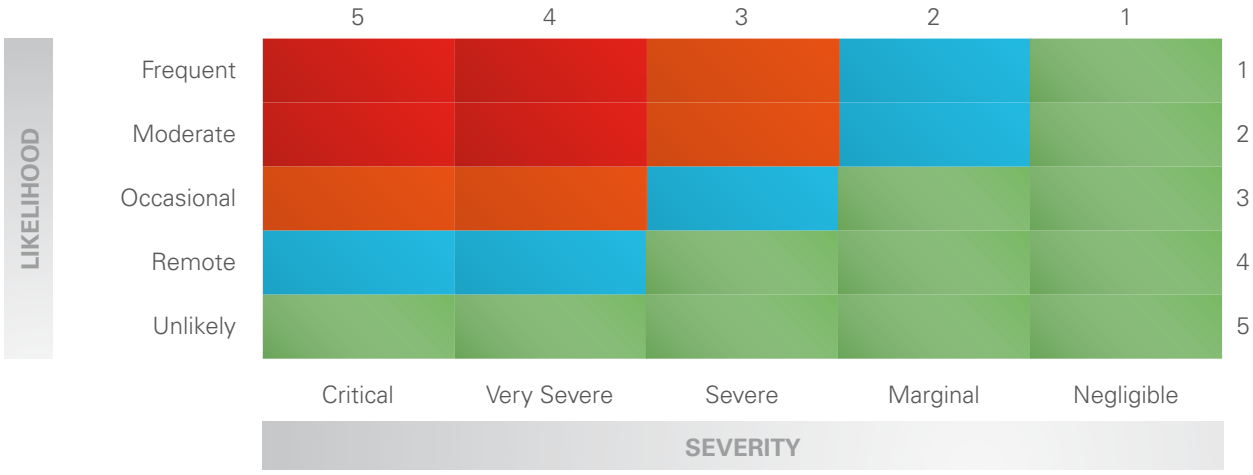
During 2016, Enel designed the aforementioned process through the involvement of representatives of the various countries where the Group operates, after defining the country risk assessment questionnaire and launching two parallel projects in Latin America to verify its operation.

G4-DMA HR



The country risk assessment on labor rights

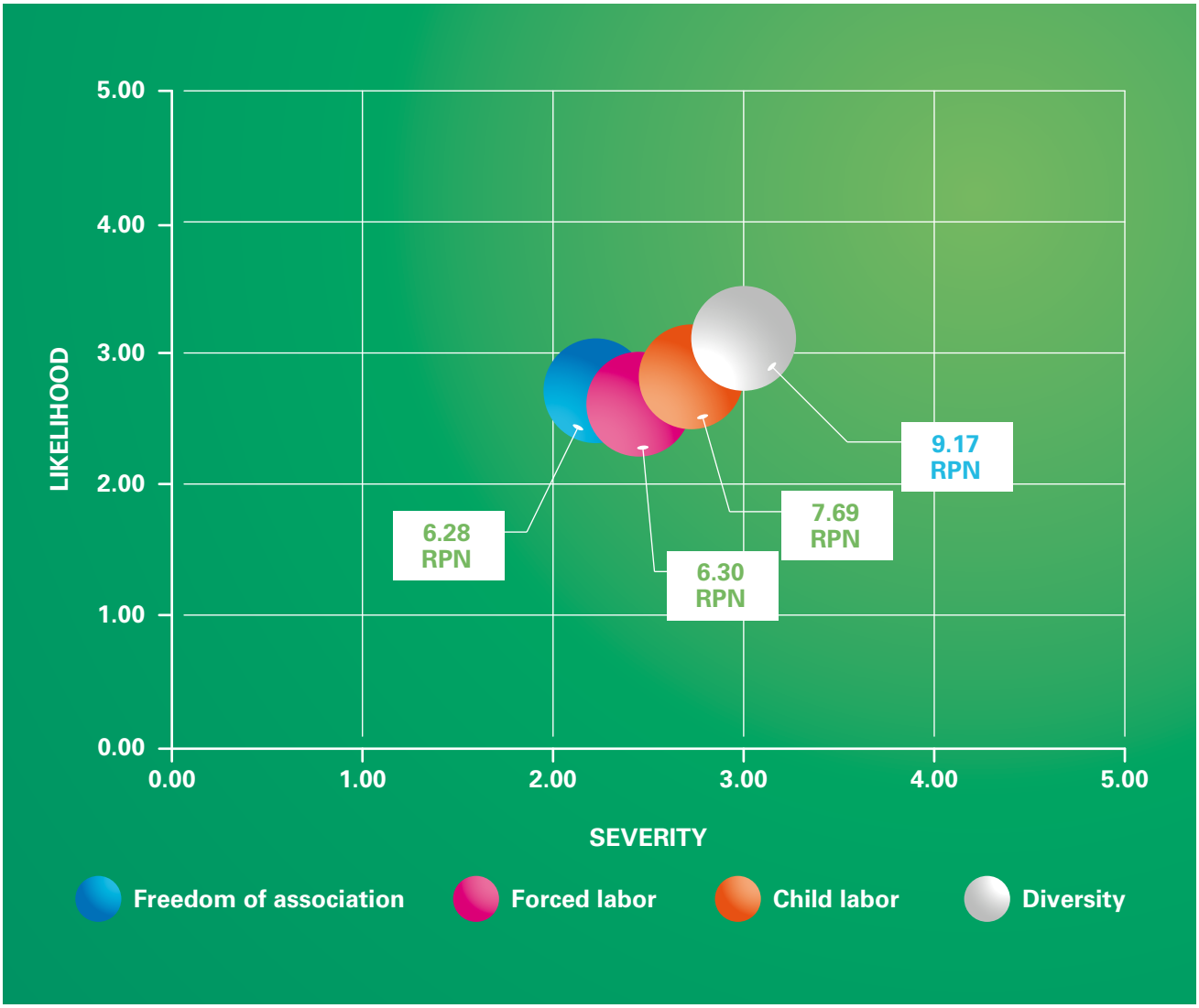
On the basis of the statement by the International Labor Organization (ILO) on labor principles and fundamental rights, and, in line with the indications of UNICEF and the recent regulatory proposals (such as for example the Modern Slavery Act of 2015), a country risk assessment questionnaire has been prepared connected to labor rights and in particular: freedom of association, child labor, forced labor, diversity and inclusion. The questionnaire was administered, both through local interviews and with an online survey, to various stakeholder categories (communities, institutions, customers, etc.), defined in line with the provisions of the priority analysis, and concerned 5 countries: Argentina, Brazil, Chile, Colombia and Peru. The assessment of perceived risk is based on both the severity of the issue and on the likelihood of an actual violation. The combination of its components enables identification of the **Risk Prioritization Number - RPN**, in accordance with the following matrix.



High risk	16 ≤ RPN ≤ 25	Risk to control	8 ≤ RPN ≤ 12
High priority risk	12 ≤ RPN ≤ 16	Risk acceptable	1 ≤ RPN ≤ 8

From the analysis of the results it emerged that the perception of the risks linked to labor rights in Latin America, albeit taking into consideration the due local differences, tends to be medium to low.
For each issue and for each country the areas to be monitored have been identified to guarantee their constant control

Perception of risks linked to labor rights in Latin America



Working groups on human rights

During 2016 the work continued of the internal work groups to oversee human rights, such as the activities on diversity and inclusion and those relating to the purchasing process (see the chapters dedicated to our people and to the sustainable supply chain), confirming Enel's desire to have a preventative and not reactive approach to such issues.

In addition, in 2016 Enel continued to participate in the initiative (UNICEF Business Lab) launched by UNICEF Italia, a platform which involves institutions, companies, the academic world, the media and the main stakeholders from the Italian economy on issues of business and human rights, children and adolescents.

Sustainability Plan 2017-2019*

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Constant alignment with the recommendations and international best practice about governance	
	Continuous improvement of "Compliance Program"/Prevention model on company penal risks (ref. 231 Decree)	
	Further extension of training on 231 Model and Enel Global Compliance Program	
	Issue of Board of Directors' diversity policy	In 2017
	Structured induction plan dedicated to the members of the Board and of the statutory auditors during the mandate	
	Monitoring and support in the concrete fulfillment of the Recommendations on corporate governance of the listed subsidiaries	
	Yearly execution of the Board review with the support of an independent advisor	
	Attaining ISO 37001 "Anti-bribery Management System" certification for Enel SpA and extension to the main Italian companies	In 2017
	Due diligence on human rights	Risk assessment, impact assessment and remedial actions (in 2017); training on human rights
	Analysis of counterparties (adoption of a common model to analyze counterparties, realization of a unified data bank)	100% of countries where present by 2020

SUSTAINABLE DEVELOPMENT GOALS

* See the chapter "Strategy and Sustainability Plan".

Transparency in institutional processes

G4-DMA SO

Enel constantly handles its relations with institutions (local, national, European and international) in line with the provisions of the Enel Compliance Program, providing complete and transparent information with the aim of making institutional interlocutors best placed to take the decisions for which they are responsible. Enel also contributes actively to the consultation process for political and legislative dossiers on energy and environmental issues.

In Italy the institutional dialogue in 2016 mainly regarded the reduction of thermal generation in relation to the new energy strategy perspectives, the energy sustainability of ports, electric transport, energy saving and national ultra-broad band telecommunications infrastructure.

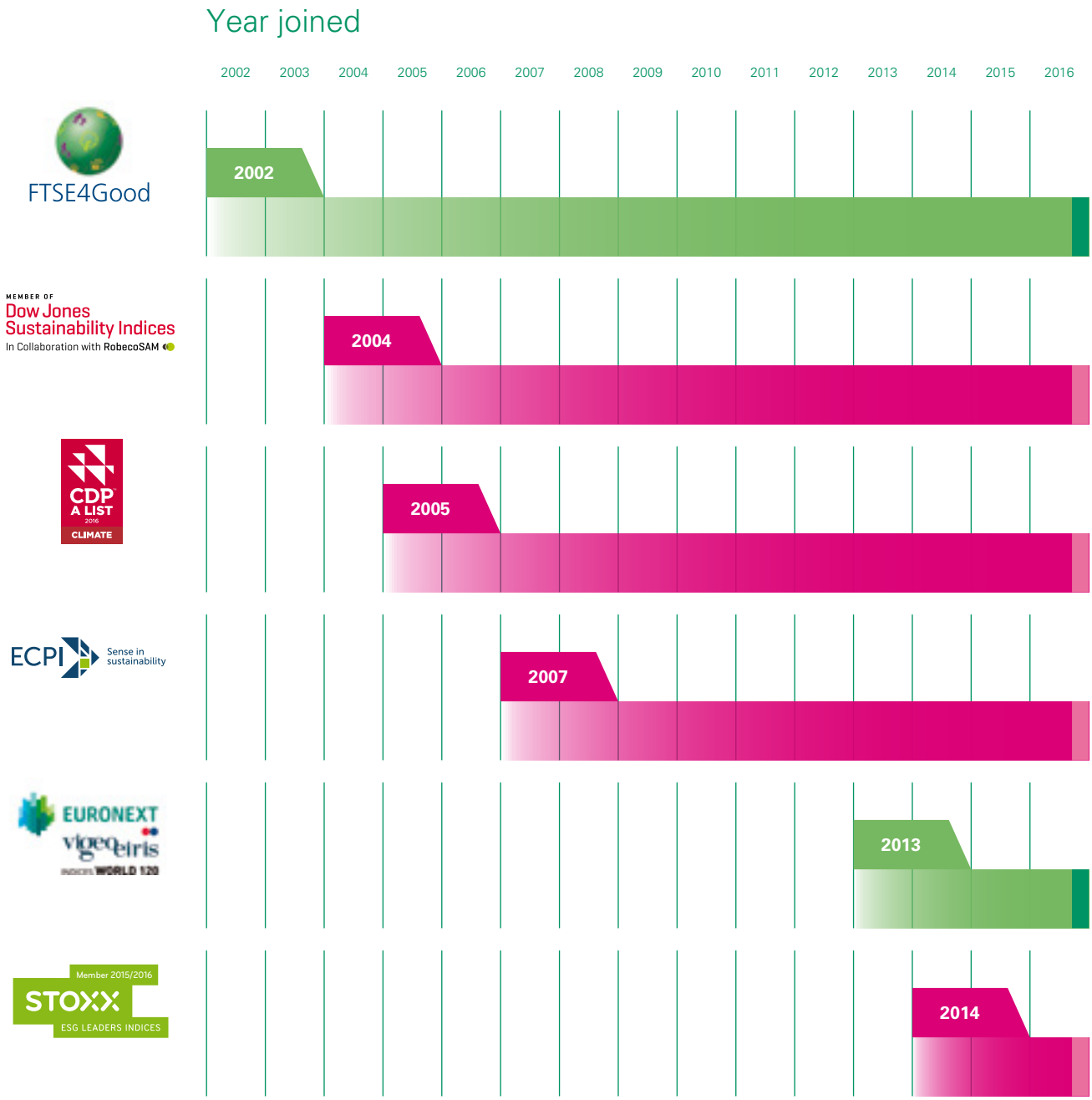
As part of relations with European institutional interlocutors, Enel contributes actively in every stage of the consultation process for political and legislative dossiers of interest to the Company as a result of careful monitoring and analysis. Among the issues of greatest interest for Enel in 2016 were energy and environmental policies, the new laws on air quality, the reform of the EU's emissions trading system Directive (ETS), the circular economy, the next revision of the Directive on water, etc. Internationally Enel has followed the negotiations relating to the United Nations Framework Convention on Climate Change (UNFCCC) and takes part in relevant energy associations (for example Eurelectric, WindEurope, SolarPower Europe, EDSO 4 Smart Grids, Eurogas). Finally, in the United States Enel takes active part in the institutional dialogue on energy policies with particular reference to the market for renewable energies.

As part of a dynamic positioning process aimed at assessing how companies are influencing these environmental policies and related legislation worldwide, **InfluenceMap**, a British non-profit organization, has classified Enel among the most supportive and strategically active utilities. This result is the consequence of strong leadership by Enel, of its influence within leading European associations, as well as its positive interaction with InfluenceMap itself, which also encourages the organizations involved to provide adequate feedback.

Finally, the Enel Group has been recorded on the EU's voluntary transparency register since its creation in 2008. The register aims to offer citizens unique and direct access to information on who is undertaking activities aimed at influencing the EU decision-making process, on the interests being pursued and on the resources invested in these activities (http://ec.europa.eu/transparencyregister). The information relating to the activities undertaken in line with the federal law of the United States are set out on the following public website: https://www.opensecrets.org.

Sustainability indices

For a number of years Enel has been present in the most important sustainability indices such as the Dow Jones Sustainability Index World, FTSE4Good, Euronext Vigeo, STOXX Global ESG Leaders and ECPI. In 2016 it was admitted to the A-list of the CDP (formerly the Carbon Disclosure Project), which includes the companies which, at global level, stand out for the effectiveness of their strategy in taking up the opportunities and managing the risks of climate change. Joining the CDP index is another important confirmation of Enel's strategy in combating climate change, as enshrined by the Group's goal to become carbon neutral by 2050.



Enel's presence in the main energy and sustainability associations

G4-16

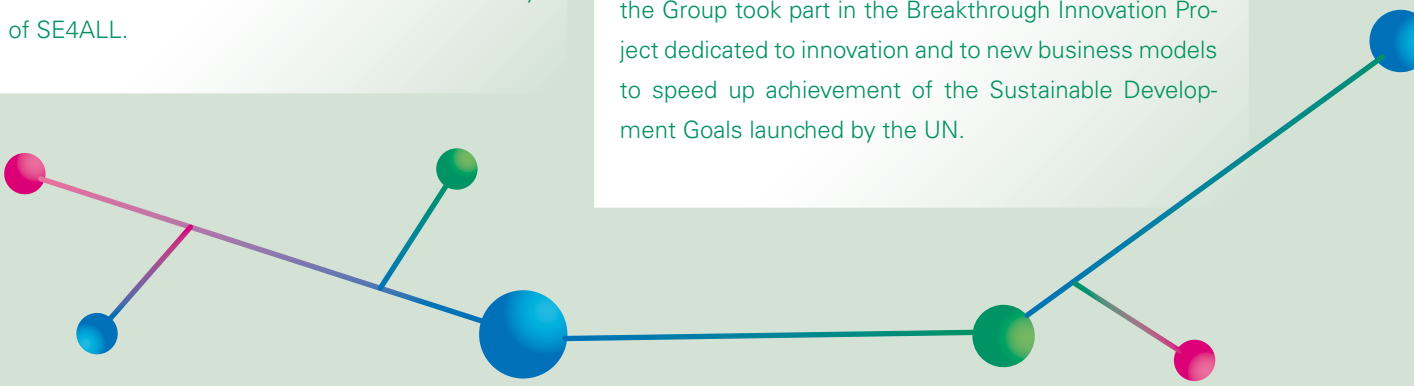
The Enel Group actively participates in the national and international associations and organizations which propose to establish long-term goals and commitments to promote a sustainable way of doing business and managing the challenges of climate change and the social and economic pressures concerning the macroeconomic situation and the energy sector in particular. Here below are some examples.

Sustainable Energy for All (SE4ALL)

Initiative launched by the United Nations in 2011 with the aim of guaranteeing access to more sustainable energy for everyone and which Enel has actively supported since the beginning. The Group's commitment to supporting the initiative was also strengthened with the pledge to achieve the Sustainable Development Goal on energy (SDG 7) which was announced in September 2015 by the Enel Chief Executive Officer Francesco Starace, who since June 2014 has also been a member of the Advisory Board of SE4ALL.

UN Global Compact

Enel has been a member of the global network of the UN Global Compact since 2004, of which it has subscribed the ten founding principles relating to human rights, labor standards, protecting the environment and combating corruption. In 2011 it joined the Global Compact LEAD, a group which represents sustainability leaders in the private sector globally and in which it is a member of the Steering Committee. In addition, in June 2015, the Enel CEO Francesco Starace was appointed as member of the Board of Directors of the Global Compact. In 2016 the Group took part in the Breakthrough Innovation Project dedicated to innovation and to new business models to speed up achievement of the Sustainable Development Goals launched by the UN.



Global Sustainable Electricity Partnership (GSEP)

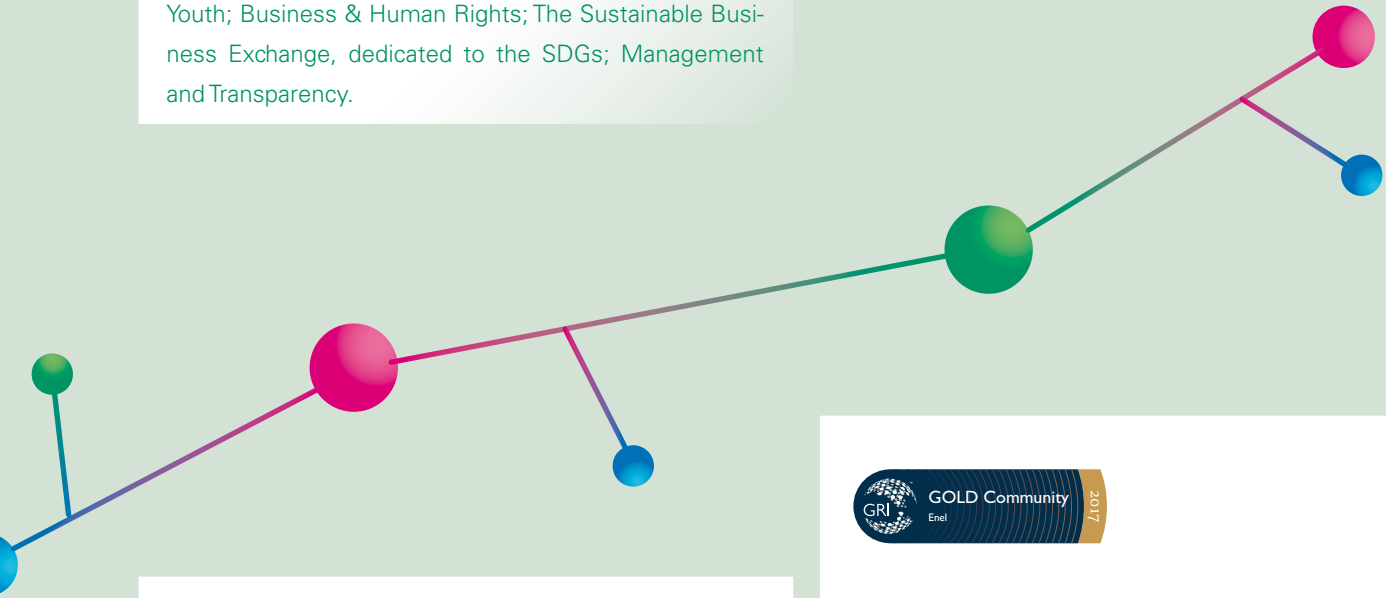
Non-profit organization whose members are leading global electric companies, aimed at promoting sustainable energy development through projects in the electric energy sector and capacity building in emerging and developing countries worldwide.

CSR Europe

A body based in Brussels which is delegated by the European Commission to cover Corporate Social Responsibility. Enel is a member of the Board of Directors holding the position of Vice-Chair and takes active part in the work and meetings of the network, including the work groups and projects relating to: The European Pact for Youth; Business & Human Rights; The Sustainable Business Exchange, dedicated to the SDGs; Management and Transparency.

Sustainable Business Roundtable (SBRT)

In 2016 Enel joined the SBRT network, which is based in Berlin and brings together the leading companies worldwide on sustainability and puts itself forward as a peer-to-peer learning platform to exchange best practice.

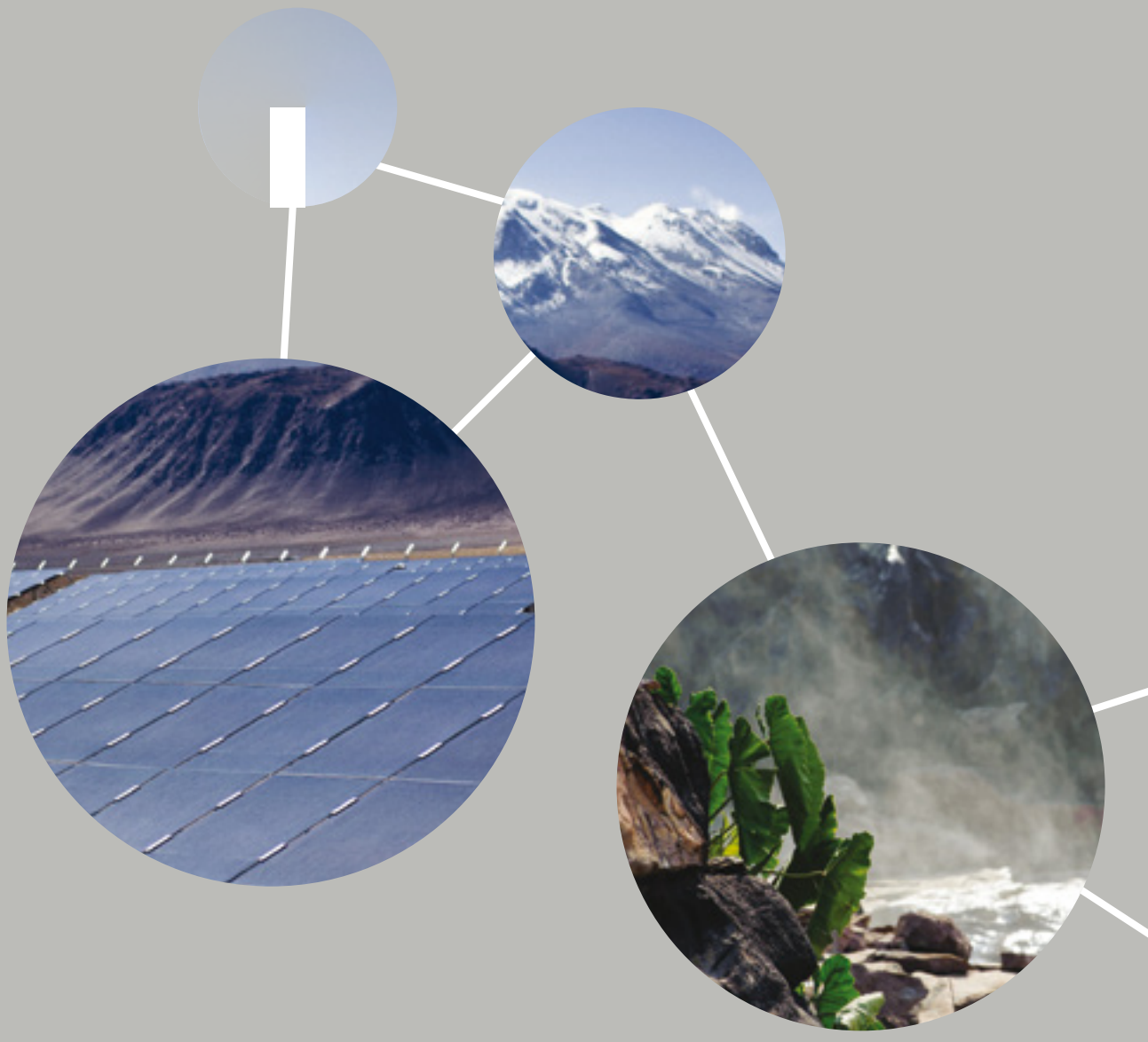


World Business Council for Sustainable Development (WBCSD)

The WBCSD is the global network set up by over 200 business organizations worldwide which are united in their commitment to promote sustainable development in the business community of their respective countries. Enel has been part of the network since 2016 and the CEO, Francesco Starace, is a member of the Council. Enel is in the new study by the WBCSD on "Reporting Matters", which highlights Enel's leadership in the integration of the SDGs and as best practice in reporting ESG performance. In addition, Enel takes part in the work group on biodiversity.

Global Reporting Initiative (GRI)

Since 2006 Enel has applied the GRI-G4 reporting guidelines to draft its Sustainability Report which, as from October 2016, were reformulated to create the new GRI Sustainability Reporting Standards (GRI Standards), a more updated version of the original parameters. In December 2016 it joined the GRI's Standards Pioneer Program "Lead the way in sustainability reporting" for the dissemination of the new common parameters for the assessment, measurement and reporting of sustainability performance.
Enel is a member of the GRI's Stakeholder Council, the multistakeholder consultative body which supports the GRI's Board of Directors for strategic issues. In addition, it is one of the companies which collaborate on the "Reporting 2025" Project.



02_Defining priorities

G4-18

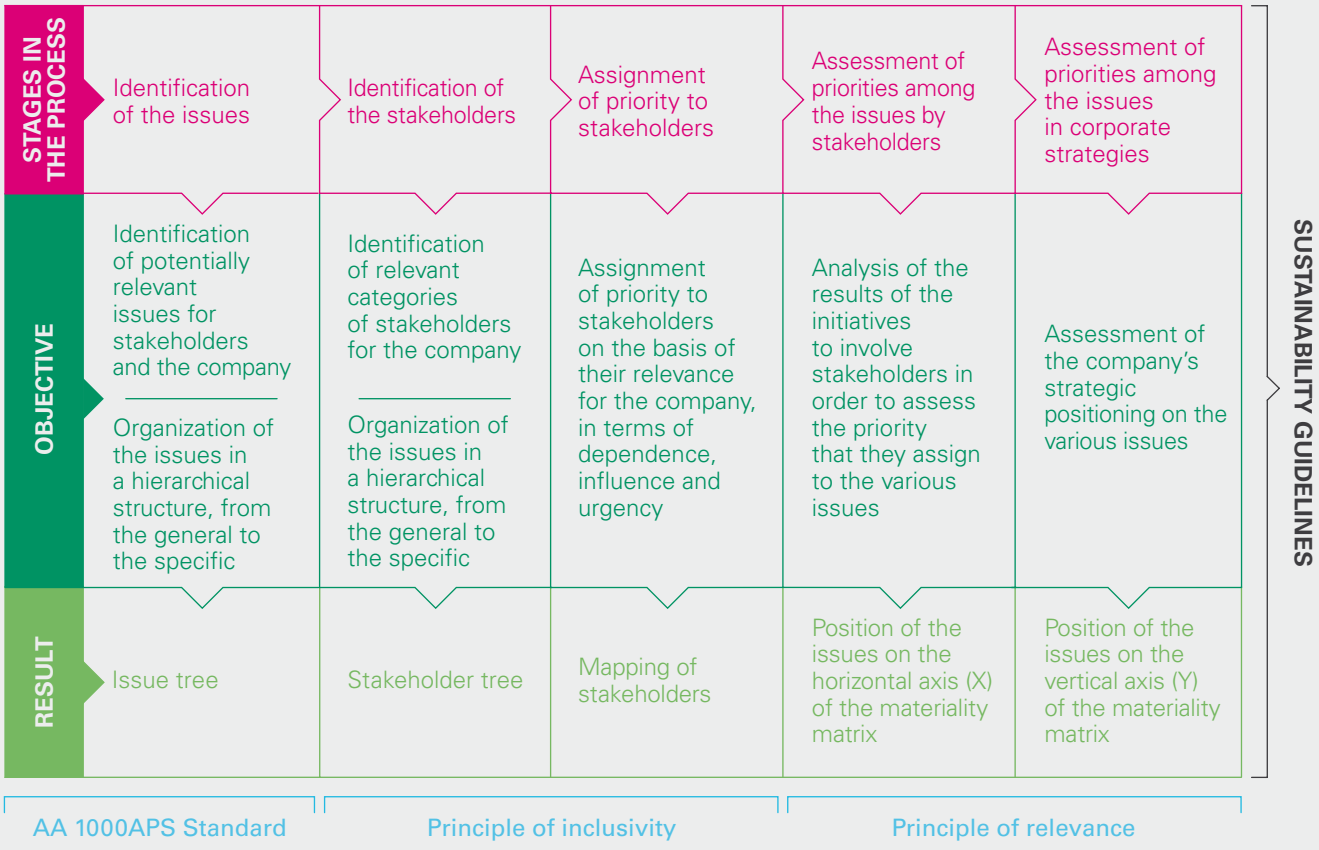
Materiality analysis

In order to identify the Group's priorities for action, the issues on which further disclosure is required and the activities to involve stakeholders which needs enhancing, Enel has for several years now been conducting a materiality analysis, based on the guidelines of the most widespread international standards, such as the Global Reporting Initiative (GRI), the principles of the Communication on Progress (COP) of the UN Global Compact, the framework of the IIRC (International Integrated Reporting Council) and the SDG Compass, a guide which supports companies in aligning their strategies with the Sustainable Development Goals.

The objective is to map and evaluate the priority of the issues of interest to stakeholders, by cross-referencing them with the industrial strategy and with the Group's priority actions. The analysis, which is conducted in increasing detail in

The process

As part of the analysis, the Group's main stakeholders are identified and are evaluated on the basis of their importance for the Company. Consideration is given to the priority they give to the various issues in the numerous initiatives in which they are involved. This information is then compared with the assessment of the issues on which Enel plans to focus its efforts, with the related priority value. Here below are the main stages in the process.



terms both of the issues and the geographic scope, enables company and stakeholder priorities to be identified both for the whole Group and for each individual country. In addition, it enables results to be obtained with a specific focus, such as the matrix solely for the "Financial community" stakeholder category, which can identify the issues to be addressed in more detail in the Annual Report, in order to provide an integrated report on performance.

On the basis of the results of the materiality analysis, the main areas for reporting are then established and challenging and agreed objectives are set and included in the Strategic Plan 2017-2019. These objectives are then achieved thanks to the contribution from the activities and projects of different Divisions and Business Lines in the Group, which are set out in the Sustainability Plan 2017-2019.

During 2016, Enel further enhanced the materiality analysis, launching in the main countries where it is present a pilot project to monitor stakeholders' level of satisfaction with the Company's means of controlling the various issues. The results obtained, which are compared with the stakeholders' priority analysis, allow an overall vision to be obtained of stakeholders' expectations and help identify the issues that the Company must focus on.

The supporting IT tool has been further enhanced in order to guarantee greater traceability and sharing of best practices to involve and monitor stakeholders and to enable a level of cover which is aligned to the company organizational model. It is thus possible to identify priorities not only at Group and individual company level, but also by Business Line/Company Function, by individual project which is to be developed or is ongoing and also by the various stakeholder categories.

In particular in the past year it was possible to include in the analysis:

39 Companies

17 Countries

228 Initiatives involving stakeholders

The Sustainability Holding unit has a role in direction and coordination, providing the guidelines and the methodological support for the purposes of the analysis which is carried out by local managers with the involvement of stakeholders and the main key figures at company level. The results obtained at the level of the individual company and/or country are subsequently consolidated by the Holding in order to prepare the matrix of the Group's priorities (refer to the Methodological Note for detailed information on the process used).

Stakeholders' engagement

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Understanding the expectations of stakeholders, through continuous and structured dialogue, is at the heart of the Enel's strategy and perfectly in line with "Open Power"'s inclusive approach.

For the purposes of analyzing the priorities, the units responsible for relations with stakeholders are involved every year in identifying and updating the list of the most important stakeholders, so that they are always aligned with the various situations in which Enel operates. The joint work of the Group and the companies means there is an exhaustive and constantly up to date list of stakeholder categories, which takes specific forms depending on the company and/or the country involved.

The stakeholder categories identified (financial communi-

Main types and channels of communication with stakeholders

Financial community

- Investor Relations and Corporate Affairs
- Road shows
- Investor Day
- Direct contacts
- Web channel

Suppliers and contractors

- Online channel
- Forums and dedicated meetings
- Working groups
- Direct contacts

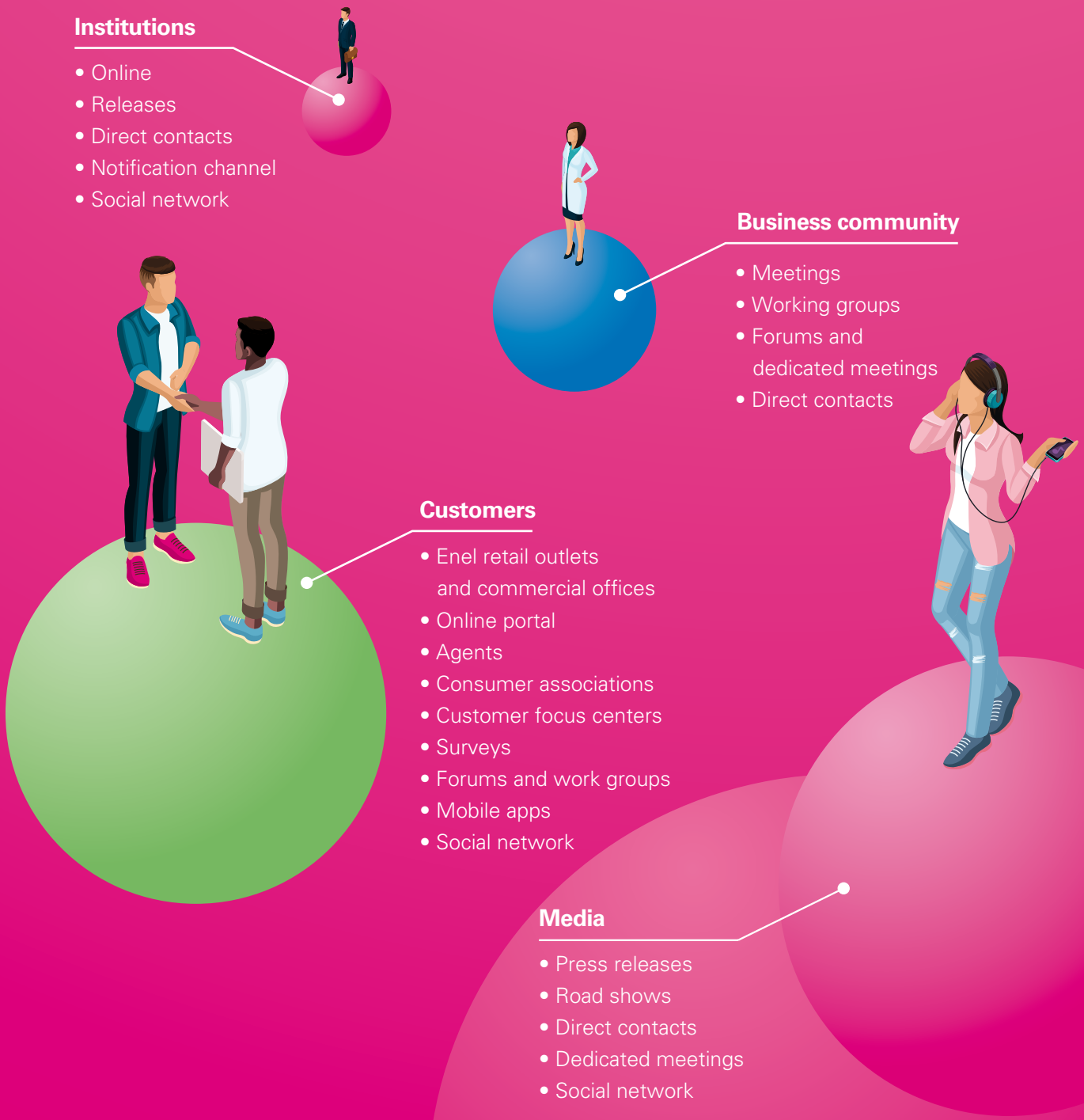
Civil society and local communities

- Online
- Releases
- Direct contacts
- Notification channel
- Social network

Employees

- Intranet
- Forum
- Interviews
- Working groups
- Climate survey
- Company magazine
- Newsletter
- Notification channel

ty, institutions, business community, civil society and local communities, suppliers and contractors, employees, customers, the media) are assessed and weighted in relation to the following parameters: dependence (in the sense of the importance of the relationship for the stakeholder), influence (importance of the relationship for the Company) and urgency (temporal aspect of the relationship). The interaction with stakeholders takes place through numerous initiatives to involve them, with different methods depending on the communication channel (general, specific, and participatory channels), the type of relationship with the group concerned, the frequency of interaction and the reference context.



Institutions

- Online
- Releases
- Direct contacts
- Notification channel
- Social network

Business community

- Meetings
- Working groups
- Forums and dedicated meetings
- Direct contacts

Customers

- Enel retail outlets and commercial offices
- Online portal
- Agents
- Consumer associations
- Customer focus centers
- Surveys
- Forums and work groups
- Mobile apps
- Social network

Media

- Press releases
- Road shows
- Direct contacts
- Dedicated meetings
- Social network

Material issues

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The identification of issues is based on the analysis of internal and external sources and takes into consideration the various geographical situations, the developments in the sector and corporate processes[1]. The issues have been classified into business and governance issues (white), social issues (fuchsia) and environmental management issues (green) and have been assessed on the basis of their relevance by both stakeholders and by the Company. The reading of the matrix of priorities in regard to each axis leads to consideration of:

- on the horizontal axis, **the priority which stakeholders**, duly calibrated on the basis of their importance, attribute to the various issues. In the right-hand part of the matrix are, therefore, the issues on which stakeholders request more commitment from the Group in terms of investments, enhancement of existing management practices and systems, formalization of clear commitments and policies;
- on the vertical axis, **the issues on which Enel plans to focus its efforts**, with the related degree of priority, also in consideration of the investments envisaged, the commitments entered into and the issues included in the Group Strategic Plan. In the high part of the matrix we can therefore find the issues on which a serious commitment is envisaged for coming years, as part of the Group's strategic objectives.

The contributions of the main Group companies involved in the process are taken into consideration in the overall matrix for the Group on the basis of the importance of these companies in relation to the type of business they operate in.

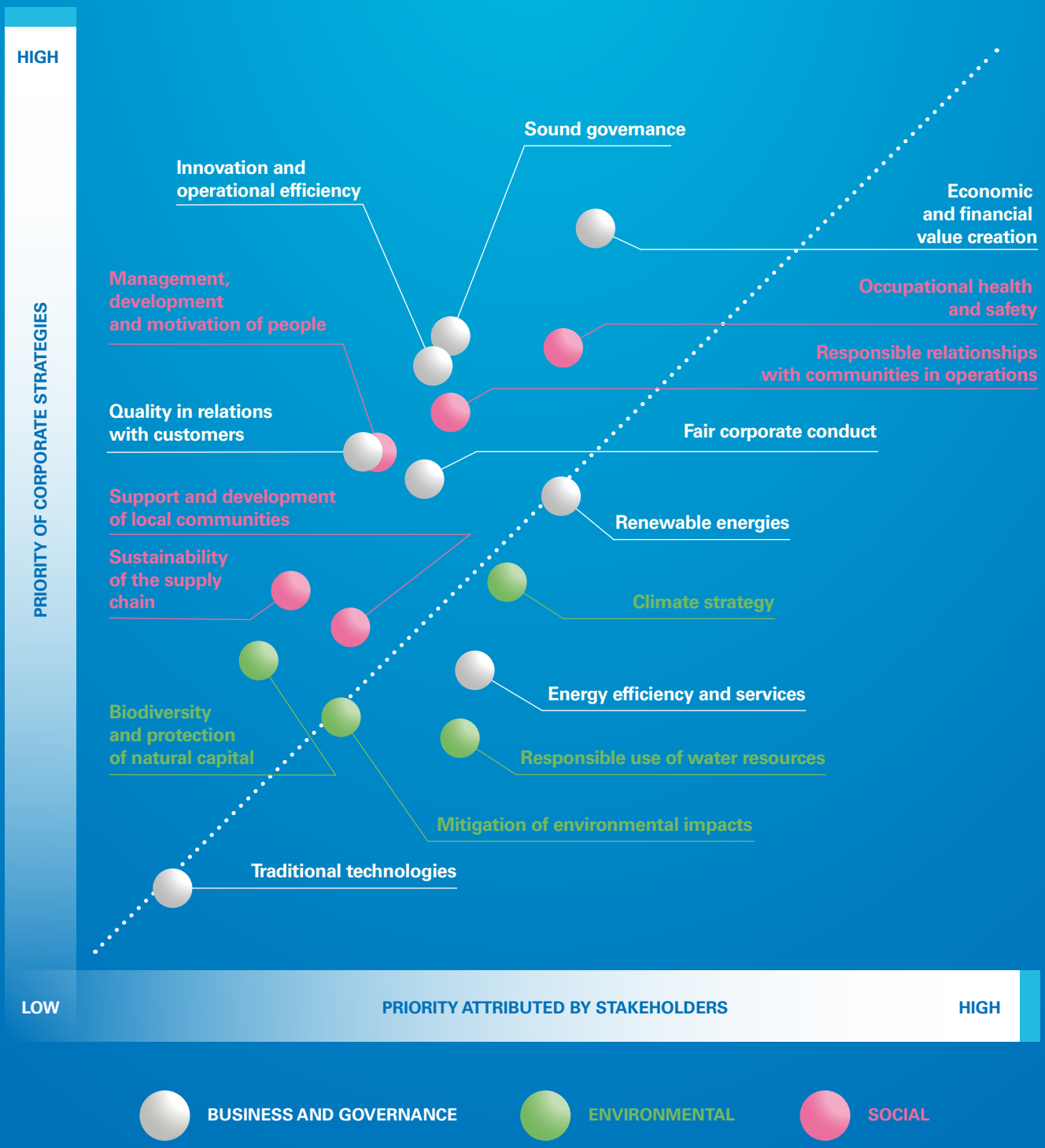
The combination of the two perspectives enables the most important issues both for the Company and for stakeholders to be identified (so-called **material issues**), and consequently the **level of alignment or misalignment** between external expectations and internal relevance to be verified.

The analysis shows broad alignment between what stakeholders are asking for and the priorities attributed by the Company to the different issues in relation to its business.

- **Business and governance issues**: Enel's strategy aims at a sustainable business model based on industrial growth strongly focused on networks and renewables, on digitalization and customer service.
- **Social issues**: the main focus is on people's **health and safety**, an issue which has been carefully monitored for a long time and which continues to be one of the key priorities for the Company. **Responsible relationships with communities** is becoming increasingly important confirming Enel's decision to focus on creating shared value.
- **Environmental issues**: **climate change strategy** is the main element of interest for the Company and is aligned with the expectations of stakeholders, as shown by Enel's long-term strategy and the commitment to achieve carbon neutrality in 2050.

1 For further information on the methodology of the materiality analysis, refer to the methodological note.

The materiality matrix 2016

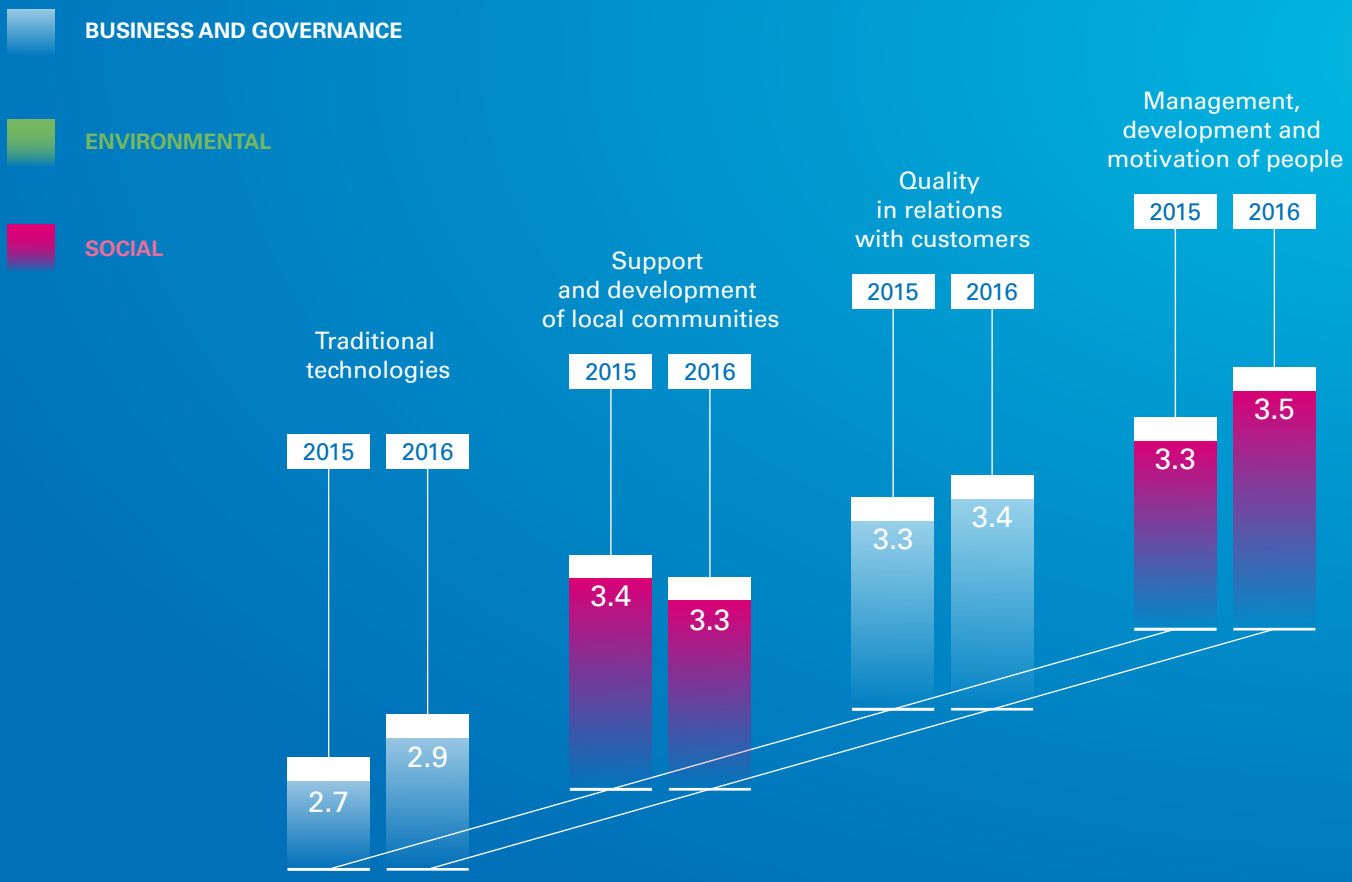


The priorities attributed by stakeholders to the pillars of Enel's strategy

In keeping with the company strategies and with the classification of the issues adopted in setting the strategic objectives identified in the Sustainability Plan[2], here below are set out the priorities attributed by various stakeholders to the so-called "**pillars**", in other words those issues to which the Company, also in regard to the macro-economic changes and sustainability context in which it operates, pays particular attention in terms of investments, monitoring and awareness-raising in coming years.

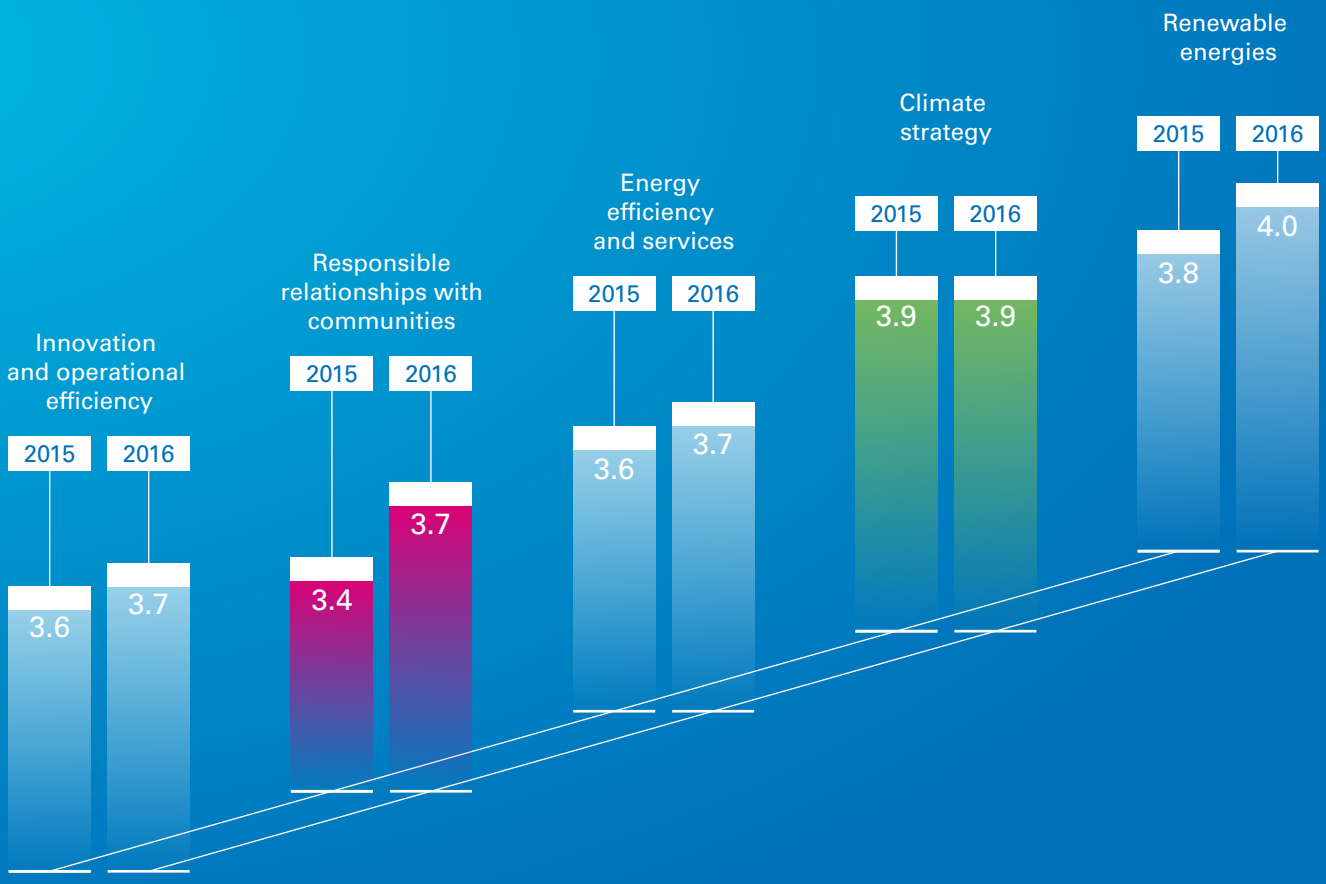
The comparison of the priorities attributed by stakeholders over the last two years, shows us that **climate strategy and renewable energies** are confirmed as the two priority issues for all stakeholder categories. **Responsible relationships with communities in operations** where Enel works continues to be very important; on the other hand, **support for local communities** has a slightly lower priority compared to 2015, in keeping with the approach of creating shared value adopted by the Company, which aims to align

2 Refer to section **Strategy and Sustainability Plan** for details on the classification of issues into pillars and backbones.



its business objectives with the needs and expectations of local communities. For further information see the section "Responsible relationships with communities". In addition, the stakeholders have ascribed increasing priority to the issue of **traditional technologies**, in the sense of optimizing the energy mix and reconverting traditional plants, as well as to **management**, **development and motivation of people**, with a focus on valorization of diversity and on the quality of corporate life in the company.

Economic and financial value creation, Occupational health and safety, Sound governance, Responsible use of water resources, Fair corporate conduct, Mitigation of environmental impacts, Sustainability in the supply chain, Biodiversity and protection of natural capital are also key elements of Enel's sustainable business model (the so-called **backbone** issues) and are, like the pillars, evaluated by the stakeholders.



03_Strategy and Sustainability Plan

Strategy and Sustainability Plan

G4-2 | G4-DMA EC

The sustainable business model

Enel's sustainable business model considers sustainability and innovation as an inseparable pairing, which creates value for the Company and for all its stakeholders and allows new opportunities to be taken.

Enel integrates sustainability into all aspects of the business, in order to constantly seek out new solutions to reduce environmental impact, to satisfy the needs of customers and of local communities and to improve relations with employees and suppliers by putting people's safety first. By listening to and actively involving all interlocutors and the rational use of resources, synergy is promoted between economic and social progress in the pursuit of shared value.

Framing the whole process are the principles of ethics, transparency, anti-corruption, respect of human rights and protecting safety, which have always been features of Enel's way of operating and which are reflected in the conduct policies and criteria which are valid for the whole Group.

A key element to this approach is the activation of the ESG (Environmental, Social and Governance) sustainability indicators across the whole value chain, not only for *ex post* assessment, but above all in order to bring decisions forward and enhance a proactive and not reactive approach. Enel wants to lead the change and take early advantage of new market opportunities, conscious of the fact that the starting point is awareness of the context in which it operates.

From the definition of strategic guidelines to business development, to the stage of engineering and building a plant, up to its daily operation, the way of operating has been rethought in order to add and create shared and inclusive value in the medium to long term. The effectiveness and the efficiency of business processes, during both development and operations, are heavily dependent on stable and constructive relations with the various stakeholders and the ability to fit synergically into local areas, preventing and managing social and environmental impacts. In order to respond promptly to changes at the Company, to the needs of customers and to transformations in the energy market, it is increasingly necessary to open up to external inputs. For this reason, Enel has promoted the "Open Innovability" model, activating an increasing number of partnerships worldwide with local organizations, businesses, universities, international associations and NGOs.

Legislative Decree no. 254/2016: non-financial information

The European Union has approved EU Directive 2014/95 which establishes new minimum environmental and social reporting standards, in relation to staff management, respect of human rights and combating active and passive corruption. This Directive aims to introduce and enhance virtuous conduct and has the goal of increasing transparency in the communication of non-financial information and increasing the confidence of investors and stakeholders in general. Legislative Decree no. 254 of December 30, 2016 transposed the European law in Italy. It applies to companies, or to groups of companies, of sig-

This is a model which promotes sustainable development fully in line with the indications of the United Nations Global Compact, of which Enel has been an active member since 2004 and which reiterates the importance of greater integration of sustainability into companies' strategic choices.
Non-financial information is increasingly analyzed by investors and the financial market, who look at a company's ability to create industrial plans which are sustainable over time and which translate into concrete, measurable actions and solid economic results (see the chapter "Getting to know Enel").

Enel constantly strives to manage and measure its non-financial performance, equipping itself with and developing instruments to guarantee a codified and integrated system of homogenous activities, information and data which are constantly updated on the basis of the development of the business scope and the reference standards, promoting the sharing of best practice and experiences.
The Group, as a mark of the increasing transparency towards stakeholders, follows and actively participates in the development of the new frontiers of reporting moving towards integrated communication of financial and non-financial performance. In December 2016 it adhered to the Standards Pioneers Program of the GRI (Global Reporting Initiative) "Lead the Way in Sustainability Reporting" for the dissemination of new common parameters for the assessment, measurement and reporting of sustainability performance.
The reporting process takes place through the collection and processing of specific key performance indicators on economic, environmental and social sustainability, in accordance with the provisions of the G4 guidelines and additions (G4 Sector Disclosures - Electric Utilities), as well as the principles of accountability and of the United Nations Global Compact.
The projects, activities, performance and main results, including progress in regard to the United Nations Sustainable Development Goals (SDGs), in line with the SDG Compass, are reported in this Enel Sustainability Report, the completeness and reliability of which are verified by an accredited external auditor, by the Corporate Governance and Sustainability Committee and by the Control and Risks Committee. The document is then approved by the Board of Directors of Enel SpA and finally presented at the Shareholders' Meeting.
The World Business Council for Sustainable Development (WBCSD), in the fourth edition of "Reporting matters", dedicated a specific section to the means of reporting the SDGs in the Enel Sustainability Report.

nificant size (total net revenues from sales and services over 40,000,000 euro or total assets on the statement of financial position over 20,000,000 euro) which are bodies of public interest (such as, for example, listed companies) and which have had on average, during the financial year, over 500 employees. The law applies for financial years as from January 1, 2017.
The Enel Sustainability Report has for a number of years been a valid reference point for non-financial information setting out the main data regarding environmental, social and governance issues.

The B Corp community (bcorporation.net) is a global movement of companies which "uses business as a positive force" and which satisfies the highest standards of responsibility and transparency to address and resolve environmental and social problems. Worldwide there are over 2 thousand certified B Corp members and over 50 thousand companies use the B Impact Assessment as an instrument for measurement and continuous improvement.
With the new mission defined in the "Open Power" context, Enel is engaged in resolving some of the greatest challenges of our world, in line with the principles of the change promoted by the B Corp.
During 2016, in order to measure itself against the most innovative experiences, Enel decided to undertake the B Impact Assessment in order to integrate its own analysis and evaluation models and to have a complete vision of the impact caused by the organization and by the initiatives launched. The work is undertaken in collaboration with Nativa (the first B Corp in Europe and Country Partner of B Lab, nativalab.com).
The B Impact Assessment, which was developed by the non-profit body B Lab, was created from the integration of global and independent measurement standards for the evaluation of social and environmental performance. It allows a company to measure its absolute impact and to compare it with the reference benchmark.

The impact evaluation is carried out on 4 analytical areas:

WORKERS

COMMUNITY

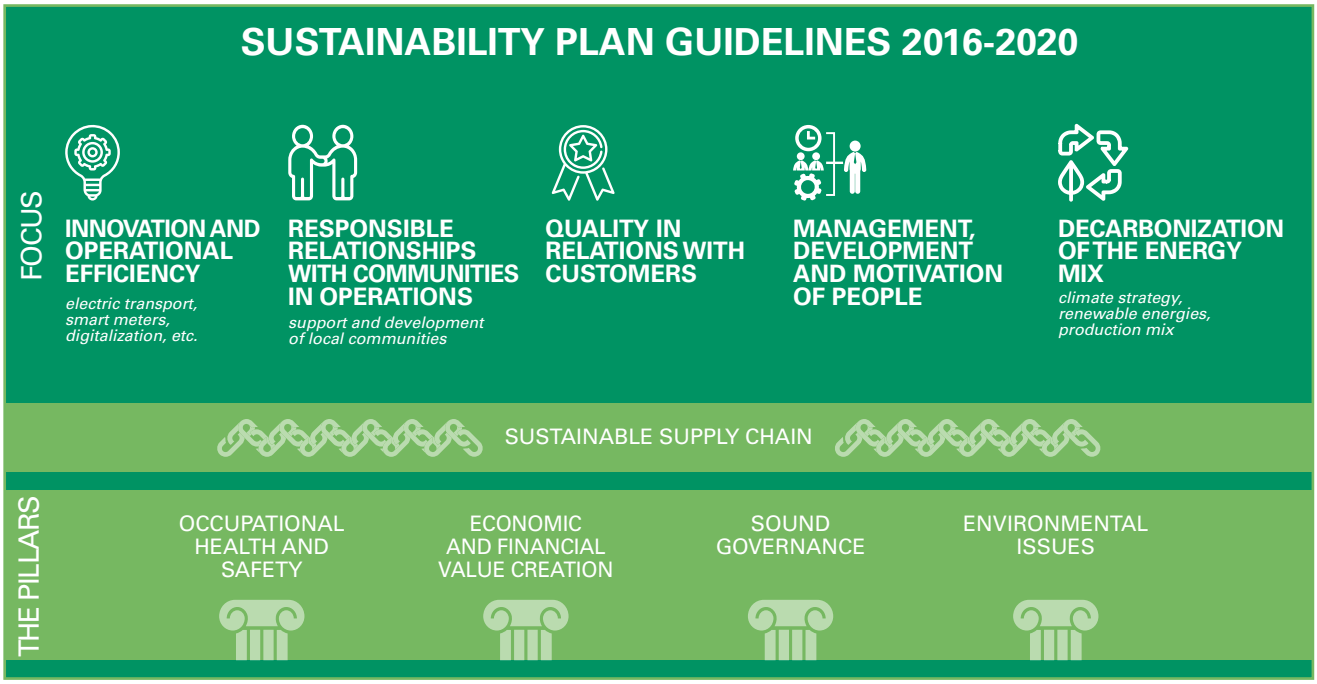
GOVERNANCE

ENVIRONMENT

The comparison of Enel's performance with the reference benchmark has already enabled the identification of some areas for improvement which have been included in the Sustainability Report 2016 or which will be included in future processes for defining the Sustainability Plan.

Results in 2016 and progress on the Sustainability Plan 2016-2020

In 2016 significant progress was made in realizing the strategy, in both industrial terms and in ESG (Environmental, Social and Governance) performance, and in particular compared to the commitments entered into as part of the Sustainable Development Goals defined by the United Nations at the end of 2015. These concrete facts and data reflect Enel's daily commitment to protecting the environment, relationships with local communities, the motivation of people, and customer relations.



The economic-financial results show EBITDA from ordinary operations for 2016 of 15.2 billion euro, up for the first time since 2013. The net profit from ordinary operations, on which the dividend is calculated, rose by 12%, reaching 3.2 billion euro compared to 2.9 billion euro in the previous year. The ratio of FFO to Net Debt, which indicates the level of financial solidity, reached 26%, surpassing the objective which the Group had set and up compared to 25% in the previous year. Net debt remained largely stable at 37.6 billion euro, despite the significant increase in investments for growth, which rose by 1.5 billion euro compared to the previous year.

2016 recorded significant progress compared to the commitments entered into as part of the United Nations Sustainable Development Goals (SDGs), which are an integral part of the Strategic Plan:

- SDG 4 (quality of education): 300 thousand beneficiaries, compared to the target for 2020 of 400 thousand beneficiaries;
- SDG 7 (clean and affordable energy): 1.2 million beneficiaries, compared to the target for 2020 of 3 million beneficiaries mainly in Africa, Asia and Latin America;
- SDG 8 (dignity of labor and economic growth): 1.1 million beneficiaries, compared to the new target for 2020 of 1.5 million beneficiaries (initial goal of 500 thousand beneficiaries);
- SDG 13 (combating climate change): ~395 gCO_2/kWh_{eq} compared to the target for 2020 of <350 gCO_2/kWh_{eq} and being carbon free in 2050.

Total installed capacity from renewable sources is around 36 GW, of which new installed capacity in 2016 was around 2 GW. The energy produced was 262 TWh, down by 22 TWh compared to 2015, of which around 40% was due to the removal from the business scope at the end of July of Slovenské elektrárne. 46% of production comes from zero-emission sources. In 2016 there was a general lowering of the value of CO_2 emissions to stand at 395 g/kWh$_{eq}$ and of specific atmospheric emissions: those relating to sulfur dioxide fell by around 23%, specific emissions relating to nitric oxides by around 4% and particulates by around 15% compared to 2015. These values are in line with the objectives set by the Group for 2020.

To facilitate new uses of energy, new ways of managing it and making it increasingly accessible to a growing number of people in a sustainable way, the commitment to innovation was intensified. Within the Group there are around 300 active innovative projects which cover the whole value chain in the various regions and which look to the future in terms of electric transport, the e-home, industry 4.0, microgrids, and storage. In many cases these projects have required the activation of partnerships with other leading players in their own sectors, or the contribution of start-ups to develop solutions which are still not available on the market. In 2016 an innovation hub was launched in Tel Aviv, one of the cutting edge innovation eco-systems worldwide, followed in March 2017 by another in the Silicon Valley.

As for occupational health and safety, Enel continues with its commitment to increasingly efficient standards and the development of new instruments and means of operating. The combined indices of the injury frequency rate and the lost day rate for injuries involving employees of Enel and of contractors are falling (LTIFR 0.22 and LDR 8.90), as is the overall number of injuries recorded during the year.
62,080 people work at Enel, of whom 80% are men and 20% women. 2016 was also the year of the climate survey, which envisaged the involvement of all colleagues right from the preliminary stages, in order to identify together the priorities and an "open" question approach so that everyone could propose improvements. In addition, Enel's commitment continued to increasing dissemination of the principles of diversity and inclusion.
The good results are reflected in the trend in the Enel share price which, in 2016, recorded an increase of around 8% (+12% if the dividends distributed in the year are also considered). 68% of the institutional investors are long-term investors, confirming the appreciation of a business model which is sustainable over time. In particular, the Enel share capital includes 150 Socially Responsible Investors who hold around 8% of the total shares in circulation.

Enel launches its first green bond on the European market

On January 9, 2017 Enel Finance International successfully placed its first green bond for institutional investors on the European market backed by a guarantee issued by Enel SpA. The issue totaled **1,250 million euro** and envisages repayment in a single payment falling due on September 16, 2024 and the payment of a fixed-rate coupon of 1%, payable each year in arrears in September, starting from September 2017. The issue price was set at 99.001% and the effective yield on expiry is 1.137%. The green bond has been listed on the market regulated by the Irish stock exchange and on the regulated market of the stock exchange of Luxembourg, and, subsequent to the issue, also on the unregulated market of the Italian stock exchange.

The operation saw take-up for around 3 billion euro, with significant participation by Socially Responsible Investors ("SRIs") which enabled the Enel Group to further diversify its investor base. The net income from the issue – which was undertaken as part of Enel and Enel Finance International's Euro Medium Term Notes program (EMTN) – will be used to finance the Enel Group's eligible green projects which have been identified and/or are to be identified in conformity with the "Green Bond Principles 2016" published by the International Capital Market Association (ICMA).

In particular, by way of example, **eligible green projects** include:

- development, construction and repowering of power generation plants using renewable sources;
- development of transmission and distribution networks, as well as the activation of smart grids and smart meters in the geographical areas where Enel operates.

The operation is in line with the financial strategy of the Enel Group set out in the Strategic Plan 2017-2019, which envisages refinancing of 12.4 billion euro also through the issue of green bonds as instruments dedicated to the financing of projects that can help achieve the decarbonization of the production mix.

In this regard, the Enel Group prepared and published a "**Green Bond Framework**" in order to assist the transparency and quality of the green bonds issued. An external advisor, Vigeo Eiris, issued the "**second party opinion**" which confirmed the adherence of the Enel green bonds to the key principles and evaluated as "reasonable"[3] the level of assurance on sustainability. In particular Enel's ESG (Environmental, Social and Governance) performance was considered "advanced"[4], the framework used for the issue of the green bonds as "robust" and the related means of reporting the commitments defined in the framework as "robust".

The key documents are available on the Enel website (https://www.enel.com/en/investors/Main-programs/green-bond.html).

The operation was led by a group of banks, involving Banca IMI, BofA Merrill Lynch, Crédit Agricole CIB, Citi, Deutsche Bank, HSBC, J.P. Morgan, Mizuho Securities, Natixis, SMBC Nikko, and UniCredit Bank.

In addition, Enel is among the first companies in the world which committed to setting up a "**Green Bond Committee**" with the aim of selecting projects that can be financed with the funds collected through the issue of bonds and monitoring the progress of the projects themselves.

3 Vigeo Eiris evaluation scale – Level of Assurance: Reasonable, Moderate, Weak.
4 Vigeo Eiris evaluation scale – Performance: Advanced, Robust, Moderate, Weak.

Sustainability Plan 2017-2019

We are seeing major transformations in our reference framework, which are taking place ever more quickly and offer the energy sector new challenges and opportunities. They are interconnected changes which are reflected in a new global scenario characterized by a technological and digital revolution, by growth in the population and its expectations, in a context of climate change and pressure on the use of natural resources.
In a world which is growing in terms of its energy needs, there is ever greater penetration of electric vehicles. Energy consumption is increasing but with still more than 1 billion people who do not have access to energy or have limited access. Renewables are the energy source which is growing most strongly, while the others are stable or falling slightly. Distributed generation plays an increasingly important role and in this context electricity networks, both for transmission and distribution, are ever more important and various industrial sectors are converging on them, thus *de facto* changing the competitive context.
So it is increasingly important not only to be aware of and anticipate technological developments, but also what society around us wants, thus ensuring that communities understand and share the strategy and investments which a large group such as Enel can provide.

In relation to this context, Enel has identified some key emerging risks:

- **cyber security, which represents an essential element in the digital transformation plan. Enel has developed a strategy aimed at protecting information, assets and emerging technologies (for example IoT). In this context a dedicated unit has been created and a new operating framework has been defined in order to unify management of the issue with a risk based strategy and to disseminate Security by Design practices, launching training and awareness-raising projects;**
- **the paradigmatic change in the world of energy and the transformation in utilities' business model. New macroeconomic and energy trends, technologies and key players can potentially support and disintermediate the traditional business model of utilities, in particular the combination of factors linked to digitalization and decentralization and changes in customer needs. Enel's strategy and the "Open Power" vision are the reference framework to respond to the challenge of the transition towards becoming the utility of the future.**

The main trends, the emerging risks, the stakeholder engagement, and Enel's strategy all enable the preparation of Enel's priority matrix (the so-called materiality analysis). The matrix, which has been prepared in accordance with the guidelines of the most common international standards, such as the Global Reporting Initiative (GRI), represents the priorities among the issues of interest to stakeholders, cross-checking them with the industrial strategy and with the Group's priority actions (see the chapter "Defining priorities").

In order to respond in a sustainable and flexible way to this context, Enel's business model is based on a Strategic Plan broken down into four main pillars from the industrial and the Environmental, Social and Governance (ESG) viewpoints. These pillars are flanked by digitalization and customer focus as levers to promote further growth and efficiency.

Digitalization

Industrial pillars

- Operational efficiency
- Industrial growth
- Group simplification
- Active portfolio management

ESG pillars

- Engaging the local communities
- Engaging the people we work with
- Aiming at operating efficiency and innovation
- Decarbonizing the energy mix

Customer focus

The overall Investment Plan for 2017-2019 is 20.9 billion euro, of which 60% is investment for growth. In mature markets, which are characterized by the increasing presence of renewable sources and distributed generation, a key element will be the development of a modern distribution network open to multiple uses and services. In emerging markets, the challenge is to satisfy electricity demand in economies where economic growth, an increasing population and urbanization are driving their development. Our presence in over 30 countries enables us to offer technologically more advanced solutions, promoting social development and guaranteeing high safety standards.

In addition, the commitment will continue to achieve the targets for the four United Nations Sustainable Development Goals (SDG 4, 7, 8 and 13) which were taken on in September 2015.

The people who work in Enel are at the heart of the process to adapt to the context and are the key to achieving Enel's objectives. The process of cultural change will be at the centre of the human resource strategy in coming years, together with both the promotion of policies and actions on diversity and inclusion and instruments to measure the company climate and valorize performance.

Additional capacity using renewables of 6.7 GW is planned for the next three years, including both managed and consolidated assets. The addition of a "Build, Sell and Operate" (BSO) model with low capital impact will enable a reduction in risks and an acceleration in the creation of value, enabling Enel to capitalize its backlog of renewable projects more quickly. This, in addition to a plan to reduce thermal capacity, will take Enel further down the path in its move towards total decarbonization of the mix by 2050.

The Plan envisages significant digitalization of assets in the networks and retail sectors, as well as of customers and people who work in the company. In this context, the key are smart meters, remote control and system connectivity. In particular, on the networks it is planned to install 18 million new meters, 12 million of which will be replacements, which will bring the number of smart meters installed globally to over 48 million in 2019. This growth in digitalization will be accompanied by precise assessments of the cyber security risks and definition of the related actions globally.

The offer of new services, the growth in the number of customers on the free market following the planned end of the regulated market in Italy and further liberalization expected in Latin America, and the increasing customer focus are further elements for growth. The new value added services and digitalization will enable the promotion of economic, environmental and social sustainability, through more aware consumption, attention to the vulnerable segments of society, access to energy, by promoting smarter use of resources and greater attention to the environment.

Sustainability Plan 2017-2019

G4-2

SUSTAINABILITY CONTEXT

Environment

- Climate change
- Decarbonizing the energy mix
- Scarcity of resources

People

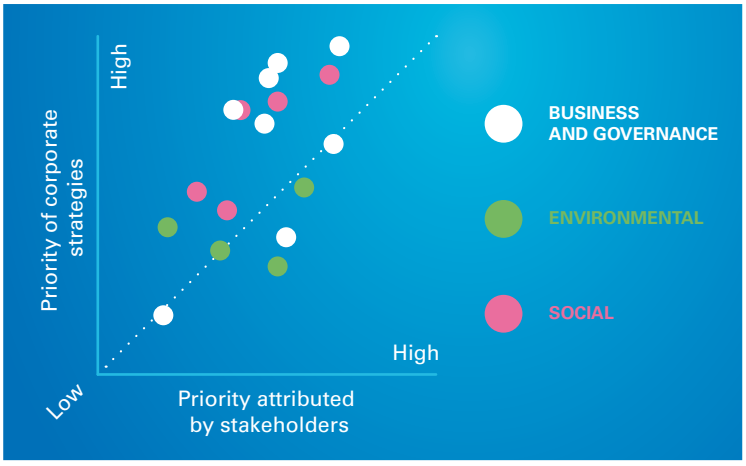
- Demographic change
- Rising middle class in emerging economies

Global Economy

- Urbanization
- Digital and technological revolution
- Decentralized energy managament

THE MATRIX OF PRIORITIES

SUSTAINABLE DEVELOPMENT GOALS



Key sustainability standards

SUSTAINABILITY PLAN

Customer focus

The pillars

- Engaging the local communities
- Engaging the people we work with
- Aiming at operating efficiency and innovation
- Decarbonizing the energy mix

Digitalization

Backbones

- Occupational health and safety
- Sound governance
- Environmental sustainability
- Sustainable supply chain
- Economic and financial value creation

The pillars

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
Engaging the local communities 	Access to energy	3 million beneficiaries, mainly in Africa, Asia and Latin America by 2020
	Social and economic development	1.5 million beneficiaries* by 2020
	Quality education	0.4 million beneficiaries by 2020
	**Target updated compared to 500 thousand initial beneficiaries*	
Engaging the people we work with 	Performance appraisal for employees who have been working in the company for at least 3 months	100% of people* involved in 2020 99% of people* assessed in 2020 94% of people* interviewed (for feedback) in 2020
	Climate survey	100% involvement of people* in 2020 84% participation of people* in 2020
	Implementation of diversity and inclusion policy	The selection process must guarantee a fair gender representation in the pool of candidates (50% by 2020)
	Promotion of "safe travel" culture	100% of countries where present by 2020
	**Eligible and reachable: those who are part of the workforce and have been working for at least 3 months in the year of assessment and those who can access the online or printed questionnaire*	
Aiming at operating efficency and innovation 	Innovation in infrastructure on broad scale: storage, electric cars, smart grids and smart meters	+18 million smart meters rolled out in the 2017-2019 period
	Ultra-broad band deployment in Italy	250 municipalities and 9.5 million homes by 2020
	Promoting global partnerships and supporting high potential start-ups	Selection of 40 new innovative start-ups for development projects by 2020
	Promoting actions in line with the UN "Making Cities Resilient" campaign	400 municipalities by 2020
Decarbonization of the energy mix 	Development of renewable capacity	~+8 GW of additional renewable capacity in the 2017-2019 period
	Reduction of thermal capacity	-10.3 GW in the 2017-2019 period
	Specific CO_2 emissions reduction	<350 g CO_2/kWh_{eq} by 2020 (-25% base year 2007)
	Environmental retrofitting of selected plants	~500 million euro of investment in the 2017-2020 period
Customer focus 	Acquisition of new customers on free market	+15.7 million customers in the 2017-2019 period
	New energy efficiency solutions and dissemination of new products and services	-
	Initiatives for the promotion of responsible consumption	-
Digitalization 	Investments in digitalization (assets, customers, people)	4.7 billion euro in the 2017-2019 period
	Cover of web applications exposed to Internet with advanced cyber security application solutions	100% of web applications protected through advanced cyber security solutions by 2019
	Establishment of Enel CERT* and accreditation with national CERTs	Accreditation in 8** countries by 2018
	Dissemination of the culture of IT security and change in people's conduct in order to reduce risks	15 cyber security knowledge sharing events on average each year
	**Computer Emergency Readiness Team* ***Italy, Spain, Romania, Argentina, Brazil, Peru, Colombia, Chile*	

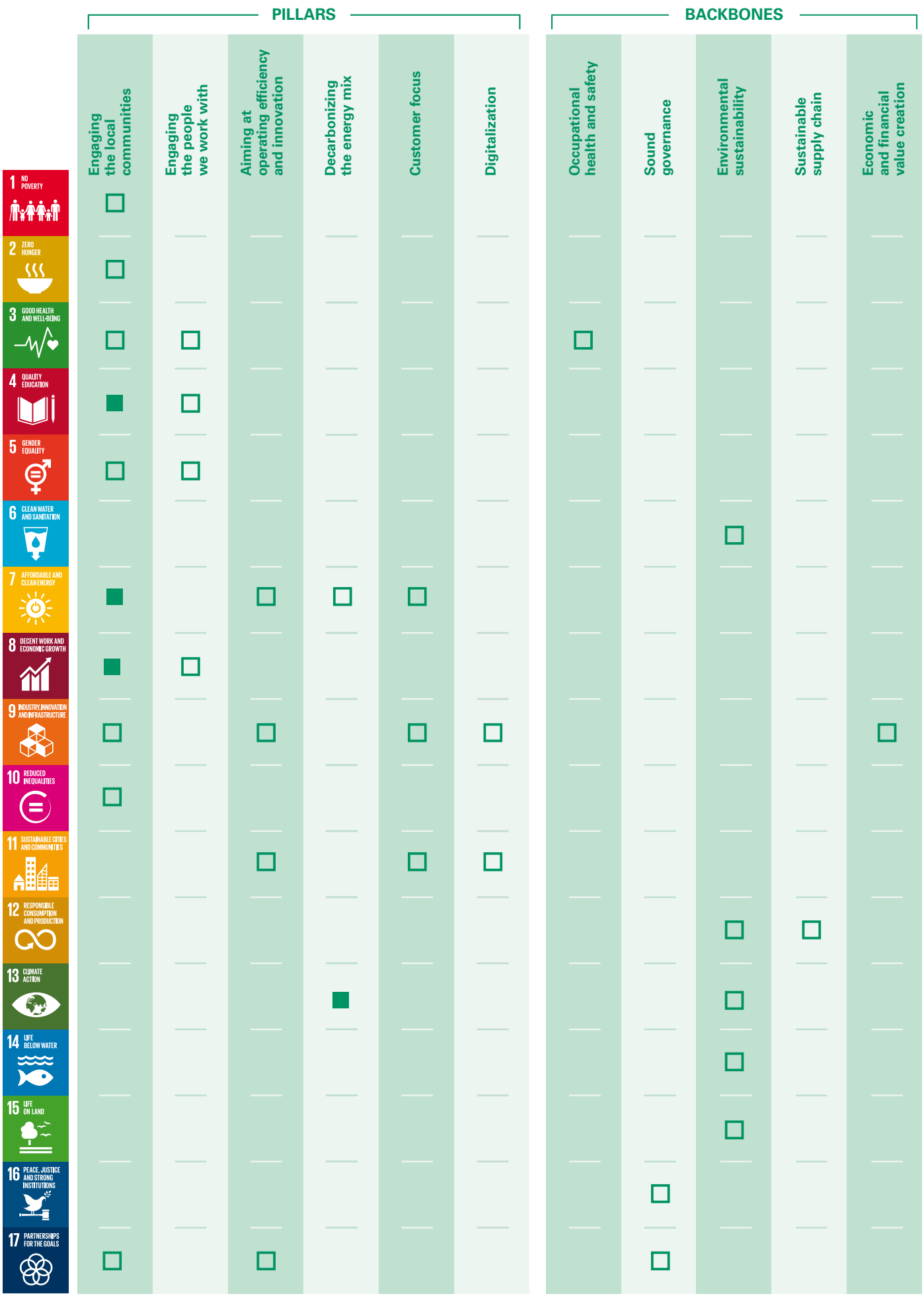
Backbones

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
Occupational health and safety 	Global awareness-raising programs on prevention and health promotion	17 in the 2017-2020 period
	Continuous improvement in controls on safety and on site inspections	120 Extra Checking on Site (ECoS) planned in 2020
Sound governance 	Issue of Board of Directors' diversity policy	In 2017
	Attaining ISO 37001 certification "Anti-bribery Management System" for Enel SpA and extension to the main Italian companies	In 2017
	Due diligence on Human Rights	Risk assessment and remedy (in 2017)
Environmental sustainability 	Reduction of SO_2 specific emissions	-30% by 2020 (vs. 2010)
	Reduction of NO_x specific emissions	-30% by 2020 (vs. 2010)
	Reduction of particulates	-70% by 2020 (vs. 2010)
	Reduction of water specific consumption	-30% by 2020 (vs. 2010)
	Reduction of waste produced	-20% by 2020 (vs. 2015)
Sustainable supply chain 	% of approved suppliers evaluated for safety aspects: introduction of evaluation criteria for health and safety aspects for the main product groups	100% by 2019
	% of approved suppliers evaluated for environmental aspects: introduction of evaluation criteria for environmental aspects for the main product groups	100% by 2019
	% of approved suppliers evaluated for human rights or business ethics aspects for the main product groups	100% by 2019
Economic and financial value creation 	Reduction of cash cost	~7% in the 2017-2019 period
	Growth EBITDA	4 billion euro in the 2017-2019 period
	Growth investments	12.4 billion euro in the 2017-2019 period

ENEL'S COMMITMENT WITH SDGS

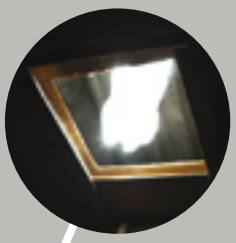
G4-2

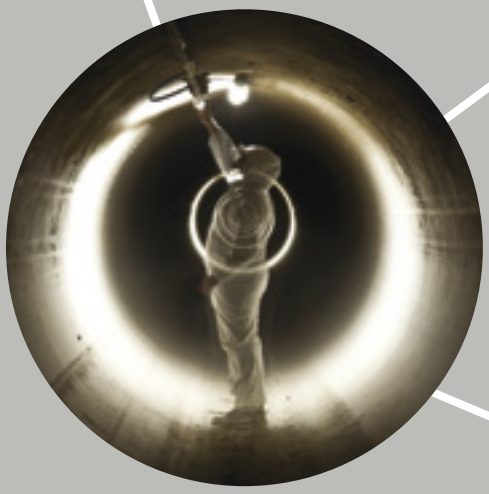


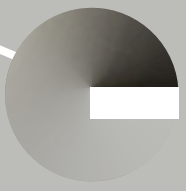
■ Public commitment with the United Nations

□ Areas covered by Enel

04_Our commitment







Responsible relationships with communities

G4-DMA EC
G4-DMA HR
G4-25 G4-26

Involving stakeholders, sharing objectives and impact assessment

Looking constantly and proactively to the needs and priorities of society makes it possible to take up new challenges and to redefine an increasingly competitive business model, developing new strategies and innovating in processes such as in commercial offers to customers. The search for "shared value" for the company and all its stakeholders represents an opportunity to combine competitiveness with the creation of social value in the long term, and it is in this field that Enel has focused its activities in recent years.

Its presence in such a vast geographical area, which involves both mature and emerging markets, necessarily implies a comparison among differing situations and a deep knowledge of the local area and of the needs of the various interlocutors so as to identify targeted business solutions. Access to energy as the driver for local development is now taking on a wide and innovative variety of forms that can be applied to any context: alongside the traditional power plant there are also smart, off and on grid solutions, new formulae have been identified to combat energy poverty alongside a market offer which is increasingly challenging and technologically advanced for more demanding customers.

Such variety is possible only through an inclusive approach right from the first stages of development, identifying the key stakeholders involved in a project and mapping their requirements both as needs and as new growth opportunities. By launching a constant and constructive dialogue, it is thus possible to prevent any negative impacts and to identify solutions which create shared value in the long term.

Local needs are connected with the corporate objectives through a materiality matrix which is specific by location, in order to identify those projects and initiatives which respond to the shared priorities. The key word is increasingly "co-creation": projects are defined and realized together with the communities so that they are calibrated to the specific characteristics of the local territory.

An inclusive approach towards stakeholders also takes the form of circular economy solutions: for example, waste material such as pallets from construction sites can be transformed into commodities for woodworking or for local crafts, thanks to a targeted capacity-building program. Likewise, infrastructure of plants which are being closed down can be reconverted to other purposes to the benefit of the local territory involving various stakeholders.

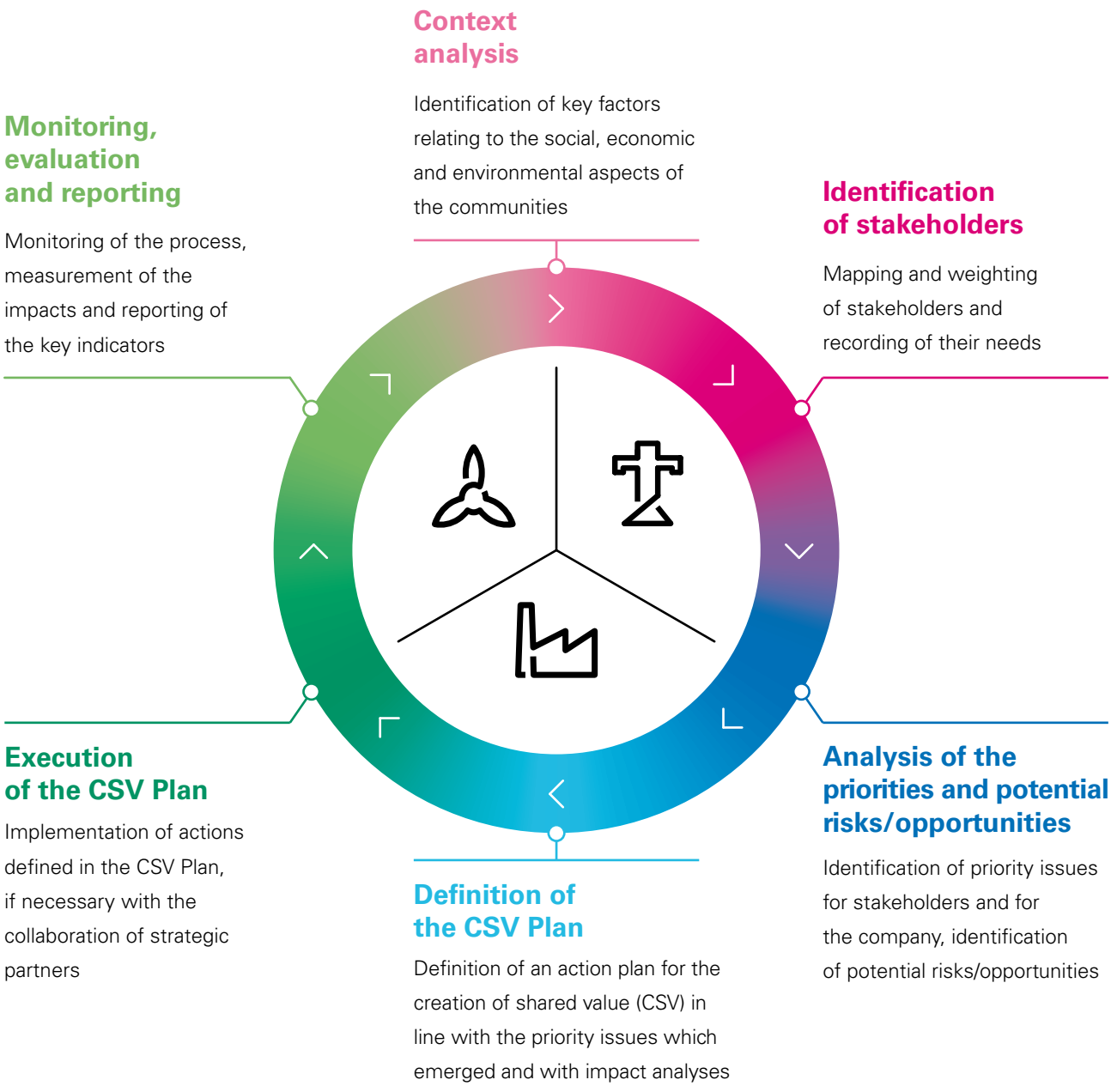
Enel has embraced the Open Innovability model, activating a growing number of partnerships worldwide (**over 400**) with local organizations, social enterprises, universities, international associations and NGOs. Sustainability, innovation and openness to dialogue have always been at the heart of relations with partners who operate internationally (strategic partners) and locally (operational partners). In particular, in 2016 Enel signed a strategic partnership with the **Shared Value Initiative**, the international network led by Mark Kramer, founder together with Professor Michael Porter of the CSV (Creating Shared Value) model on which Enel's approach is based.

The Creating Shared Value model

G4-DMA EC
G4-DMA HR
G4-25 G4-26

In 2015 Enel adopted a Creating Shared Value (CSV) model which integrates social and environmental factors into business processes and throughout the value chain. The dissemination of this model required a process of definition and consolidation within the company at both cultural and operational level. In 2016 Policy no. 211 "CSV Process definition and management" was published, which defines how sustainability must cut across company processes and be a shared responsibility.

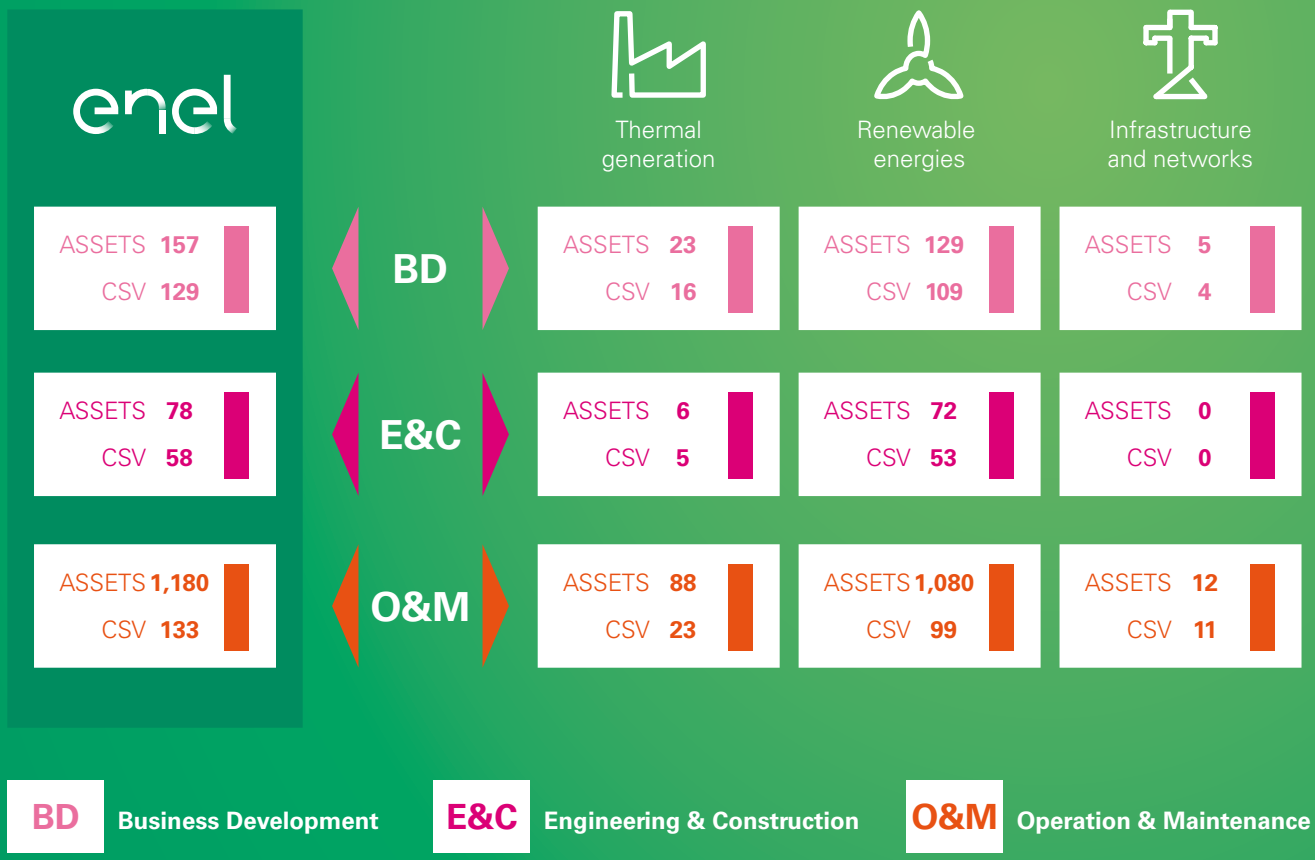
CSV Model (Creating Shared Value)



Through specific context analysis tools, the mapping of stakeholders and the definition of materiality matrices and action plans, the development of a business project is accompanied from the initial exploratory approaches to its final definition. These analyses, and in particular the materiality matrix of the site, enable the identification of short-, medium- and long-term actions which combine the corporate perspective with the needs of the local communities through concrete and acknowledged initiatives. This is all done while guaranteeing particular attention to identifying and protecting ancestral communities which are affected by projects, in compliance not only with Convention 169 of the International Labor Organization and local laws, but above all the respective traditions and cultures.

In 2016, 320 applications[5] of the CSV (Creating Shared Value) model were used in the various stages of the value chain: Business Development – BD, Engineering & Construction – E&C, Operation & Maintenance – O&M.

Application of the CSV model in the Group



BD **Business Development** **E&C** **Engineering & Construction** **O&M** **Operation & Maintenance**

5 CSV applications means the use of CSV Tools on an asset, at any stage of the value chain and for any business line. The total number of assets refers to the operating scope set out in the Sustainability Report 2015 integrated with projects at the BD stage. In particular: BD includes business development projects, both those which are ongoing and those which left the pipeline in 2016. The total number includes projects for new assets (M&A, greenfield) and current assets for which refurbishment is being studied.
E&C includes both greenfield and brownfield sites relating to power plants which are being refurbished.
O&M includes all current power generation plants less those which are at the refurbishment stage. For the network, it is calculcated as the number of concessions by country; the number of CSV applications may be higher should the analyses refer to different areas of the same concession. The total number includes 9 assets/projects in new countries for thermal generation (South Africa, Indonesia, Mexico, with one CSV application per country).

Here below are some examples of CSV projects across the various business areas:

THERMAL GENERATION – IBERIA – BD STAGE

Rethinking the relationship with communities in the Canaries, in Puerto del Rosario

The thermoelectric plant of Las Salinas is a diesel powered generation plant consisting of 12 units, with net installed capacity of 160 MW, which is currently being modernized. It is in the Municipality of Puerto del Rosario, the capital of the island of Fuerteventura in the Canary Isles (Spain) and has been in operation since 1992, when the first production unit was connected to the network. The presence of urban centers near the Las Salinas facility has required particular handling of the relationship with the community. The plant's operation has in fact in the past triggered complaints from citizens about the noise levels and the emissions caused by the generators, despite many of the local homes having been built subsequent to the start-up of the plant and the plant's emission levels conforming to Spanish environmental laws.
With the aim of improving the relationship with the local community in a spirit of transparency and development of the local area, a short- and medium-term CSV Plan was drawn up. Through meetings with the main stakeholders and with the city and district associations, as well as thanks to analyses of the socio-economic and political context, the main issues were recorded for the local area on the basis of which the CSV Plan was drafted.

For 2016, as the first year, three areas for action were identified:

- 1. Open Plants. Actions aimed at opening up the plant to the local context with measures aimed at disseminating knowledge of the world of energy and of the company; at facilitating dialogue with citizens; and at promoting visits to the plant and educational programs in schools.
- 2. Access to energy for people living in poverty. Programs were developed for "energy volunteering", involving 25 families through 20 volunteers and training programs for social services in order to optimize invoicing and energy efficiency. In agreement with the local institutions, other initiatives are also being drawn up to protect the most vulnerable categories.
- 3. Socio-economic development. Two initiatives have been drawn up: "Actívate y empléate" and "Art Energy". The first is aimed at young people at risk of social exclusion and offers employment opportunities, while the second is an urban art competition realized in collaboration with the Municipality: eight Endesa transformer stations have been made available as well as the wall of the plant to be decorated with murals painted by local artists and schools.

THERMAL GENERATION – PERU – E&C STAGE

Promoting local development in the area of Malacas

The gas powered plant in Malacas has installed capacity of 286 MW and is located in the province of Talara in the north of Peru. In order to increase its efficiency, it was decided to build a new 51 MW TG6 unit, which will take the place of other more obsolete units which are currently in operation. Malacas is the first plant on which the Creating Shared Value (CSV) model has been applied to move from the business development stage of the new unit to the current E&C stage: the results of the analyses, as well as the CSV Plan with the related Capex and Opex of the various projects identified, were an integral part of the assessment of the business project approved by the Investment Committee.
From the analysis of the socio-economic and environmental context launched in the design stage and from the profound knowledge of the stakeholders which has consolidated over the years of operation of the plant, the following priority issues emerged: protecting the environment which is seriously impacted by waste, the promotion of local entrepreneurship, also in response to the high unemployment rate, and women's empowerment. The CSV Plan drawn up to address these shared priorities includes various initiatives aimed at improving the quality of life in the long term. Among the early results record-

ed, the technical apprenticeship program, which involved governmental institutions and entrepreneurs of the Punta Sal and Máncora Beach hotels, trained 30 students in 2016, 12 of whom found employment. The "Olitas Verdes" Program, which seeks to promote tourism in the area and is aimed at young people, held educational workshops on the reuse and recycling of waste and on plans to collect and sell waste from beaches and from areas around the plant. In addition, in agreement with the municipalities, a plan was drawn up to transform the pallets used on site into beach infrastructures, thus increasing the safety of the shoreline and providing more structures for water sports.
In addition, in order to guarantee the utmost transparency towards stakeholders, during the construction works an information panel was installed about the realization of the new TG6 unit, at the same time summarizing the various ongoing social and environmental projects.
Since the Malacas plant has been in operation for a number of years, the surrounding area is also involved in other projects which promote better quality of life. Together with the Ministry of Health, in 2016 three disease prevention and dietary education campaigns were promoted, with the carrying out of medical checks and providing assistance to over 760 people. In addition, for the Scuola Santa Elena di Piedritas, which Enel helped to build and electrify, the creation of a sports centre and an IT lab are underway.

THERMAL GENERATION – ITALY – O&M STAGE

Rethinking the relationship with communities at Torrevaldaliga Nord

Enel has a very important role for the local communities present in the area around the Torrevaldaliga Nord plant in Civitavecchia, and for many years has supported initiatives to protect the environment, the health and local development. The innovative CSV approach adopted by Enel aims at a business model which recognizes the strategic value of the interdependence between the company and the social, environmental and economic context in which it operates, and has strengthened in the Company the belief that its role must thus take the form of a contribution to the development of the local communities also from the business viewpoint, with a view to creating shared value.
In 2016 this belief took the form of the search for sustainable initiatives which can generate lasting benefits over time for the communities. The first step was an accurate and detailed analysis of the context (Single Event Effect Criticality Analysis - SEECA), followed by intensive work to consult all stakeholders, in order to identify the intervention areas which are perceived as priorities by the local communities and which offer potential development opportunities for all the local area.
Then at the end of 2016 innovative agreements were signed with each of the four municipalities involved (Allumiere, Santa Marinella, Tarquinia, Tolfa) which define collaboration aimed at a process of inclusive and sustainable growth in the local area. In addition, the agreements set out the shared value initiatives which Enel intends to develop together with the local administrations, also through forms of partnership with businesses and/or non-profit associations which are active locally.

In particular, great attention was paid to the issue of **resilience** with training programs and initiatives aimed at the adoption by the local administrations of a development plan for the town compatible with the environment, to be safeguarded and protected.
Again with a view to creating shared value, actions are envisaged to **increase the efficiency of public lighting** and to **promote sustainable transport** through the realization of a public cycle path for electric bikes, with networks of recharging points, smart hubs and video surveillance.
In addition, educational films are envisaged aimed at **creating new technical and business skills**, **initiatives in favor of the disabled**, and the recovery of **sporting structures**.
This model marks an important turning-point in the means of managing relations with local administrations in the territories where Enel is present with power plants, and is ready to be adopted also in other areas, starting from the Federico II plant in Brindisi, where the process, which was started at the end of 2016, will be developed during 2017.

INFRASTRUCTURE AND NETWORKS – BRAZIL – BD stage

The acquisition of the CELG network in the State of Goiás

In operation since 1956, CELG is the network of over 200 thousand km in length which links 237 municipalities in the State of Goiás, where there is also the capital Brasília, with around 2.9 million customers served covering residential, industrial, rural, and commercial users and local administrations in a relatively prosperous area of the country.
Enel acquired the CELG network in a competitive process and has planned investments aimed at modernizing and expanding the distribution system to introduce the most advanced automation techniques, integrating the concept of smart networks to improve the quality of services. This project is based on the sustainability of the business and customer satisfaction.
In this light, the operation was accompanied by application of a CSV Plan which, through quali-quantitative analyses of the socio-economic and geographical situation, enabled the identification of three main areas for intervention in the local area:

- 1. Intelligent energy consumption: the growth of the population generated by migration, in particular in the city of Brasília, has triggered an increase in the propensity to steal energy in a context of widespread violence. In this sense, the following were launched
    a. actions aimed at the population for safe use of energy;
    b. the creation of a leadership network to promote and share values;
    c. a training program on the maintenance of solar panels.
- 2. Support activities for young people: projects in collaboration with schools, to offer the possibility to students of taking part in cultural and sporting activities by improving leisure facilities and digital inclusion activities.
- 3. Boost to rural business: most of the rural producers in Goiás are organized in cooperatives and have problems marketing their production and managing their business. In this light the following were planned:
    a. the construction of a communication platform and Internet access, in order to include small rural producers in the large scale market and to promote business skills;
    b. the installation of batteries to stabilize energy consumption and to facilitate production processes.

INFRASTRUCTURE AND NETWORKS – ARGENTINA – E&C STAGE

Energy efficiency improves life in the district of Los Piletones

In Buenos Aires, in the district of Los Piletones, the electrification project was started with the installation of smart meters which enable more efficient use of the network and customers in a poor, highly unstable area. The district is characterized by a high percentage of foreign communities (over 60%), by a very high rate of occasional employment equal to 75% and by residents 63% of whom receive State subsidies, where 50% of homes do not have hot water. In such a difficult context, the socio-environmental analysis undertaken during the planning of the installation of the meters recorded as priority, urgent issues: access to energy, protecting the health and safety of the communities, mitigation of the environmental impact and local economic development.

In order to address these needs, while generating at the same time stable conditions for the network, the following initiatives were identified:

- meetings and workshops with the communities involved to explain the innovations from the new smart meters which can provide information on consumption and allow a choice to be made of the tariffs which are best suited to particular needs, facilitating responsible and optimal use of energy and lower emissions and costs, thus improving the energy efficiency profile;

- educational programs for pre-school and primary school children who are given a teaching kit with material on the history of electricity and on sustainable development with curious facts, games, experiments to do at home and quizzes on energy security, with tips on how to avoid domestic accidents linked to electricity;
- *Illumina*: a plan aimed at the promotion of social entrepreneurship with a business incubator, professional training plans and measures for efficient energy use in order to develop the business from the bottom up. In the context of this initiative, activities were planned to install and maintain the district's public lighting;
- *Vivienda sustentable*: information-sharing plan aimed at customers with suggestions for efficient energy use in homes, to optimize natural lighting, turn off lights in empty rooms, paint walls and ceilings with light colors, and replace traditional light bulbs with more efficient LED lighting.

RENEWABLES – MEXICO – BD STAGE

The Mexican way to cooperation between industry and agriculture

In Mexico Enel Green Power signed a collaboration project with the Autonomous University of Chapingo, with the aim of strengthening productive skills (in particular in the agricultural and forestry sector and in research into sustainable irrigation systems) in the Chinampas, Majoma and Primero de Mayo communities located near various wind farms which are at the business development stage such as Villanueva, or at the construction stage such as Palo Alto with 129 MW and Vientos del Altiplano with 100 MW.

For years now the Company has been working to identify and finalize solutions aimed at applying a positive sum model for both the renewable industry and for local farmers. Starting from the experience in Oaxaca, where wind farms coincide with farming areas, the collaboration with the Autonomous University of Chapingo is a step forward in making the agricultural areas of the rural communities around our plants more productive and sustainable from the environmental viewpoint.

Thanks to the analyses of the socio-environmental context undertaken during the planning stage of the plant of Vientos del Altiplano, in the area affected by the plant a project has been established which envisages a plan to recover and identify new areas to be used for agriculture and includes the study of a system to collect rainwater. In addition, it is planned to create together with the community six school allotments for the cultivation of medicinal plants, vegetables and high value agricultural produce, in order to seek new market opportunities.

In addition, since the availability of water is a critical factor for the development of agriculture in the region, mainly due to the high salinity levels, a possible treatment is being studied to replace "rainwater" agriculture with irrigation based agriculture, thus enabling up to three annual crop cycles.

In the area of Palo Alto, the project aims to increase the population's access to agricultural techniques and knowhow. Thanks to the involvement of women, young people and children, who will receive theoretical and practical training, five test environments have been identified as well as five school allotments. Evaluations will be made of the crops, the sowing density, seeds, and organic and traditional management, thus arousing the interest of young people in taking up agricultural work again, using new technologies and production techniques.

Main current projects and managing relocation

Enel's Strategic Plan 2017-2019 is increasingly focused on growth in renewables, thus abandoning investments in coal plants and the construction of large infrastructure projects with a high environmental impact. This strategy enables the Group to enjoy greater flexibility and a reduction in risks besides the minimization of impacts on the ecosystem and local area.

Every infrastructure project faces evaluation by the communities affected; in some cases, there are criticisms or the project does not have full support. Sometimes, despite the broad consensus of the local communities and institutions, there is opposition from some civil society movements or environmental associations. The involvement of the parties concerned in the planning processes and in the development of infrastructure is an essential element. In some cases the construction of new plant may entail the relocation of part of the resident population to nearby areas. Managing relocation inevitably involves the populations or individuals affected and a careful assessment of the psychological and social problems that can be expected at both individual and group level. The approach to choosing potential sites is that of minimizing, as far as possible, the need to relocate the population. When establishing the potential sites for the development of energy projects, studies are conducted which include economic, political, cultural, social and demographic aspects, including analysis of the daily life of the communities who live in the area affected, the population distribution, the forms of organization, and the levels of employment and pay. In the cases in which the relocation option is confirmed, the project is developed in compliance with the legislation in force in the country concerned, as well as with any local laws which specify the conditions for the relocation and the means for calculating the related compensation. Enel's sensitivity to this issue is also clear in the human rights policy approved in 2013 by the Board of Directors. Below are details on the most important current projects, the positive and/or negative (real or 'feared') impacts on the local area and how the Group companies involved are promoting proactive dialogue to arrive at shared solutions, relating to plants built in the past which have residual problems.

CHILE

Hydroelectric plants of the Alto Bío Bío (Ralco, Pangue y Palmucho)

Endesa Chile (now Enel Generación Chile) manages 3 hydroelectric power plants in the area of the Alto Bío Bío, an area which is characterized by the historic presence of the indigenous Pehuenche populations. The Pehuenche population in the area affected by the plants, with 12 communities, consisting of over 1,500 families, numbers around 7 thousand people. During 2016 the relationship with these communities was mainly focused on two negotiating groups with representatives of the families who have complained about the impact of "Sitio 53" and other working groups dedicated to the planning of initiatives for local development. The communities involved in these activities were Pitril, Callaqui, El Avellano, Aukiñ Wallmapu, Quepuca Ralco, Ralco Lepoy, El Barco, and Ayin Mapu. The negotiations were conducted in accordance with the principles of transparency and access to information. At the end of December 2016, the negotiations were still ongoing, with the parties showing themselves willing to find a solution. These opportunities for dialogue saw the active involvement of executives nominated by the communities and of the Enel Generación Chile group which operates in the local area and which includes people from the sustainability and operations areas.

Among the development programs which emerged from the dialogue with these communities, we may highlight the launch of new business initiatives. In particular the production, transformation and sale of local produce such as cherries, jams, hazelnuts and their derivatives. The activity, which was based on the transfer of analytical and technological tools, involved 27 people in its first test stage. The project was conducted in collaboration with the Center for Agro-industrial Technological Development of the University of Concepción.

As well as with the indigenous communities, the company maintains constant contact also with the Municipality of the Alto Bío Bío. One of the main results achieved in 2016 was the signing of the long-term agreement with the Municipality of the Alto Bío Bío with the aim of promoting the educational, cultural, social and economic development of the area. The agreement will be in force until 2022 and will benefit all the families in the area, including the 4 communities in the area of the Queco which are not part of the reference scope. Under this agreement, Enel Generación Chile financed the construction of the APR Ralco pipeline in order to guarantee the continuous supply of water for the community of Callaqui Bajo and contributed funds for the realization of the drinking water project, which 116 families will benefit from directly.

Other projects concerned:

- the regularization of the drinking water system and of the sewer system for the children's garden in Chenqueco, which benefitted 10 children from the Ralco Lepoy community with an investment of 25 million Chilean pesos (around 35 thousand euro);
- the maintenance of the photovoltaic panels which supply energy to the homes of the Alto Bío Bío, with an investment of 15 million Chilean pesos (around 21 thousand euro);
- support for the municipal Emergency Plan of the Alto Bío Bío, including the purchase of raw materials and training with an investment of around 15 million Chilean pesos (around 21 thousand euro);
- the purchase of agricultural machinery for the communities of Ayin Mapu and Aukiñ Wallmapu, with an investment of 15 million Chilean pesos (around 21 thousand euro).

Design of the future homes of the community of Ayin Mapu

In 2016 Enel Generación Chile established a program to improve the homes of families from the Ayin Mapu community in Santa Bárbara. These families were relocated in 2000 following the construction of the Ralco plant. This program is run under the environmental license (*Resolución de Calificación Ambiental* – RCA) of the plant and is based on the principle of co-creation. The families which will benefit from the program are taking part in the design of the new homes so that they have available space which respects their lifestyle and their traditions. Proposals have been prepared which will be presented to the community to include the latest recommendations and start the requests to obtain the related permits.

Drinking water for the Ayin Mapu and El Barco communities

16 years ago Enel Generación Chile relocated the families of the Pehuenche Ayin Mapu community, in the Municipality of Santa Bárbara, and of the El Barco community in the Municipality of the Alto Bío Bío, under the agreements for the construction of the Ralco hydroelectric power plant. The passage of time and the significant increase in the population have made it necessary to enhance the drinking water system to ensure its supply to families.
In 2016 following intensive work with communities, the projects were presented to the authority (*Seremi de Salud*) of the Bío Bío for the related assessment. During the proceedings the communities directly received all the information regarding the revision of the solutions, the scope of the works, the timeframes and the various steps to be taken.

Finally, through the *Energía para Educación* Project, Enel Generación supports the training of students in the Municipalities of Santa Bárbara and Alto Bío Bío, where the power plants of Ralco and Pangue operate, in order to facilitate the sustainable development of the communities. These are students of the Ayin Mapu, Callaqui, Pitril, El Avellano, Quepuca Ralco, Aukiñ Wallmapu, Ralco Lepoy and El Barco communities who cannot access the educational system due to economic reasons and owing to the distance from the urban centers.
In 2016 they were provided with school kits with everything necessary for each educational level. Over 400 young people received teaching at middle school, technical and professional school level, receiving grants, clothing and trips provided by Enel Generación. In addition, support was envisaged for the educational centers through training for teachers on renewable energy, development of the cinema at school program, and the supply of books for the library.

COLOMBIA

El Quimbo

El Quimbo is the most important engineering project undertaken by the Enel Group in recent years and one of the biggest hydroelectric investments realized in South America. With installed power of 400 MW the plant is located in the region of Huila, around 350 km south-west of Bogotá. The plant, which is fed by the Río Magdalena, the country's biggest river, crosses 6 towns (Gigante, Garzón, Altamira, El Agrado, Paicol and Tesalia). It represents an overall investment of around 1.2 billion US dollars, which was accompanied by a major action plan in favor of the local populations, including the construction of new homes, the building of new bridges, including the largest viaduct in the country, as well as initiatives to protect biodiversity in the area, such as the restoration of over 11 thousand hectares of tropical vegetation on the left bank of the basin and the realization of veterinary help centers. Right from the start of the project, Emgesa, the Group's power generation company in Colombia, has shown its openness to dialogue with the regional and national stakeholders and has developed a social and environmental management plan. On an agreed and participatory basis, specific initiatives have been established for resident or landowning families in the area affected by the project, as well as those who work or have commercial activities or services in the area. The program is also targeted at people who undertook informal business locally. The families, which have been surveyed and have the envisaged prerequisites, can decide between (collective/individual) relocation or sale of their land.

Social and cultural management

152 families have opted for relocation: 112 of these have chosen 4 collective facilities, with new 100 m^2 homes equipped with essential services and set in an urban context with 3 schools, 3 churches, multifunctional sports centers, 1 football pitch, 4 parks, 4 waste recycling collection centers and 5 waste water treatment plants. 40 families have chosen individual relocation, either receiving five hectares of land to undertake a business project together with a related technical plan or a 180 m^2 home. In addition, since the start of construction 244 cases of compensation have been completed for families who did not opt for relocation. In 2016, 594 requests were presented for the survey, of which 549 have been analyzed also through interviews and 45 will be handled during 2017. During the year 34 plans were launched for agricultural/livestock production which involved the families resident in the Municipalities of Santiago Palacio, Montea and Llano de la Virgen, after checking the conditions of the land and the availability of water. In 2016 various initiatives were organized aimed at promoting the social development of the local area.

237

psychological, family and community support actions for the relocated families

17

days dedicated to children and young people to promote the sense of belonging to the new areas

8

training courses and meetings with women

12

support and consultancy actions for specific groups (children, young people and women)

43

development courses for social and community organizations

88

people in vulnerable situations have taken part in group activities

As part of the "project to repay the commitment", a specific strategy was defined, *Empreendedores con Energía*, which involves providing initial capital and training courses to people who carried out their business in the area affected by the project (non-residents or residents who do not have property). Training courses were provided by SENA (*Servicio Nacional de Aprendizaje*), which, since the start of the project, over 2 thousand people have benefitted from and around 21 million euro have been destined for development of the province.

Environmental management

During 2016 specific environmental programs continued in order to prevent, manage and monitor environmental impacts connected to the project. In conformity with the provisions in the environmental license, in particular the following were established: 1. Management plan for wildlife, which enabled the assistance and saving of 30,635 animals; 2. Management program for fish and fishing; 3. Program to save fish; 4. Ecological restructuring plan; 5. Management plan to cover the flora and land habitats. Besides the recovery of over 11 thousand hectares of tropical vegetation on the left bank of the basin and the realization of veterinary support centers, 20 new species were identified and classified, where possible, in accordance with the Red List of the International Union for the Conservation of Nature (IUCN).

Emgesa established specific communication channels to inform and respond to all the questions from the community regarding the project (dedicated webpage, Twitter, official channel on YouTube, a magazine). Monthly meetings were held with national and international groups, as well as periodic monitoring meetings with the Government of Huila, municipalities, environmental authorities, control bodies and representatives of the company, and guided visits were organized to the project. Further information is available in the Emgesa Sustainability Report 2016 and on the website dedicated to the project (www.proyectoelquimboemgesa.com.co).

Legal proceedings

Despite this intensive relationship-building and involvement of the communities, there are also some legal proceedings (*acciones de grupo* and *acciones populares* – class action) launched by local inhabitants/fishermen. In particular, a first *acción de grupo*, which is now at the preliminary investigation stage, was taken by around 1,140 residents of the Municipality of Garzón who complained that the construction of the power plant would reduce revenue from their business by around 30%.
A second case was brought between August 2011 and December 2012 by inhabitants and companies/associations from the five towns of Huila for alleged damage in relation to the closure of a bridge (Paso El Colegio). In relation to the so-called *acciones populares*, in 2008 some local inhabitants started proceedings to ask, among other things, for suspension of the environmental license. A further *acción popular* was launched by some fishing companies in relation to the alleged impact of the refilling of the El Quimbo basin on fishing in the Betania basin, downstream from El Quimbo. In February 2015 the Court ordered the suspension of the refilling until some specific requirements were met.
The suspension was subsequently modified, thus allowing the filling of the basin, which started on June 30, 2015. However, on July 17, 2015 Emgesa received a notice modifying the precautionary measure to prohibit generation activities until ANLA (the national environmental authority) certifies that the company has removed biomass and forest waste from the Quimbo reservoir basin.
Pending the ruling, as an energy emergency had been declared, the Ministry of Energy issued a decree authorizing Emgesa to begin electricity generation. Subsequently, on December 16, 2015 the Constitutional Court ruled that the presidential decree was unconstitutional and as from that date Emgesa suspended electricity generation.
On December 24, 2015, the *Ministerio de Minas y Energía* and the AUNAP (Agriculture and fishing authority) filed a joint motion (*acción de tutela*) asking the criminal court to authorize generation as a precautionary measure. On January 8, 2016, the court granted the precautionary measure requested by the Ministry and the AUNAP, authorizing the temporary and immediate production of energy at the El Quimbo plant. The precautionary measure granted by the court would remain in force until the Huila court issued a ruling on the substance of the case, i.e. on the revocation or upholding of the precautionary measure previously issued by the local administrative court. With a decision of 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 the oxygen level requirements and to provide collateral of about 20,000,000,000 Colombian pesos (around 5.5 million euro). With the decision of the Administrative Court of Huila of April 11, 2016 the temporary withdrawal of the precautionary measure was once again confirmed for six months up to October 16, 2016, a deadline which was then extended again for a further six months as from February 2017. In this time period, Emgesa will have to show that the system of oxygenation used allows attainment of the oxygen levels imposed.

CHILE

Bocamina plant

As from the construction of the second unit of the thermoelectric power plant of Bocamina in 2008, in the area of the Municipality of Coronel, agreements were signed with the local communities, to manage the processes to relocate the families, who lived in the area of the plant (*Plan de relocalizaciones a Familias Vecinas al Complejo Térmico Bocamina*). At the end of 2016, out of a total of 1,337 families, 946 had been relocated. The power plant started operating in 2012 and in August 2013, the SMA (*Superintendencia del Medio Ambiente*) informed Endesa Chile of the opening of sanction proceedings for alleged environmental infractions in relation to the second unit of the thermoelectric power plant of Bocamina (Bocamina II), in the Municipality of Coronel, which ended in August 2014 with the imposition on the company of penalties for a total of around 7.6 million US dollars. Endesa Chile (now Enel Generación Chile) and the local fishermen appealed this decision. The *Tribunal Ambiental* of Valdivia, with its decision of March 27, 2015, rejected Endesa Chile's appeal and also ordered the SMA to increase the fine taking into consideration the fact that Endesa had committed the infraction intentionally. Subsequently, the SMA arranged to increase the amount of the fine by 500 *Unidad Tributaria Anual (UTA)*. Endesa Chile appealed this decision to the Environmental Court and the appeal was partially accepted. The SMA appealed to the Cassation Court and that Court confirmed the amount of the fine applied with its decision of December 13, 2016. In regard to relationships with communities the main objective of Enel Generación Chile is to guarantee the progress and sustainability of the plan defined with the community of Coronel, which stresses a long-term approach, as well as promoting initiatives with the involvement of various social actors. During the last year Enel worked together with the *Servicio de Vivienda y Urbanización – SERVIU* of the Region of the Bío Bío and of the Municipality of Coronel, for the ongoing relocation processes. The process follows a series of agreements signed between 2012 and 2014 and dialogue with the Chilean Government to take part in the relocation plan for the families who used to live in the areas around the power plant, which were then declared uninhabitable following a study by *Sernageomin – Servicio Nacional de Geología y Minería*, following the earthquake in 2010. This led to the signing of the agreement mentioned previously in 2012 and to the consequent establishment of a public/private work group. During March, the families had the chance to receive housing subsidies and, in September, signed the purchase agreements for their new homes. In particular programs were defined for **environmental and social** recovery, including the project relating to the Parque Urbano Coronel to create parks and sports areas around the plant. During 2016 the *Energía para tu emprendimiento* (energy for your entrepreneurship) Program continued to promote a relationship based on the development of people and the creation of shared value, also thanks to the establishment of a fund to support entrepreneurship. This fund has allowed small business owners to enhance their knowhow, to create relations with local industry and develop a network. The fund for 2016 of 300 million Chilean pesos (around 420 thousand euro) enabled the financing of 73 individual production projects which were able to count on the support and consultancy of experts. Six months after the investment, monitoring will be undertaken of each initiative in order to understand the real impact on small business. Another important initiative is the ***Fondo de valor compartido*** (fund for the creation of shared value) which, with an allocation of 180 million Chilean pesos (around 250 thousand euro), aims to support projects for the community over the whole useful life of the Bocamina plant.

Social and community responsibility

As part of the social plan for Coronel, the 2016 version was held of the **Copa Enel Coronel**, a sports competition for the schools of Coronel which is part of the *Energía para the educación* (energy for education) Program.

The dome of Bocamina II

In August 2016, Enel Generación started the construction of the first dome for the storage of coal in Chile in the area north of the second unit of the Bocamina plant. This system covers 22,300 m^2 of surface area, measures 51 meters in height and has a capacity of 150 thousand tons. It enables improvement in the logistics for the handling of coal and guarantees for the nearby communities compliance with environmental standards. The dome consists of a self-supporting metal structure, which is light and adaptable to the type of land; characteristics which enable it to be built quickly and with low impact. The same technological innovation will be applied in the storage area to the south of the plant. The activation of this project joins other environmental improvements made by the company thanks to an investment of around 102 million US dollars, which make the Bocamina plant one of those which operate in accordance with the highest standards in this field, aligned to all the rules and permissions required by the environmental authorities.

NELTUME (CHILE)

Neltume is a project relating to a hydroelectric run-of-the river plant, with installed power of 490 MW, in the Municipality of Panguipulli, in the Region of Los Ríos. The environmental assessment process started in 2010 and is still ongoing. In 2006 Endesa Chile (now Enel Generación Chile) started a consultation process with the indigenous communities in order to incorporate their requests into the development of the project. In particular, since 2007 there have been information offices in the towns close to the project area and in 2011 some contact points were opened with the *Casas Abiertas* communities to facilitate their participation. Currently in Neltume there is a company information office which handles relations with civil society organizations and the local authorities to reach specific agreements. On April 29, 2013 the Environmental Assessment Service (SEA) of the Region of Los Ríos issued "Resolución Exenta n. 002" which envisages as part of the environmental assessment of the project the realization of an indigenous consultation process, in accordance with the provisions of "Convenio OIT n. 169", with the communities, populations and groups in the area affected by the plant. The SEA met each of the eight communities identified to set out in detail the consultation process, inviting them to nominate their representatives.
In December 2015, after the conversations with the communities, the environmental impact assessment associated with the project was withdrawn since the impact generated according to the design of the project was not sustainable.
In May 2016, Endesa Chile (now Enel Generación Chile) communicated that it would start assessment of design alternatives, which are currently underway. At the same time, Enel Generación Chile is working to provide sustainability and self-sufficiency to the local development initiatives undertaken in recent years. Among these is the creation of the Fiera Lelilen Lafken, which is a space for the sale and promotion of various crafts products and Mapuche food and drink built with the active support of the beneficiaries themselves on the shores of Lake Neltume and visited by over 400 thousand tourists annually. The beneficiaries of this project are around 50 wood and wool artisans. The organization and the management of this space is collective and is delegated to an executive committee consisting of members of the community.

THERMOELECTRIC PLANT OF PORTO TOLLE (ITALY)

In August 2011 the Public Prosecutor's Office of Rovigo indicted some directors, former directors, executives, former executives and employees of Enel and Enel Produzione for the crime of willful omission of measures to prevent disasters, relating to alleged emissions from the Porto Tolle plant; subsequently, the public prosecutor added the alleged crime of willful disaster. During 2012 the Preliminary Hearing Judge of Rovigo, following the requests from the Public Prosecutor's Office of Rovigo, ordered the indictment of all those under investigation for both crimes. After various levels of judgment, on January 18, 2017 the Court of Appeal of Venice absolved all the accused on the grounds that there was no case to answer. For further details see the Enel Annual Report 2016 – Potential Assets and Liabilities.

HIDROAYSÉN (CHILE)

HidroAysén is a partnership between Endesa Chile (now Enel Generación Chile) and the Chilean company Colbún for the development of a hydroelectric project with a capacity of 2,750 MW. In 2014 the Chilean Government withdrew the license for the project after the protests of environmental groups. Enel wishes to develop only projects that create shared value for the company and for its stakeholders and therefore at the start of 2015 it stated that the project was not part of the portfolio of projects at the development stage. Currently negotiations are underway with the partner Colbún to find the best possible solution for the communities and the companies.

HYDROELECTRIC PROJECTS (CHILE AND PERU)

Enel has decided to waive hydroelectric use rights for some projects in Latin America following the analysis of their profitability and their socio-economic impact. The projects are the following: Puelo, Futaleufú, Bardón, Chillán 1 and 2, and Huechún in Chile (capital loss of 166 million euro) and Curibamba and Marañón in Peru (capital loss of 30 million euro). The waiver is in line with the strategy of the Enel Group which intends to develop only projects which are not only technically and economically feasible, but also shared with the local communities. The rights for water use, for which the waiver was expressed, were returned to the States to be used for any other type of development project.

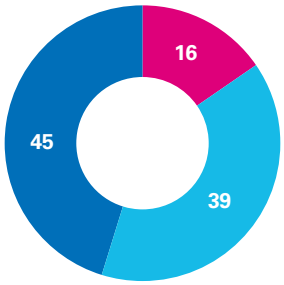
Value for countries and local areas

Enel contributes in a concrete way to the social and economic development and growth of the local areas and communities where it operates with various types of intervention, from expanding infrastructure to education and training programs, from initiatives aimed at social inclusion to projects to support the cultural life of the area. The LBG (London Benchmarking Group) method, devised by a work group in which more than 100 international companies participate, is a measurement model that enables a company's contributions to the development of the communities in which it is present to be clearly determined and classified.

In particular, under the LBG standard, expenditure on contributions to communities can be classified in:

- charitable donations: these are *pro bono* contributions that create no obligations for the recipients except to use the donation for beneficial ends and for non-profit associations. For Enel this item includes all cash and in-kind donations, including philanthropic and charitable activities;
- investments in the community: medium/long-term involvement in projects to support communities, also in partnership with local organizations, aimed at addressing significant issues both for the local area and for the company. This category includes, for example, projects linked to a broader strategy to benefit the community, such as "Access to Electricity", or specific initiatives dedicated to communities close to power plants;
- commercial initiatives with a social impact: contributions to activities related to the core business, in which the Company promotes its own brand and corporate identity. Examples of these initiatives are marketing campaigns which also include benefits for the community or which include contributions to charitable causes.

In 2016 Enel's total contribution to the communities where it operates stood at around 60 million euro.



Initiatives in favor of communities by type 2016 (%)

- Charitable donations
- Investments in the community
- Commercial initiatives with a social impact

How sustainability translates into projects

The integration of sustainability into the strategies and operating choices of the business in the various stages of the value chain passes also through new ways of managing and developing projects. In 2016 Enel, with over **900 projects** and initiatives and over **6 million beneficiaries**[6] in the various countries where it is present, contributed in concrete terms to social and economic development and growth of the local areas, from the expansion of infrastructure to education and training programs, from initiatives aimed at social inclusion to projects to support cultural and economic life, in line with its commitments on the SDGs. An essential lever to undertake these projects is the use of partnerships with non-profit organizations which are active locally and which promote the development of the local area through innovative and tailored interventions, sometimes literally putting the technology in people's hands: as in the case of Liter of Light, which teaches how to make lamps for private or public lighting starting from the recovery of recycled material (plastic bottles, electric material, etc.). Here below is a breakdown of Enel's contribution to the United Nations Sustainable Development Goals (SDGs 4, 7, 8).

6 Beneficiaries means the people in favor of whom a project is realized. Enel considers only the direct beneficiaries relating to the current year.

Access to energy

ENEL'S COMMITMENT

7 AFFORDABLE AND CLEAN ENERGY

Access to sustainable, accessible and modern energy

These projects seek to create a new business model linked to access to energy, aimed both at people who live in isolated rural areas and those who live in the peripheral areas of large urban conurbations. These are projects aimed at: removing economic barriers to access electricity; developing technologies for access to infrastructure; promoting technical training and capacity building; promoting energy efficiency; and promoting energy awareness. An example follows.

THE PROJECT

"Rural electrification with Liter of Light"

South Africa

Location: Eastern Cape
Business Line: Renewables
Asset: Nojoli Wind Farm
Installed Capacity: 88 MWAC

Sub Category: Promoting technical training and capacity building on energy
Beneficiaries 2016: 1,000
Planning: 11/10/2016 - 28/12/2018
Partners: Women in Oil & Energy South Africa (WOESA)

Business issue
Diffusion of clean energy & sustainable and innovative technologies as key enablers for skills development of local communities around the plant.

Project
The project was launched in collaboration with the international NGO Liter of Light, affecting local communities within a radius of 50 km from the Nojoli facility. The initiative took off with a training workshop of 60 young people from Somerset East, Cookhouse, Adelaide and Bedford villages in the area. The Liter of Light volunteers explained how to assemble, operate and repair a "Solar Bottle" – in other words, plastic bottles that have been turned into 55 W solar power lamps by using a transparent plastic bottle, water, an electrical circuit made with recycled materials, a LED light, a solar panel and a rechargeable lithium battery. Once the course was completed, the 60 young people built 18 Solar Bottles and 25 lanterns and have begun to install lamps in the villages with the support of our technicians. In addition to the green light project, we have promoted the creation of two technological hubs in Bedford and Cookhouse in the Nojoli area, to allow communities to learn more about digital technologies and open up to the world of internet.

Value for Enel
Spread knowledge of energy sources and their responsible use. Good relations with the institutions and capacity building of local communities.

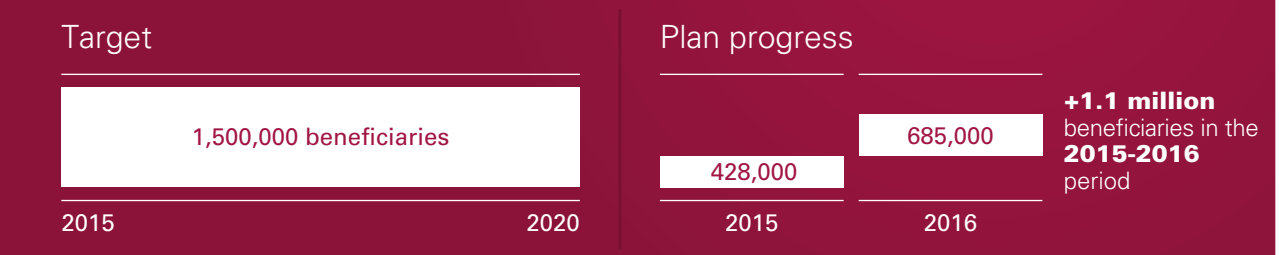
Value for stakeholders
- The benefit to the local community above all is access to light.
- Livelihood creation/set up a designated unemployed youth or woman as a local entrepreneur.
- Safer communities.

Socio-economic development of the communities

ENEL'S COMMITMENT

8 DECENT WORK AND ECONOMIC GROWTH

Promotion of employment and sustainable and inclusive economic development



The projects for the socio-economic development of local communities concern activities relating to the development of labor; development of infrastructure; transfer of skills and manufacturing knowhow to the local population; support for entrepreneurship in the community. An example follows.

THE PROJECT

"Cadena Productivas"

Colombia

Location: San Antonio, Viotá, Ubalá, Gachalá, Gama and Gachetá – Cundinamarca
Business Line: Renewables
Asset: Guavio, Cadena Río Bogotá Pagua
Installed Capacity: Guavio 1,210 MW, Paraiso 276 MW, Guaca 324 MW

Sub Category: Supporting entrepreneurial activities in the community
Beneficiaries 2016: 296
Planning: 01/01/2016 - 31/12/2017

Business issue
Defend existing business and open new job opportunities favouring the social and economic development of the communities in the countries where we operate.

Project
Render a local product an opportunity of social inclusion and boost to the economic development of rural communities.
Cadenas Productivas is a program developed in Colombia focused on the development of the local agro-industrial sector in cocoa and coffee.
In addition the project aims to strengthen the (administrative, associative and commercial) organizations, provide technical assistance as well as equipment and tools. Among the objectives sought there are: promoting sustainable farming, knowledge and technology transfer, encouraging working in partnership and generating public-private partnerships.

Value for Enel
Defend the existing business and develop new opportunities by increasing stakeholder loyalty, engage the local community in a long-term social and economic development program to prevent further "compensation" investments at a later stage.

Value for stakeholders
Improvement of cultivation techniques, strengthening the marketing of products and increasing the local disposable income. Promote job opportunities in order to reduce the emigration to other more productive areas.

Partners: Departmental Committee of Coffee Growers of Cundinamarca, Society for international Development Cooperation - SOCODEVI (by its acronym in Spanish), Agricultural Association and No National Farmers Mámbita Ubalá Township - ASOAGROMA (by its acronym in Spanish)

Support for local communities – support for education

ENEL'S COMMITMENT

4 QUALITY EDUCATION

Support for education

Target

400,000 beneficiaries

2015 2020

Plan progress

100,000 (2015)

200,000 (2016)

+0.3 million beneficiaries in the **2015-2016** period

As part of the projects to support local communities (financing local events; support for families and social services; promotion of culture and sport; promotion of diversity, health and safety; protection of the environment and biodiversity) specific activities are undertaken relating to education. An example follows.

THE PROJECT

"Tech Challenge"

Iberia

Location: Madrid
Business Line: Corporate/Endesa Foundation

Category: Support to local communities
Beneficiaries 2016: 1,000
Planning: 01/10/2016 - 31/12/2017
Partners: 50 schools of Madrid Community

Business issue
Support for the promotion of high quality education by incentivizing innovation, creativity and the use of advanced technologies for the new generations.

Project
A training program for teachers and students of 50 Secondary Education centers in the Community of Madrid (12-16 years), consisting of technological entrepreneurship, reinforcing knowledge in creative technology through programming and robotics.
The participants work on a project aimed at solving the needs of the school environment from a technological and human point of view by involving the center itself and its students. To this end, Endesa Foundation equips the educational centers with 10 robotic kits based on Arduino (ZUM kit), a 3D Witbox 2 printer and a PLA coil.
This project will be presented to the Reto Tech Endesa Foundation Festival, where several prizes will be awarded to the teams that present the best projects.

Value for Enel
Dissemination of knowledge and skills for young people who potentially could be part of the Endesa Workforce in the future. A better knowledge of young people's needs and skills as employees in the future.

Value for stakeholders
Improving knowledge about technology. Contribution of extracurricular knowledge. Providing state-of-the-art materials to schools.

Enel Cuore Onlus

Enel Cuore Onlus was created in 2003, reflecting Enel's wish to transparently express its commitment to social solidarity, a form of support for communities which is not only philanthropic but is part of a broader concept of the corporate social role which inspires Enel. In 2016 Enel's commitment to philanthropic activities remained high, albeit seeking to optimize and focus resources mainly on Italy and targeting primarily children and the elderly who are in difficulty. Thanks to a total contribution of over 6 million euro it was possible to support the voluntary sector in the realization of 32 new projects tailored to people's needs and with a major impact on communities. The activities were focused on specific current key issues: schools, in the sense of the place to grow and build relations, combating the social isolation of the elderly who are alone and the structured welcome of unaccompanied foreign children arriving in Italy to escape war and poverty. There is still particular attention for the health and wellbeing of young children who are going through an illness as well as for the protection of young children who live in particularly vulnerable families. Supporting parents who are at a difficult moment in their lives means guaranteeing normality for the father-child or mother-child relationship and so strengthening the role of the parents to the benefit of the children and of the whole family. Finally, Enel Cuore's commitment together with that of Enel Energia has enabled the identification of 4 important socially useful projects to be realized in 4 macro areas of Italy, with the direct involvement of people from Enel who work in the best performing companies in Italy. The areas to which to direct the financial resources were chosen as the treatment and assistance of children who are hospitalized and the growing phenomenon of bullying and cyber-bullying.

Viva gli Anziani! (Long live the elderly!) Project. A city for the elderly, a city for everyone

Preventing social isolation and institutionalization, offering an alternative to the traditional residential responses and home assistance, in accordance with a sharing economy model. The project is being developed over 2016-2017 and is targeted at the elderly aged over 75. The project plans to reach 10 thousand elderly people and will involve 15 cities[7].

In collaboration with the Sant'Egidio community.

Unaccompanied foreign children - Never Alone call for proposals

Guaranteeing the wellbeing and integration of unaccompanied foreign children who arrive in Italy alone.
In particular, the initiative aims to acknowledge good practice in welcome, education and training.
Among the various projects proposed for the call 8 were selected and approved.

Projects realized on the basis of the call "Never Alone, per un domani possibile" (Never Alone, for a possible tomorrow), promoted by the EPIM (European Programme for Integration and Migration) and in collaboration with the European foundations[8] and the most important Italian banking foundations[9].

Fare Scuola (Making Schools) Project

Intervening and improving the quality of environments connected to the various school areas over 3 years in 60 pre-schools and elementary schools in Italy. The local areas are identified so as to favor those schools which, in a context of serious economic, social and cultural distress, are a reference point for communities. The project, which is being carried out in 2015-2017, saw at the end of 2016 the completion of 31 interventions in a similar number of schools, while a further 4 interventions are still being carried out.

In collaboration with the "Fondazione Reggio Children – Centro Loris Malaguzzi".

7 Rome, Genoa, Naples, Catania, Novara, where the project is already active, Venice, Livorno, Campello sul Clitunno, Civitavecchia, Santa Marinella, Brindisi, Reggio Calabria, Sassari, Carbonia, Iglesias, where the project must be implemented in the coming year.
8 Greece, Germany, Belgium, Switzerland.
9 Fondazione Cariplo, Compagnia di San Paolo, Fondazione con il Sud, Fondazione CRT, Fondazione Cassa di Risparmio di Cuneo, Fondazione Cassa di Risparmio di Padova e Rovigo, Fondazione Monte dei Paschi di Siena.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Access to energy	3 million beneficiaries, mainly in Africa, Asia and Latin America by 2020
	Social and economic development	1.5 million beneficiaries* by 2020
	Quality education	0.4 million beneficiaries by 2020
	Implementation of new projects for the support of the communities in which Enel operates in order to create shared value and to foster the energy culture	
	Diffusion of the Creating Shared Value (CSV) model in the operational activities (Business Development – BD, Engineering & Construction – E&C, Operation & Maintenance – O&M)	
	Strengthening of strategic partnership and promotion of operational partnership	

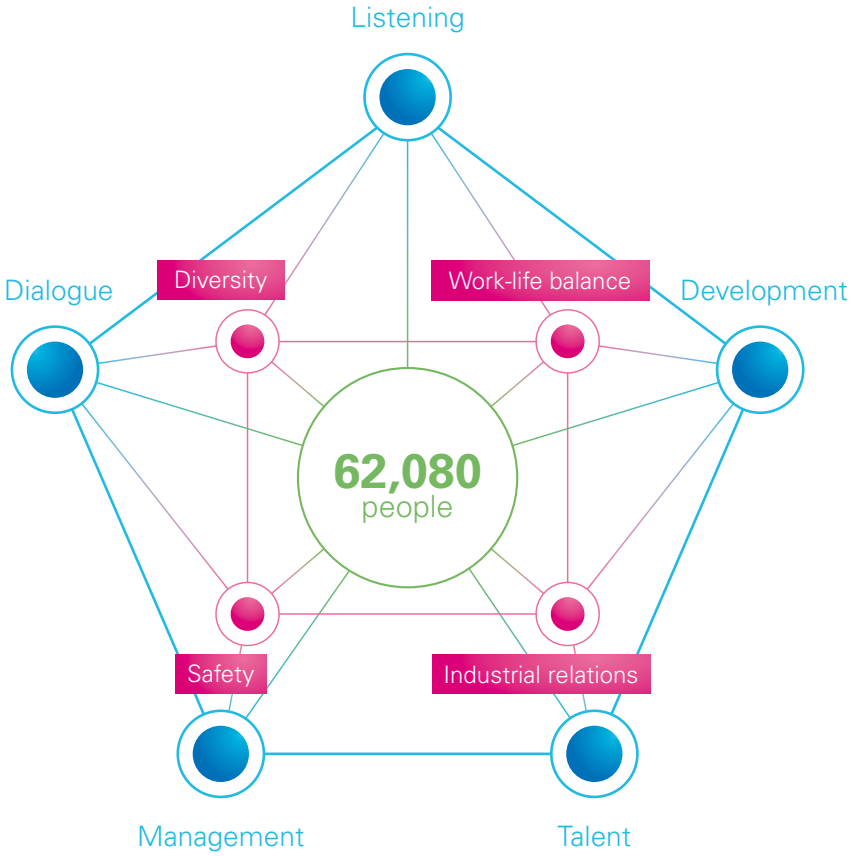
SUSTAINABLE DEVELOPMENT GOALS

* Target updated compared to 500 thousand initial beneficiaries.

Our people

G4-9 G4-10
G4-DMA LA G4-LA1
G4-LA9

At December 31, 2016 the Enel Group had 62,080 employees, of whom 51% were in companies based in Italy and 49% abroad. The balance between the numbers at the start and end of the year shows a fall of around 5,800, due mainly to the removal from the scope of Slovenské elektrárne. New hires, totaling 3,360, occurred in Italy for 34%, while the remaining 66% were spread across other countries. The percentage of women in the workforce remained stable compared to 2015.



29 Average length of service of people who left in the year

30 Training hours per employee (h/per capita)

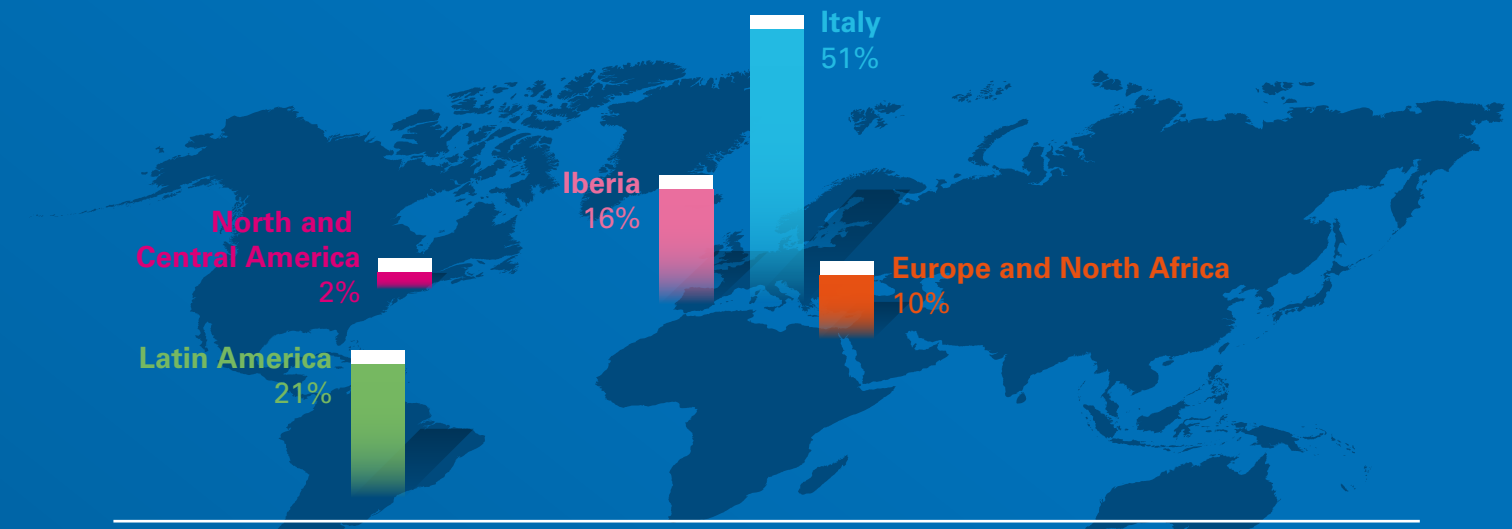
67%
People covered by a pension plan

20% Women
80% Men

94%
Equal remuneration – "Rewarding" female staff[10]

10 Calculated as the ratio between the average salary of female Managers and Middle Managers and the average salary (men + women) of Managers and Middle Managers.

G4-DMA LA



The Open Power model: strategy, values and behaviors

The "Open Power" model: vision, mission, **values and behaviors** was broken down during 2016 into various operational aspects in order to increase the involvement and participation of the people who work in Enel. This model is a reference point for all the processes for managing and developing people.

BEHAVIORS

- Adopts and promotes safe conduct and acts proactively to improve the conditions of health, safety and wellbeing
- Takes decisions in their daily work and accepts responsibility for them
- Achieves results by aiming for excellence
- Proposes new solutions and does not give in when faced by obstacles or failure
- Quickly changes their priorities if the context changes
- Shares information and is collaborative and open to the contribution of others
- Recognizes the merits of colleagues and gives them feedback which improves their contribution
- In their work is careful to guarantee the satisfaction of customers and/or colleagues, acting effectively and quickly
- Is engaged in integrating everyone, recognizing and valorizing individual differences (culture, gender, age, disability, personality, etc.)
- Maintains the commitments they have taken on, taking forward activities with determination and passion

In 2016 a training program on "**storytelling**" was launched aimed at top management, to enhance their ability to recount the new strategy. It is a 7-part program, which involved all the top managers of the various Group countries, so that they become the first ambassadors for the new Open Power culture.
In addition, an internal network was created of trained professional coaches with a view to establishing a skill center to support people in order to facilitate the organizational and cultural transformation (**Internal Coaches Network**).

Talent, development and management of people

2016 was an important year in consolidation of the model to manage and valorize people. Knowledge of people and the business and the ability to identify their needs in order to propose innovative and tailored solutions underpin this model. People are considered as a unique whole (in both their personal and professional spheres), with their needs, expectations, and differing personal characteristics. In line with the corporate strategy, the new group professional catalogue ("**Roles Catalogue**") was defined, which guarantees the availability of the roles and skills needed now and in the future to rapidly take advantage of the opportunities which the market offers. It is also the pillar to manage the main human resource processes on the basis of the profiles and skills in the Group. The new catalogue is made up of around 100 roles and 200 skills.

As regards the **recruiting process**, which involved all the countries in the scope of Enel, Recruitment Days were organized in Italy, Spain, Brazil, Romania, Chile, Colombia and Peru dedicated to new graduates. This is a completely innovative approach, both for the candidates and for the people from the business areas, who had the chance to evaluate technical and behavioral skills, the ability to interact and, above all, the "culture fit" of the future collaborators, in other words their ability to assimilate the corporate culture. There has been a shift from an approach in which the starting point was the curriculum vitae (studies, degree class, experience) to a more complete approach, where the focus is on the personality, skills, attitudes and ideas, in order to better understand the potential of the candidate to work in an innovative, complex and continually shifting context such as that at Enel. The innovations start immediately when applying for a position: besides their curriculum, the applicant is asked to send a short video presentation to be given also in English. This is followed by contact by phone or via Skype, for an interview focused on Enel's four values. The people are then identified to be invited to the Recruitment Day, in other words the job interview, which, however, has innovative features, since it is set up as a workshop in which participants are asked to draw up business ideas.

In 2016 the new process of **qualitative and quantitative performance assessment** was launched. The qualitative part envisages 4 stages: self-assessment and external assessment, in which the staff member and the evaluator assign a mark to the ten forms of behavior in the reference model, weighting of the assessments made and feedback, in which the staff member and the evaluator meet to comment on the assessment and identify the consequent development actions for the following year. The instrument of reverse feedback has also been introduced, through which the feedback becomes two-way, an exchange of views to improve the performance of the person being assessed and the evaluator, which is also useful in order to strengthen a relationship of reciprocal trust and support. In particular, the global campaign involved 100% of the people who were reachable and eligible[11] and 99% were evaluated. In addition, 87% provided feedback. On the other hand, a quantitative assessment was carried out for those who have variable pay (MBO and Annual Bonus), envisaging the assignment of objectives and their evaluation. In order to guarantee a global and uniform process, but at the same time to address the needs of the whole organization, an assignment and evaluation model was envisaged based on predefined objectives which come directly from the Industrial Plan, to which are added, in the case of the Annual Bonus, open-ended objectives which are established in agreement between the person being evaluated and the evaluator. In line with the performance in occupational health and safety in previous years, specific targets were established for management, which were then cascaded down across the whole organization, covering in 2016 65% of those entitled to MBO.

A new approach was finalized for the **assessment of managerial skills** before appointing people to key positions, which involves an assessment of the skills in order to verify that these are in line with the level of responsibility which will be entrusted to the person and with the management model which the company considers necessary for the future. Compared to 2015, the methodology progressed with the inclusion of new instruments, more emphasis was placed on the feedback process, a new analytical variable was added to the assessment, i.e. marketability, which indicates the person's potential in regard to horizontal, vertical and international growth.

11 Eligible and reachable: those who, at September 2016, were part of the workforce and had been active for at least three months in 2016. In addition, no consideration was given to people who could not, for personal or professional reasons, access the print or online questionnaire.

With the **6Digital Project** the digital skills of the people who work at Enel were also mapped; the work plan during 2016 was extended to the whole corporate population and, in relation to the skill levels on digital themes, dedicated initiatives were defined. At a global level, digital champions were identified, who were subsequently involved in a full program of activation and engagement, which culminated in the organization of a Hackathon and in the establishment of a dedicated community. In 2016, around 33 thousand people were assessed through the managerial and/or digital assessment process.

In continuity with the activities in 2015 and in order to identify the best talent to cover positions of particular strategic interest, the process of defining **Succession Plans** was undertaken and in 2016 was extended to all managerial positions. The main challenge in 2016 was to identify the "Ready" successors, who are available at short notice, and the "Pipeline" successors, who are ready in the medium term, to cover all the managerial positions in the Group, with particular attention to young people, women and the valorization of cross-cutting and international experience. For the successors individual development projects were defined, both on the basis of their individual and professional profile, and in relation to the positions for which they have been identified. 2016 saw the continuation of the **Young People International Mobility Program** to valorize young high potential colleagues, through development projects involving international mobility among the countries where the Group is present. Various development programs have been defined to valorize talented staff in the company with the aim of creating a pool of highly qualified people who can fill key positions. In particular, there is the **Schools Development Program**: a training program on the management, maintenance and development of power plants, dedicated to the staff of the Renewables Division.

Over 80 people have been involved and the courses will end in 2018. In the Thermal Generation Division, the **Gexcellence** Project was launched to reward and acknowledge the excellence of people who work in thermal production worldwide.
In addition, Enel launched the **Informal Network** project, to identify a pool of informal, acknowledged and central leaders. The analysis involved around 2 thousand people covering Italian and Spanish senior executives, managers and young staff. Around 10 thousand links were mapped and 108 key people were identified who represent connectors who can build cross-cutting relationships in the Group's professional families.

During 2016 over 1 million 900 thousand hours of training were supplied, down compared to the previous year following the redefinition of the company scope which saw the Slovak company leave the Group, the completion of some campaigns and the refocus of the training offer which also envisaged programs with study grants for people who work in Enel, in cooperation with strategic partners in universities and in research centers (in 2016 over 100 grants were provided). The initiatives undertaken confirm the central role of the technical/specialist offer, together with training on health and safety and, in general, on issues linked to sustainability. A pilot project was launched, Linguistic Tandem, an open learning method, which is based on an informal agreement between pairs of colleagues, in which one learns the language of the other. As part of the managerial training courses, the "From Leader to Coach" Program was developed, a training program dedicated to all managers with the aim of developing leadership towards more open, participatory models, involving people coaching, with an impact on the management of the team, on the development of collaborators, on the sharing of activities and responsibilities, and on the ability to communicate, listen and give feedback.

Enel and the National Skill Strategy

Enel, as a key stakeholder, takes part in the program to draw up the National Skill Strategy launched by the Italian Government, in cooperation with the OECD (Organization for Economic Cooperation and Development) under the coordination of the Ministry of Economy and Finance, the Ministry of Labor and Social Policies, the Ministry of Economic Development, the Ministry of Education, University and Research and the Prime Minister's Office. This participation enables a concrete contribution to be made to the development of policies and future decisions on the issue of skills development as a lever for growth and the sound functioning of the labor market, and to the preparation of the National Skill Strategy, in keeping with what has already happened in various OECD countries (Norway, Spain, Portugal, the Netherlands, etc.).

Listening and dialogue

During 2016 an important moment for listening and discussion was the **Climate and Safety survey**. Compared to the previous editions, it was planned to involve people right from the preliminary stages, in order to identify the priorities and define the questionnaire together. Enel decided to call the project "E-Voice" underlining the importance of the voice of the people at Enel. The communication campaign was focused on the importance of participation, seen as the opportunity for improvement, in the light of transparency and reciprocal exchange between people and a company which is prepared to take risks and is ready to welcome new ideas and suggestions in order to improve.

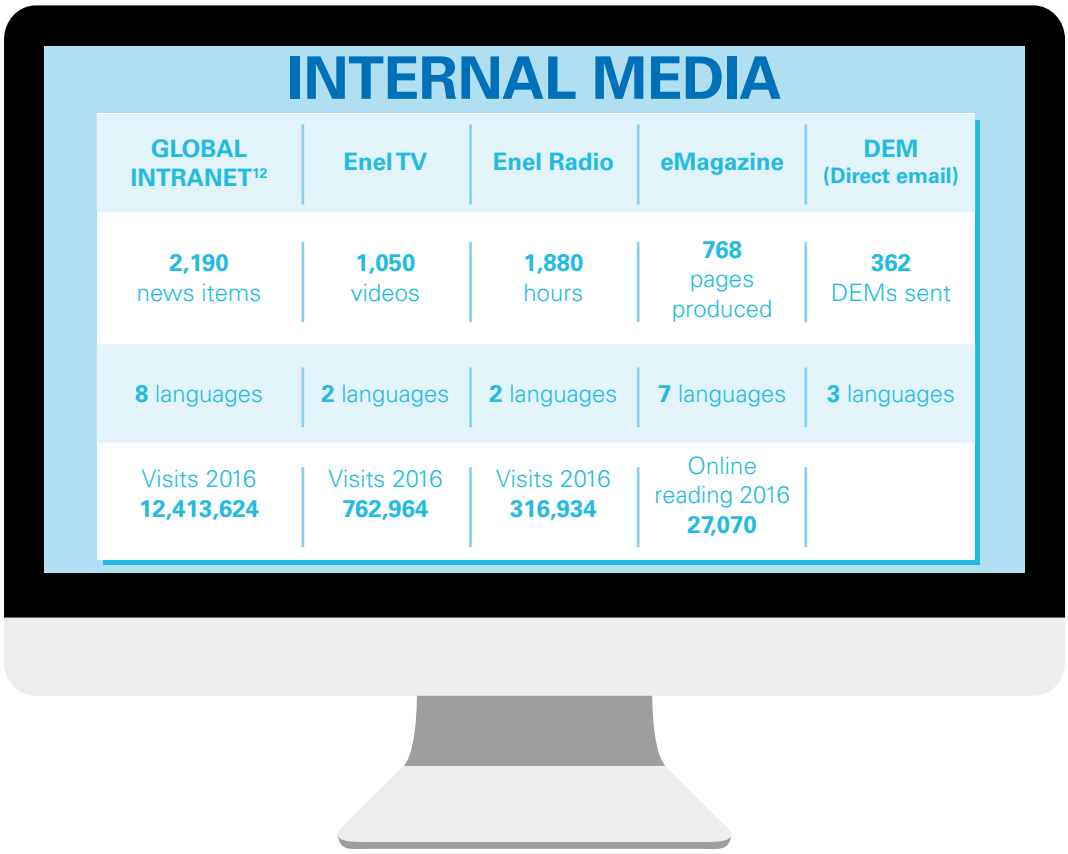
Around 60 thousand people worldwide were invited to respond, representing 100% of the reachable and eligible employees; 84% of them took the opportunity to express their opinion and 54% made a suggestion by replying to an open-ended question. The results show a positive situation: 75% of people feel engaged, 79% believe in the company's goals and 85% would recommend it as a good place to work.

Another important instrument for listening and being close to people is certainly represented by the interviews of the **HR Business Partners**, company figures whose primary duty is to listen to and identify people's needs in order to integrate them with the organization's needs. In line with this vision, during 2016 interviews continued as did the collection of colleagues' requests, an activity which started in 2015. In particular, interviews were held with a further 11,627 colleagues leading to a total of 43,453, thus reaching 70% of the company population. Once the work of initial mapping is finished, the interviews will be held at least annually. The work of the HR Business Partners is supported by that of the **HR Support Points**, real physical meeting points to which people may refer to resolve administrative and operational issues regarding their employment relationship.

Internal communication

Enel considers internal communication an important support to the creation of the company culture and to the growth of people and of the organization, by encouraging and promoting the exchange of information, knowhow and experience. 2016 started with the launch of the new company identity and the new logo presented at the end of January in Madrid. In the delicate period of transition towards the new Enel, internal communication activities supported the ongoing change, with the dissemination of a new identity not only in terms of graphics but also, and above all, in terms of values. "We change inside to show the world we change outside" was the motto which led the drive towards understanding the Open Power strategy. The campaign was translated into 7 languages with a dedicated media plan to explain to Enel people worldwide the reasons for the change and the distinguishing features of the new brand – cursors, dynamism and colors – making available all the instruments needed for its correct internal use. The process of disseminating the strategy started on January 26, 2016 with the convention which involved over 200 top Group managers to share the results of 2015 and the challenges of 2016. Following this it was the turn of what in Enel is termed the Cascade Process with 190 events worldwide, involving 57,348 people and active participation by 45,331 people, 17% more than in the Cascade Process in 2015, guaranteeing for all colleagues standard information in their respective areas and levels. There was an intranet section in three languages dedicated to the project which kept colleagues constantly updated on meetings and contents: with over 100 thousand page visits in 4 months. A survey process – which had a total response rate of 51% of participants – recorded a high satisfaction level of 3.8.

In 2016 Enel's internal media was redesigned and renewed in order to ensure that the contents reach everyone in the company in all the geographical areas where it operates, are accessible also from mobile devices and outside the company network, and enable input from all the countries. The new intranet, which was released in December 2016 after being broadly shared at various levels, unites all the people in Enel for the first time on a single platform and allows contents and services to be received which match the activities undertaken, with the possibility of viewing all the corporate content, in a concept of openness, flexibility and simplicity. The internal house organ, renamed eMagazine – Sharing Energy Stories, available in both print and digital form, contains a global section and a specific local section for each country, regular features dedicated to the business and people of Enel and an interactive blog in three languages run by the Chief Executive Officer and called *Corrente Continua* (Continuous Dialogue).



12 In 2016 the data refer to the "global in Enel" intranet and to the intranet in Latin America. As from 2017 there is a single "Global intranet".

FEIEA Grand Prix Award 2016

Two internal communication projects won prestigious recognitions at the FEIEA Grand Prix Award 2016, the competition which rewards the best internal communication projects in Europe:

- the Road Safety campaign – first place in the Best Multinational Communication Strategy category;
- (IL)LEGAL Factor campaign – second place in the Best Internal Communication Event category. The staff in the Legal and Corporate Affairs Division launched a competition among teams of lawyers to realize the best research on legal themes of interest to the Group. The aim is to offer the lawyers the opportunity to get to know each other and to have visibility in the company, to stimulate the preparation of high quality work which offers innovative solutions and to disseminate ideas. Under the mock title of "Who has the (IL)LEGAL Factor" three semi-finals were organized: 3 locations – Rome, Santiago del Cile and Bucharest – as well as 3 examination rooms and a court for the final held in Rome.

Diversity and inclusion

Diversity and inclusion are two key elements in the company culture and the strategy of Enel, which operates in over 30 countries worldwide. For this very reason a direction has been taken aimed at encouraging an inclusive culture to support people in expressing their potential, each with their own experience and different cultural strength regardless of gender, age and other features representing diversity. The Policy on Diversity and Inclusion, which was published in September 2015, is based on the key principles of non-discrimination, equal opportunities and equal dignity for all forms of diversity, inclusion, work-life balance, and includes specific actions to valorize diversity in terms of gender, age, nationality and disability as well as cross-cutting actions to improve awareness and the impact on behavior.

GENDER

- Guaranteeing equal representation of genders in internal and external selection processes
- Developing agreements with universities to promote careers for female students in technical subjects
- Disseminating the Parental Program aimed at balancing the needs of new parents with their professional development

AGE

- Tutorship programs for expatriates
- Tutorship programs for new recruits

NATIONALITY

- Tutorship programs for expatriates

DISABILITY

- Identification of a focal point

CROSS-CUTTING INITIATIVES

- Training courses on values and behaviors which include the principles and guidelines on diversity and inclusion
- Inclusion of the issues of diversity in the process of assessing performance

In May 2016, in the Human Resources and Organization Division, a Diversity Manager was appointed who is responsible for leading, overseeing and valorizing diversity, by promoting inclusion in the Group. A periodic global reporting process was also started, which has enabled an overall view of the progress of the policy actions in the various countries. The results are shared at the various levels of the organization to guarantee complete awareness of progress on the objectives and to promote the sharing of best practice.

Enel leader in respecting diversity

In November 2016 **Thomson Reuters** included Enel among the leading 100 companies globally in terms of respecting diversity and in terms of the inclusion of its employees. Enel in particular is the first of the 5 Italian companies included in the top 100 and is one of only 2 electricity utilities in the top 50. Its inclusion in the index is witness to how non-discrimination, equal opportunities and inclusion underpin an industrial strategy based on innovation and sustainability.

Here below are the main projects which characterized 2016: G4-DMA LA

GENDER

As from 2016 the percentage of women in recruitment pools is monitored through a detailed reporting system which is common to all the recruitment units in the various countries. This model envisages that, should it not be possible to reach an equal gender representation, it is necessary to provide a written motivation, in order to identify any support actions. This arrangement has made it possible to raise the awareness of the Line units regarding the importance of fair selection criteria. The result of the first year's monitoring showed 33% of women in candidate pools for external recruitment and 29% for internal recruitment.

To increase female presence in recruitment pools, awareness-raising initiatives were launched to promote the access of female students to technical faculties (science, engineering, mathematics), both through the direct testimony of Enel managers at schools and universities, and through events in company offices, involving a total of over 2,600 female students.
In particular, in Italy two initiatives were undertaken inviting female students to the company to give them some familiarity with business issues: Girls Go Tech, a challenge among seven teams of girls who competed to identify new hi-tech services to be offered to customers, and Girls in Enel ICT, on the UN day for this theme, to encourage access to jobs which have historically been considered the preserve of men. The two days saw the participation at the company of over 150 girls.

The maternity accompaniment project (Parental Program) continues and has been extended beyond Italy to Spain and Argentina. It consists of a series of structured meetings between the manager, female employee and HR Business Partner, to be held before the obligatory maternity leave starts and then on the mother's return to work. The program aims to valorize the new skills acquired during maternity (management of complexity, responsibility, leadership) and to build among all those involved a program which never leaves the future mother alone at any time during the pregnancy and subsequently, supporting her also in the decisions linked to reconciling private life and work.

Besides the actions envisaged by the policy, monitoring also regards the presence of women in managerial positions and equal pay. Periodically the data is analyzed to identify support actions.

In addition, Enel's commitment to the WEP (Women's Empowerment Principles) continues, the initiative promoted by the UN Global Compact and UN Women aimed at promoting gender equality.
In 2016 Codensa was again included in the classification of the ten Colombian companies which do the most to promote gender equality.

The Enel Orange Day Project also continues, which, drawing on the idea of the United Nations, promotes, on the 25th day of each month, specific information-giving initiatives on internal media with the contribution of internal and external experts. In particular, on November 25, 2016, International Day for the Elimination of Violence against Women an awareness-raising meeting against violence was organized, exploring the issue of the psychology of aggression and setting out, with interactive simulations, some personal protection techniques for dangerous situations. These techniques were made available to all colleagues through the company intranet.
In Spain, in collaboration with the *Fundación Integra*, a volunteering program was launched to support women who are the victims of violence.

AGE

During 2016 over 250 people were identified, with a senior profile, to be involved as internal trainers to ensure a transfer of information to more junior people in the company, and various projects were launched in the individual countries to support the sharing of knowhow. In particular, Argentina started a Train the Trainers project thanks to which 40 senior technical staff who are close to pension age were trained and transferred their knowhow to over 5 thousand junior staff, covering both internal employees and external suppliers. Colombia, Italy and Romania launched similar programs. Spain and Russia instead launched mentoring programs for senior employees, who thus became reference points for younger colleagues (Spain)

or teachers at secondary schools (Russia). As for the transfer of knowhow from junior to senior staff, following the 6Digital Project, young digital experts were identified and appointed "digital ambassadors" within the organization, with the aim of disseminating the use of digital technologies and supporting the identification of solutions and innovative IT instruments.

As for young new recruits, in line with the provisions of the policy, Brazil, Italy, Spain, Romania and Russia started a tutorship program to support the entry of young colleagues into the company, while Colombia planned a structured program of meetings with key people that the young recruit must proactively take forward.

The European Pact 4 Youth

In 2016 the Enel Group continued its commitment to the European Pact 4 Youth (P4Y), which was signed by Enel in November and is designed to promote the culture of business-education partnerships to increase the opportunities for young Europeans to enter the world of work, also thanks to the support of the member States which are engaged in the development and implementation of national action plans. A year on from the launch of P4Y over 15 thousand business-education partnerships have been created, involving around 2.9 million students. Under Italy's National Plan, Enel is active in the coordination and orientation of the initiatives and in promoting and strengthening partnerships among companies. In addition, it chairs the working group dedicated to developing apprenticeships and professional training, which involves around 35 stakeholders such as companies, employment agencies, training bodies, and employer associations. Enel's apprenticeship program, which was signed in 2014 with the Ministry of Education, University and Research and with the Ministry of Labor and in collaboration with seven technical institutes, continued in 2016 with the recruitment of 140 students on first level apprenticeship contracts and the activation of around 500 internal and external training courses.

NATIONALITY

To facilitate integration among different nationalities and cultures within the Group, tutorship programs have been launched. In particular, in order to support internal mobility, every high potential employee aged under 35 (Young Mobility Program) has been assigned a tutor, who facilitates their start in their destination country. In particular, Chile also envisages an online course on Chilean culture. As for expatriates aged over 35 (technical internal mobility), tutors have been arranged in Argentina, Brazil, Chile, Spain, Italy and Romania.

DISABILITY

Managing diversity also means guaranteeing people with disabilities the instruments, services and working methods to let them work completely independently. In line with the provisions of the policy, in 2016 focal points for disability were identified in Brazil, Chile, Colombia, Peru, Spain, Italy, Romania and Russia.

In particular, in Brazil since 2014 there has been a project for the inclusion of disabled athletes, which envisages 12 months' training in the company, allowing them to continue their sports preparation; this project won the global award for best practice, recognized by the UN, on the 10th anniversary of the approval of the convention on the rights of disabled people.

In Italy a global analysis has been started of the needs of disabled employees as well as specific related initiatives. Guidelines have been established on the usability of canteens and refreshment points which address both the structure and the internal support available; in addition, an accompaniment service inside offices has been finalized which will be launched in 2017. Finally, a procedure has been created to reimburse the expenses of those accompanying disabled people who are on work-related travel, and the mapping of the accessibility of the hotels used by the company for work-related travel has started.

G4-DMA LA
G4-LA2

Work-life balance, people care and company welfare

Work-life balance is one of the general principles of the Policy on Diversity and Inclusion. In this light, Enel promotes solutions to improve the balance between private life and work and to support people's effective daily needs in order to respect all the situations, including contingent events, which a person may find themselves in during their working life.

Here below are the main instruments used:

	Italy	Spain	Romania	Russia	North America	Central America	Latin America*
Flexible schedule	☑	☑	☑	☑	☑	☑	☑
Seasonal schedule or short week	☐	☑	☐	☑	☑	☑	☑
Part time	☑	☐	☑	☑	☐	☐	☐
Telecommuting	☑	☑	☐	☐	☑	☐	☑
Smart working	☑	☐	☐	☐	☐	☐	☑
Hours bank	☑	☐	☐	☑	☐	☐	☑

While in Italy telecommuting envisages that the work is largely done from home, with one or two days each week in the office, in Spain and in Latin America it is organized with only one or two days a week working at home.

* Argentina (telecommuting); Brazil (flexible schedule, hours bank and telecommuting); Chile (flexible schedule, hours bank and telecommuting); Colombia (flexible schedule, telecommuting, smart working, seasonal schedule and part time) Peru (flexible schedule, telecommuting, smart working and seasonal schedule).

Smart working

Internet and digital communication are leading to a revolution in the management of work: smart working, a new model which permeates the companies which are most innovative and careful about their management of people. The objective of smart working is to use new technologies to increase the flexibility of work, relying on people's sense of responsibility and on trust in the relationship between the person and the company, and paying attention to environmental sustainability. It means greater freedom and autonomy in the choice of the organization of space and the instruments to be used at work, accompanied by greater responsibility in achieving results.

In June 2016, a pilot project was launched in Italy which envisaged the involvement of 550 people. At the end of the year a survey was undertaken of all those involved (both managers and staff) to understand their level of satisfaction and to test the effectiveness of the program. The results were very positive and the possibility of extending smart working to a greater number of participants is being assessed, to disseminate a cultural change throughout all the organizational units.

WHO

The activation is on a voluntary basis and regards only the staff of the pilot units

WHEN

1 day a week

WHERE

Work can be done at the employee's residence/domicile or other suitable location

HOW

All the legislative and contractual provisions in force are applied to the smart worker

In Brazil the Home Office Program is now in its tenth edition. This project allows the possibility of working from home one day a week. The population involved is around 5% of the total headcount and every 6 months there is a rotation of the participants. At the end of each cycle, the Human Resources Function carries out a survey to test the program's effectiveness involving both the participants directly involved in the program and those indirectly involved.
Finally, in Colombia since 2012 there has been a smart working program which allows people to work from home for a maximum of two days a week. Around 200 people are involved.

Italy (with Enel Energia), Spain and Latin America respectively obtained Family Audit and EFR (*Empresa Familiarmente Responsable*) certification, which recognizes the company's commitment to adopting HR policies for the wellbeing of employees and their families.

A company culture which pays attention to people's family needs is reflected in the union agreement signed in **Italy** in November 2016, which introduces greater flexibility in the use of parental leave (also on an hourly basis compared to the previous possibility of monthly, daily or half-day leave), includes 8 days paid leave for new fathers, in addition to that envisaged by Italian law (currently 3 days), and extends the contractual provisions envisaged for marriage (for example paid leave) to both of the parties in a civil union between people of the same sex. This agreement also recalls the importance of maintaining a working environment where each person's dignity is respected and interpersonal relationships are facilitated based on the principles of equality and reciprocal correctness, stigmatizing any kind of harassment or violence in the workplace. Specific initiatives to support the culture of reconciliation are designed and implemented at local level by dedicated HR units in the various countries where Enel is present.

In **Italy**, 7 meetings were organized dedicated to parents and a plenary conference was held where new parents had the chance to share their personal experience with a specialist on family issues. These meetings addressed issues relating to children growing up, emotional intelligence, respecting rules, use of the Internet and social media, and gender stereotypes in the education of children. In **Chile**, **Colombia** and **Spain** too workshops and events on family issues were organized.

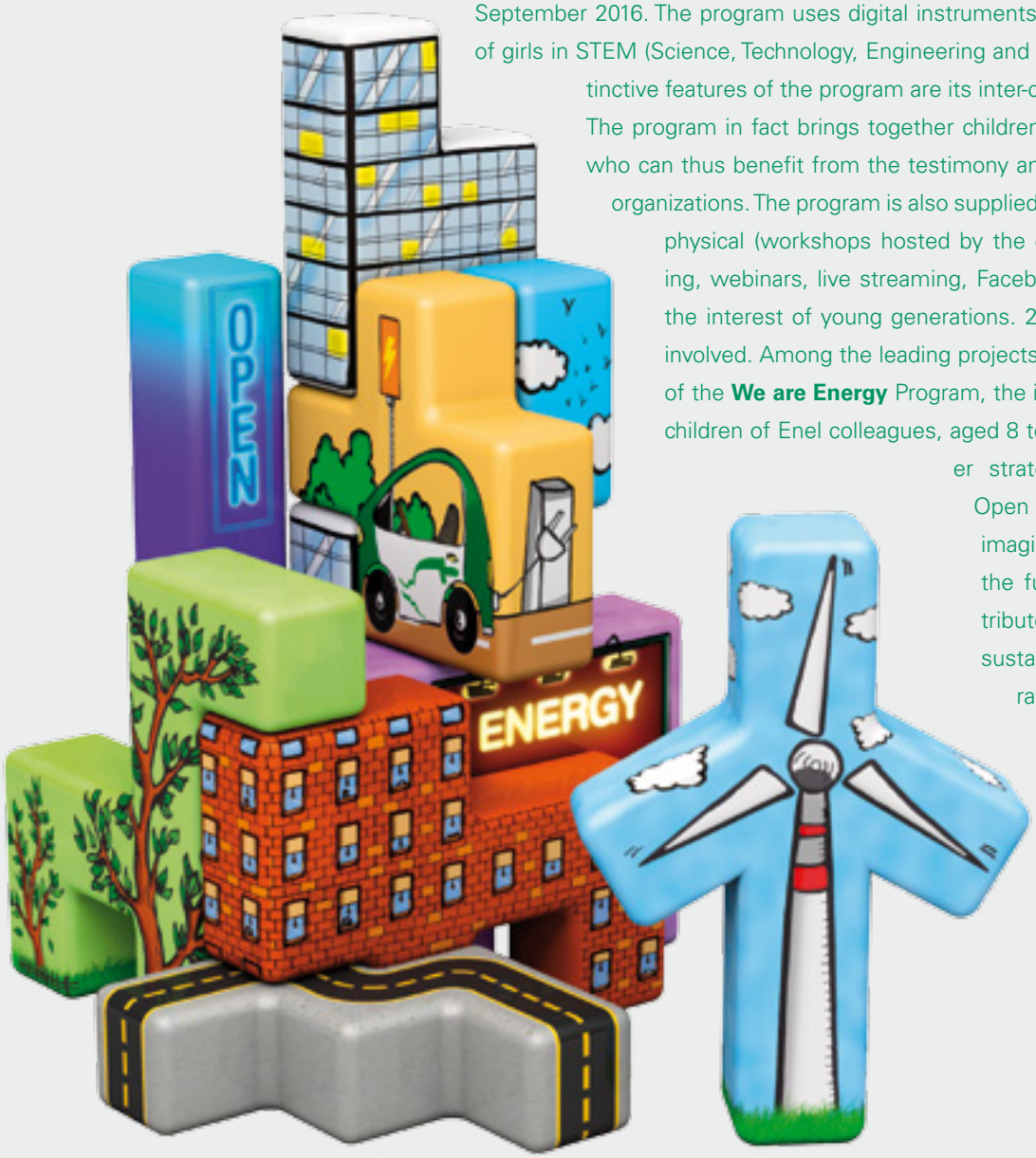
In October 2016 the first in-house nursery was opened at company offices (Rome). It can take around 50 children aged from 3 months to 3 years, has a surface area of 450 m^2, has been completely restructured, with a garden, kitchen, and division of space and furnishings in line with an open pedagogical approach, which brings together the best-known theories and techniques from the Montessori method, to allow children to grow in a context which helps them develop their own independence while respecting their own rate of growth. Among the various activities there is yoga, theater, and psychomotor skills. In addition, alongside the 'traditional' spaces, two workshops have been built, one for botanical-scientific activities and one for art, to try out new forms of expression.

The work continued of the play-education centers inside some Italian offices which are open when schools are closed (Christmas, Easter, long holiday weekends, elections) and dedicated to welcoming the children of employees in the 3 to 12 year old age range, with play/educational activities (courses of English, music, group games, socialization activities). Finally, "time-saving" services (laundry, repairs and domestic cleaning services) continued to be operative throughout 2016 in Italy, Greece, Brazil, North America and South Africa and savings services in Italy. In addition, study grants are provided for the children of employees and discounts for nursery schools in Italy, Argentina and Peru.

In many countries, Enel supports its employees also with contributions or incentives for their various needs, both for themselves and their dependent family members. Commercial agreements are available for employees regarding the taking out of insurance, the granting of subsidized loans, as well as forms of support for sport and cultural activities. For example, in Italy, through the ARCA association, recreational, cultural and sporting activities are promoted for employees and their children; in Argentina there are special commercial agreements for gyms, insurance and the purchase of cars; in Peru there is a program of discounts for the holidays of employees' children aged 5 to 13, and for all employees for sport, holidays, and artistic and cultural activities.

Initiatives for the children of people who work at Enel

On May 31, 2016 in Italy there was the start of the **Millennials Enel Days** initiative to support and orient young adults about to finish high school or university in their professional choices. There were six days of orientation, with the participation of the children of people who work at Enel and of other company stakeholders, aged between 18 and 27. Various issues were addressed: personal attitudes and the language of the labor market, the professions sought after in Italy and abroad, masters courses, digital skills and other commonly requested skills, CVs and how to approach a job interview. In total 360 young adults were involved. **Push to Open** is an educational and professional orientation program for the children of employees attending the final two years of high school, which was launched in Italy in September 2016. The program uses digital instruments and promotes the participation of girls in STEM (Science, Technology, Engineering and Mathematics) faculties. The distinctive features of the program are its inter-company and multimedia nature. The program in fact brings together children from a number of companies, who can thus benefit from the testimony and meetings offered by different organizations. The program is also supplied through a mix of channels, both physical (workshops hosted by the companies) and online (e-learning, webinars, live streaming, Facebook community) that can spark the interest of young generations. 250 children of employees were involved. Among the leading projects in 2016 was the twelfth edition of the **We are Energy** Program, the international competition for the children of Enel colleagues, aged 8 to 17. In line with the Open Power strategy, the competition, entitled Open up the Future, asked children to imagine themselves in the world of the future and how they could contribute proactively to making it more sustainable, inclusive, safe, collaborative, and open. 5,219 children from 23 countries registered for the competition and, of these, 125 winners from 17 countries took part in the international campus in Italy together with 5 youngsters aged over 17 from four countries as part of the We are Tutor Program, the competition which acknowledges the previous winners of the WAE, this time as tutors.



G4-LA2
G4-LA10
G4-EC3

Supplementary healthcare and complementary pensions

In most of the countries where the Group operates, supplementary healthcare insurance is available at favorable conditions comparted to the alternatives available on the market. In many cases it is the company itself which guarantees benefits linked to prevention and periodic check-ups (see also the chapter dedicated to "Occupational health and safety").

In Italy health and prevention instruments are supplied through a supplementary fund for Enel employees (FISDE) which provides reimbursements for health services given in the supplementary welfare plan. In line with collective agreements, all employees are members of FISDE. Former Enel employees can continue to receive the same benefits by paying a membership contribution. Employees can also receive benefits from the network of agreements made with a series of healthcare structures (public and private hospitals, care homes, clinics, dentists, etc.) or with the reimbursement of services provided in other structures. FISDE also reimburses the costs relating to preventative medicine in the field of health protocols provided to prevent cancer and heart disease. The psychological support service continued thanks to the agreement with the National Council of the Order of Psychologists (CNOP) and the Italian Psychoanalytical Society (SPI).

FISDE also provides support for families, for example in the case of disability and social emergencies (problems of adjustment, alcoholism, drug addiction, etc.).

Supplementary assistance programs for employees and their families and the community are also provided thanks to the social action protocol attached to the collective bargaining agreement.

Among the support measures for staff there is also the possibility of accessing complementary pension funds and the recognition of various forms of individual benefits for service connected with the termination bonus. At December 31, 2016, the employees covered by the pension plan in the Enel Group numbered 41,749. The pension funds are mainly in Italy (Fopen and Fondenel), Spain and Brazil.

Management of risks connected to business travel

During 2016 Enel's travel policy was updated, with the goal of systematically guaranteeing the risk assessment and management of all business travel, from planning travel right up to the safe return. Enel colleagues who are travelling to destinations which are considered at risk are given a specific memo on the healthcare situation and the security conditions in the countries they are going to. In particular, through the booking system for company travel, before departure, the Security Travel Guide and the Health Guide are sent automatically, while any updates are supplied during travel. In relation to the specific risks in the country of destination, Enel arranges, when necessary, suitable protection measures (expert guides, security details, etc.). To coordinate the whole process, a unit is active 24 hours a day, 7 days a week, which supports travelers, monitors news from around the world and coordinates the response in the case of dangerous or emergency situations. This model is currently used in Italy and Enel is gradually extending it to all the countries where it operates.

Industrial relations

Enel applies the labor law of the various countries and the International Labour Organization's (ILO) Conventions on workers' rights (freedom of association and collective bargaining, consultation, right to strike, etc.), systematically promoting dialogue between the parties and seeking an adequate level of agreement on corporate strategies on the part of employees.

Industrial relations at Group level continue to be undertaken in accordance with the model envisaged in Enel's Global Framework Agreement (GFA), which was signed in Rome in 2013 with the Italian federations and global federations IndustriAll and Public Services International. The agreement is based on the principles of human rights, labor law and the best and most advanced systems of transnational industrial relations of multinational groups and reference institutions at international level, including the ILO. The agreement was also recognized and appreciated as best practice at the level of European and non-European multinationals. Negotiations are currently underway to renew the agreement, which will be signed during 2017 and updated in line with the Group's new Open Power philosophy and the values which distinguish it, also in dealings with the collective representatives of employees from all countries.

During 2016 there was fruitful information exchange and consultation involving both the European Works Council and the Global Works Council in relation to the new Industrial Plan and the Group's strategic guidelines: the main item set out and discussed with the representatives for all countries was Enel's Investment Plan and commitment to the UN SDGs, which were agreed by the national and international unions.

In addition, joint monitoring continued on respect of Labour Standards as defined in the Global Framework Agreement in keeping with Enel's Policy on Human Rights. Among these, there was particular appreciation from the international federations and the research institutes (see EURACTA Studies 2014 and Project EURIDE 2016 of the EU Commission) as best practice compared to theTCAs – Transnational Company Agreements – signed by multinationals which adhere to the Global Compact, for the Principle of Pay (9.6 of the Enel GFA), according to which "the minimum pay of the Group's employees cannot be lower than that established by the collective contracts and by the legislative and regulatory treatments in force in the various countries, in line with the provisions of the ILO Conventions. Enel guarantees that the principle of fair income is respected in all the countries where it is present (see the ILO definition of decent work at 9.11)".

At European level, the Agreement on the European Company Committee for Enel was renewed for four years in July 2016, thus confirming its standing as one of the most advanced agreements in the EU electricity sector in terms of the attention paid to common issues such as occupational health and safety, training and diversity; Enel and the national and European federations (IndustriAll Europe and European Public Services Union) have transferred their long-standing experience of social dialogue to the sector's Social Working Group, supported by the EU Commission – DG Employment – which is active on the issues of high quality youth employment (apprenticeships and traineeships) and on the employment impacts that the energy transition and digitalization will bring in future years to all the European and global electricity companies. As regards the "Just Transition", in the sense of the broad acceptance of joint management of the processes of innovation, digitalization and decarbonization which are affecting the energy sector, Enel has expressed its willingness to the international (ITUC), European (ETUC) and national (CGIL-CISL-UIL in Italy and UGT-CC.OO. in Spain) trade unions to take active part in research workshops and networks with universities and research institutes, making available, in the spirit of Open Power, its own skills with the new corporate processes and with all the implications of Industry 4.0.

Minimum notice period in the case of organizational changes:

Country	Minimum period	Legal provisions/collective agreements
Italy	25 days	Legal provisions
Spain and Portugal	30 days	Framework Guarantee Agreement for Endesa SA and subsidiaries in Spain (September 12, 2007)
Slovakia	60 days for workers who have been employed for less than 5 years 90 days for workers who have been employed for more than 5 years	Legal provisions
Russia	60 days	Legal provisions
Romania	Employers are obliged to inform and consult workers' representatives on development in the company's economic and business situation. For collective dismissals, minimum 30 days notice to unions and 20 days to workers The maximum period for the collective dismissal procedure is 90 days	Legal provisions Collective Contract
Argentina	Obligation of periodic update to workers' representatives; traditionally the notice period for changes in working hours, in the role of employees or the work location is 48 hours, although there is no specific regulation	
Brazil	Obligation to provide "prompt" information	
Colombia	Neither the law nor collective bargaining envisage a minimum notice period in the case of organizational changes	
Peru	Neither the law nor collective bargaining envisage a minimum notice period in the case of organizational changes	
Chile	Neither the law nor collective bargaining envisage a minimum notice period in the case of organizational changes	

Sustainability Plan 2017-2019

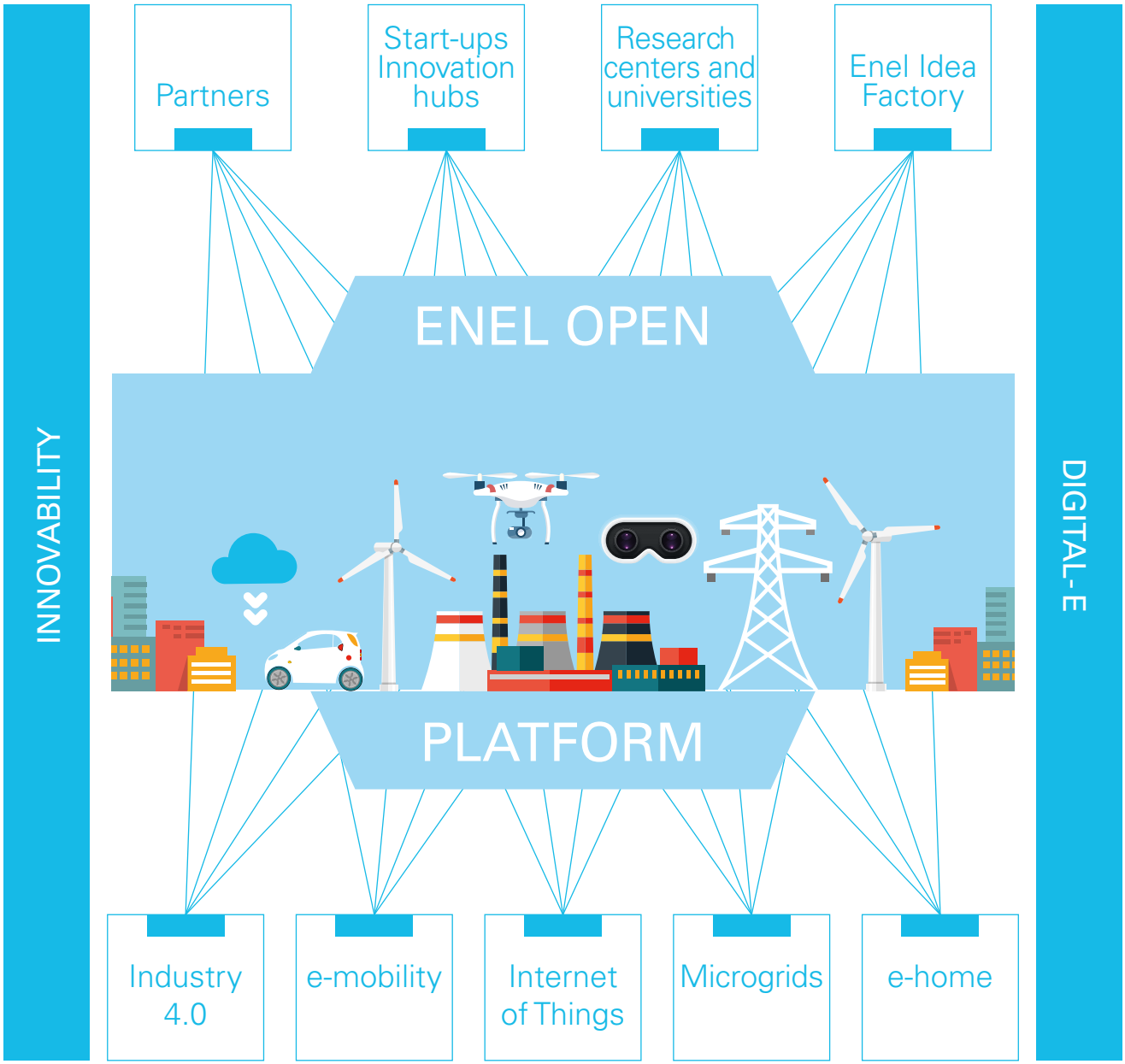
G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Performance appraisal for employees who have been working in the company for at least 3 months	100% of people* involved in 2020 99% of people* assessed in 2020 94% of people* interviewed (for feedback) in 2020
	Climate survey	100% involvement of people* in 2020 84% participation of people* in 2020
	Implementation of diversity and inclusion policy	The selection process must guarantee a fair gender representation in the pool of candidates (50% by 2020) Appointment of focal points for disability in the main countries by 2017 Assignment of tutors to 100% of expats as part of mobility projects for the youngest staff by 2020
	Training – Scholarships program for employees in cooperation with strategic partners, universities and research centers	480 study grants in the 2017-2020 period
	Promotion of a "safe travel" culture (Extension to all countries of the Group of the model used in Italy, creation of a dashboard)	100% of countries where present by 2020

SUSTAINABLE DEVELOPMENT GOALS

* Eligible and reachable: those who are part of the workforce and have been working for at least 3 months in the year of assessment and those who can access the online or printed questionnaire.

Open Innovability



In order to facilitate new uses of energy, new ways of managing it and making it accessible to ever more people in a sustainable way, it is necessary to speed up innovation in the energy field. Enel has made **Open Innovation and digitalization** the pillars of its industrial strategy, in order to grow in a rapidly changing context, guaranteeing high standards of safety, business continuity and operational efficiency.

Innovation linked to sustainability translates into "**Innovability**", which creates value for the company and for all its stakeholders, and allows new opportunities to be taken and more advanced solutions to be found to offer an outstanding service to customers, favoring access to energy, social development, while respecting the environment and the communities where Enel operates. Enel is starting a transformation process to make its industrial production and services not only automated but also interconnected and smart (**Enel 4.0**). Enel is in fact a platform company of electricity networks which can facilitate new platform models by expanding its skills also to the management of data networks, thus facilitating the activation of businesses linked to innovative hi-tech sectors such as **e-mobility**, **minigrids**, **e-home**, **connectivity**, **storage**, **etc**. Within the Group there are around **300 active innovation projects**[13] covering the whole value chain in the various geographical areas. Most of these projects have required the activation of partnerships with other leading players in the sectors or the contribution of start-ups which have developed solutions which are still not on the market. These collaborations take place within the ecosystem of **Open Innovation** which the Group has been operating for over two years.

In 2016, 28 global partnerships were started, bringing to **114 the innovation partnership agreements** both globally and locally, and the portfolio holds **80 projects covering start-ups and Business and Market units**. During the last year, around 350 start-ups were introduced to the relevant Business Lines, 27 collaborative projects were launched, and relations were consolidated with venture capital funds, accelerators and crowdfunding platforms.

In addition, there are 3 innovation hubs (Israel, Brazil, Chile) in the regions with the highest level of innovation, to enable involvement in the most advanced ecosystems in the world and to select the best start-ups with which to launch innovative projects. In particular, in 2016 an innovation hub was opened in Tel Aviv, followed in March 2017 by another in the Silicon Valley.

The Group's medium/long-term innovation strategy, the approval and monitoring of projects, the selection of start-ups with a high impact on the business, and the approval of key partnerships are the main duties of the Group's **Innovation Committee**, which consists of the Chief Executive Officer and the heads of the main corporate divisions.

13 Innovation project means the testing of an innovative solution which creates added value for the company, can be replicated, and satisfies a specific need. The innovative aspect can reside in the customer served, how they are served, in the type of product or service offered, in a new combination of the previous points, therefore in a new business model, in the technological solution applied in a point of the value chain. The idea or the proposal of an innovative solution become projects following formal approval so that the testing may go ahead as well as the allocation of a project budget.
If the test is successful, the commercial or wide-scale adoption of the validated solution can follow.

Discovering blockchains

Blockchains, thanks to which it is possible to certify the exchange of information, ownership rights and contracts without the need of a third party acting as guarantor, are considered as one of the technologies which could revolutionize the global economy. In a world where machines autonomously exchange information and take decisions on the basis of that information, it is likely that new architectures will emerge inspired by the blockchain. In April 2016 Enel created a cross-cutting working group to look at the possible impacts on the business, involving the Innovation Division and some outstanding people from the various Business Lines. The group defined the specifications of three possible cases linked respectively to networks, trading and renewables. Enel is also launching some challenges for a series of start-ups, to identify the best partners to develop these projects.

In line with the Open Power principles, the innovation strategy therefore envisages the involvement of all the staff at Enel. The participation of employees in the innovation process is encouraged at every level, from the simple proposal of innovative ideas for crowdsourcing to the participation in corporate entrepreneurship initiatives, such as the Enel **Innovation World Cup** and the **Inspire Empreendedores Program**, both launched during 2015 and which continued throughout 2016. The latter, in particular, is promoted by the Brazilian subsidiary **Prátil** and saw the participation of 114 people, who put forward over 80 projects. Currently four business initiatives are at the incubator and market test stage. In the **Innovation World Cup**, instead, over 800 participants put forward around one hundred innovative business solutions which were analyzed and selected by the countries. The 22 most promising proposals were rewarded with financing and the possibility of dedicating up to a maximum of 50% of working hours to develop the initiatives proposed. Innovation also means the ability to experience and learn from inevitable failures. For this reason, Enel launched the **My Best Failure Project**, an online platform which lets everyone share their "best" failures and what they learnt from the experience, thus creating a common knowledge base to drive innovation, and encouraging everyone to experiment and try something new. In 2016, over 90 examples from people around the world were published. In addition, Enel opened up to external crowdsourcing, drawing on expertise from various countries to solve in 2016 seven technical challenges with solutions which are currently being tested. Enel also set up an in-house weekly newsletter, Innovation Intelligence, which covers the world of cross-sector innovation, looking at the sectors of competence, competitors, start-ups, SMEs, universities and research centers. It has a readership of 8 thousand people in the Group across all countries.

Enel Idea Factory

Enel Idea Factory proposes to transform work places into laboratories for ideas and to promote integration among the different company units and openness to the outside, supporting dialogue among a number of interlocutors, inside and outside the company. In 2016, 19 ideas sessions were held involving 578 people from Enel and 22 people from outside the Group (including representatives of universities, consulting companies, suppliers and managers from sectors other than the electricity sector). 447 ideas were generated, and 24 of these led to 3 initiatives during the year (for example, the launch of additional services for the market in Romania). During 2016, creative sessions were also held on sustainability themes: **Climate Change Adaptation and the circular economy**, as well as meetings with the main data owners of the Sustainability Report.

Breakthrough Innovation for the SDGs

This is an initiative promoted by the Global Compact of the United Nations in collaboration with, among others, Volans and The DO School, with the aim of moving companies towards the world of innovation and to the new generations of entrepreneurs who, through innovation and new models of sustainable business, are contributing to the progress of the Sustainable Development Goals (SDGs). Enel has adhered to the program since its launch in September 2016, taking part – together with another nine companies which are leaders in sustainability – in the Breakthrough Innovation Challenge (BIC). The BIC involves young professionals from LEAD companies and presents them with the challenge of achieving the SDGs through the creation, development and use of cutting-edge technological solutions and sustainable business models which are specific for the respective industrial sectors. The results of the "competition" will be presented during the Global Compact Leaders Summit 2017, which will be held in New York in September. The Enel Group is represented in the BIC program by four young members of staff from the following Divisions: Global Renewable Energies, Global Infrastructure and Networks, and Global ICT.

Main projects

e-mobility

In a rapidly evolving context the car has become the frontier of innovation. Electric power and connectivity make cars interesting for both utilities and for telecommunication companies, and no longer only for traditional manufacturers.

Enel has undertaken various initiatives in Europe and Latin America on e-mobility, and up to 2016, 36 partnership agreements were active, including the alliance with Nissan signed during **COP21** in Paris and the signing in June 2016 of a global framework cooperation agreement with the Chinese company BYD, a leader in the construction of electric vehicles and lithium batteries, for the development at global level of common projects on electric mobility and energy storage.

The spread of recharging infrastructure is one of the key elements for the dissemination of electric mobility. Up to 2016, there were **3,200 recharging stations using Enel technology** (public and private recharging points). In Italy, with the **EVA+** Project, by 2019, 180 fast recharging points will be installed along the motorway corridors established by the European Commission, while in Spain the installation of fast recharging points for e-busses has started.

e-mobility is also an opportunity in the field of support services, such as the innovative use of cars as "mobile batteries" to provide services to the network (**Vehicle-to-Grid – V2G**). Aside from in Denmark, Enel is testing V2G in the United Kingdom where it has installed the first 10 bidirectional rechargers, as well as in Germany where it is being approved as an aggregator to provide balancing services to the network, having already launched a pilot project with Nissan and a German start-up (The Mobility House) which works in the storage and electric mobility business. V2G is an example of Open Innovation, since it arises from the union of Enel's experience in the field of infrastructure and systems to manage e-mobility with **Nissan's** as the manufacturer of the e-NV200 Van and LEAF, the bestselling electric car in the world, together with the Californian start-up **Nuvve**, which provides the V2G aggregation software and with which Enel signed a collaboration agreement at the start of 2016.

Enel was the first company in the world to design, develop and launch V2G recharging infrastructure. Thanks to the Enel rechargers, the energy accumulated by Nissan LEAFs is managed intelligently, on the basis of the real needs of the network, and the owners of electric vehicles become real protagonists on the energy market, providing services to regulate the network in order to facilitate the penetration of renewables. V2G allows owners of vehicles and energy consumers to use their cars as "four-wheel mobile power plants", with which to accumulate and return to the grid unused energy. By coordinating with other manufacturers, in particular with **Mitsubishi**, Enel has encouraged the adoption of changes to the **CHAdeMO** protocol which have been incorporated into the standard protocol, which today enable the V2G functions. Subsequently, Enel launched a collaboration with Nissan with which, at the start of 2015, the **Nikola** Project was launched in Denmark, with the aim of verifying the means of offering grid regulation services through the aggregation of V2G rechargers. In some countries where the Group is present various local initiatives have been introduced such as **car sharing** projects (for example, in Italy at the campus of Roma 3 University), with integrated offers reserved for employees (for example, in Italy, Spain, Chile) and for retail customers.

Nissan, Enel and Nuvve launch the first wholly commercial V2G hub in the world in DenmarK

In August 2016, Enel installed ten Vehicle-to-Grid (V2G) units at the offices of the Danish utility Frederiksberg Forsyning, which also bought 10 zero-emission Nissan e-NV200 Vans. The V2G hub will help stabilize the national electricity network in Denmark, offering electric capacity services to the network operator Energinet.dk.
"Wholly commercial" means that the project is wholly based on components and technologies which can be bought by customers, from electric vehicles to recharging units and to the platform which manages the V2G system.

Enel and Nissan present "e-go All Inclusive", the first all-inclusive offer for electric mobility

In November 2016, the first integrated offer was launched in Italy for electric mobility by Enel Energia and Nissan, the world leader in electric mobility: e-go All Inclusive. The offer includes the world's bestselling electric car (Nissan LEAF), a home recharging station, including installation, and an app to identify and use the stations throughout Italy; all this is at a fixed monthly price and with a single provider.

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IIoT, Industrial Internet of Things

IIoT is a recent neologism which represents the new paradigm of smart industry. The online interconnection of devices is what is making the physical world a network of information, thus becoming increasingly common in work and everyday life. Connectivity is the factor which facilitates IoT applications in all ecosystems, and in future years a significant increase is expected, thus in its turn causing an increase in energy consumption. Enel is developing industrial **IoT** solutions in some manufacturing companies which in the future could come to market. These solutions enable the activation of services linked to predictive diagnostics, workforce management, the retroaction of machines and, not least, safety in plant and worksite operations. This is what is happening at the thermoelectric power plants of **Torrevaldaliga Nord**, **Brindisi** (Italy), and **Besós** (Spain), thanks to the strong drive towards digitalization which allows the set-up of services linked to IoT, and thus, through increasingly sophisticated analyses, the improvement of the process for managing and monitoring the plant.

G4-DMA EC G4-DMA EU

The complete digitalization of the distribution network, which integrates new Internet of Things and Big Data functions into technologies which are already operational, is one of Enel's goals. A digital network enables control of the various primary and secondary cabins, minimization of service problems and a significant reduction in the time taken to repair breakdowns that may occur on the network. The introduction of smart meters has transformed secondary cabins into real communication hubs, which are spread over the local area.

Enel Open Meter

On June 27, 2016 Enel presented at the Milan Triennale the Enel Open Meter, the new 2.0 meter. The second-generation smart meter is one of the key elements in Enel's Open Power strategy, a process of renewal towards a concept of power that is open, accessible, technologically advanced and sustainable. The new meter will be installed in homes and companies starting from next autumn and will replace the first-generation smart meter which as from 2001 replaced the electromechanical meter.

The second-generation meter is the result of a process which takes account of what has happened in recent years on the market and the technological development in the field of metering and remote management. Enel Open Meter complies with the specifications for new meters envisaged by Resolution no. 87/2016 of the Authority for electricity gas and water, which also established a set of performance indicators. The innovative features of the new smart meter include faster changes of supply, the elimination of fixed time bands and the availability of data on electricity use for greater savings. The measurement of customer data every 15 minutes, for example, provides a much more timely picture of daily power use and the consumption behavior of customers, who are increasingly aware of and alert to greater energy efficiency.

e-Home

G4-DMA EC G4-DMA EU

The e-home is, by definition, a smart home, which, through an integrated system, improves the comfort, safety and consumption of the people who live in it.

Enel has started 6 collaborations with start-ups, with the aim of testing new solutions that can offer customers innovative services linked to the control and increased efficiency of consumption, personal safety and management of the home.

There are also 16 current partnership agreements and the promotion of various initiatives for the markets of countries such as Italy, Spain, Chile and South Africa. These initiatives include mainly services for energy management, safety, and security. Examples are the initiatives already launched in Italy with the **e-goodlife** system or in Spain with the **Nexo** system, both conceived to provide services linked to the smart management of the home, such as the monitoring of consumption, the remote management of devices and the safe management of residences.

In addition, the partnership work continues with the main manufacturers worldwide of domestic storage systems, with the aim of enhancing the product portfolio and encouraging competition among the key players. Storage solutions have an essential role for the development of renewables and electric mobility, sectors in which Enel is a global leader. For some time Enel has had global collaboration agreements with the most accredited and competitive manufacturers on the market: **Tesla**, **BYD**, **LG Chem**, and **Aton Storage**. The battery made by Aton was included among the new technologies which Enel presented during the Formula E events which took place in Marrakesh on November 12, 2016, and at the Capital Markets Day in London on November 22.

Microgrid & minigrid

G4-DMA EC

The development of microgrids is a solution with great potential for use in rural areas far from the main urban centers or in areas with limited electrification in emerging countries, thus facilitating the proven link between the availability of energy and economic growth. Microgrids enable the management of operations in areas where the electricity network is absent (offgrid) or not robust enough (limited grid).

Enel has developed microgrids above all in Latin America, for example in Ollagüe (Chile), with a hybrid system which includes photovoltaic production, storage and diesel-fueled generators, with the aim of providing electricity to a village of 200 inhabitants.

In India, the population and demand for electricity are growing continuously, despite the fact that over 270 million Indians still do not have access to energy owing to the lack of reliable network infrastructure. In order to solve this problem, the Indian Government is opening up the market also to players other than the current distributors. In particular, a regulation is envisaged which enables minigrid operators to sell energy in a market which is already broadly serviced by traditional operators. Enel is defining with an operator who has long experience in the area a plan to electrify villages and to acquire customers. It is an innovative business model which requires competence throughout the value chain: production, distribution and sales. Every minigrid enables the supply of energy to two towers for telecommunications and to a nearby village, with around 300 residential users and about 30 small businesses. The generation of energy is guaranteed by a 100 kW photovoltaic plant with batteries for storage, a back-up diesel powered generator and 2-3 km of power lines.

Resilient, sustainable and smart cities

In 2015 Japan hosted, in Sendai, the Third Global Conference of the United Nations on risk reduction from disasters caused by natural hazards (earthquakes, floods, drought and cyclones). A systematic effort was made to analyze and reduce exposure to hazards through intelligent management of land and the environment as well as increased prevention and early detection activities.

Following the Sendai Conference, ARISE (Private Sector Alliance for Disaster Resilient Societies) was launched, a joint initiative to create risk-resilient societies by strengthening collaboration between the private and public sector and other stakeholders. Enel is the first global utility which is a member of ARISE and also holds the position of Vice Chairman. With this commitment the company makes available all its experience in the safety of infrastructure, with particular regard to assessing risks and adopting prevention and management measures in the case of an emergency, as well as the use of innovative forms of partnership to create synergies and opportunities to protect the local area and increase resilience while respecting environmental, social and economic sustainability.

In Italy, in October 2016 Enel and ANCI (National Association of Italian Municipalities) signed a protocol to increase the awareness of Italian institutions and operators about the themes and investments to make Italian cities more resilient, putting its experience and skills at the service of the country. In particular, Enel and ANCI undertook to stimulate the adhesion of Italian cities to the campaign of the United Nations "Making Cities Resilient", acknowledging that mayors have a key role for the development of the local area and as a driver for the implementation of operational plans. During 2016, with the collaboration of the regional European office of the United Nations Office for Disaster Risk Reduction (UNISDR) a training module was drawn up on resilience, with a specific focus on strategic and operational impacts. The program, which is included in the MBA courses and PhDs of leading Italian universities, saw the participation of over 120 people.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Innovation in infrastructure on broad scale: storage, electric cars, smart grids and smart meters	+18 million smart meters installed in the 2017-2019 period Coordination and development of the V2G project in two countries in 2017 (the UK and Germany) and extension to North America and other European countries by 2021
	Ultra-broad band deployment in Italy	250 municipalities and 9.5 million homes by 2020
	Promoting global partnerships and supporting high potential start-ups	Selection of 40 new innovative start-ups for development projects by 2020 Launch of three innovation hubs by 2017 Organization of boot camps for managers and employees at innovation hubs Organization of two Hackathons each year at the innovation hubs by 2019
	Promoting actions in line with the UN "Making Cities Resilient" campaign	400 municipalities by 2020
	Training on resilience in MBAs and PhDs in the countries where the Group is present	600 people involved by 2019

SUSTAINABLE DEVELOPMENT GOALS

Decarbonization of the energy mix

G4-DMA EN
G4-EN30 G4-EC2

7 AFFORDABLE AND CLEAN ENERGY

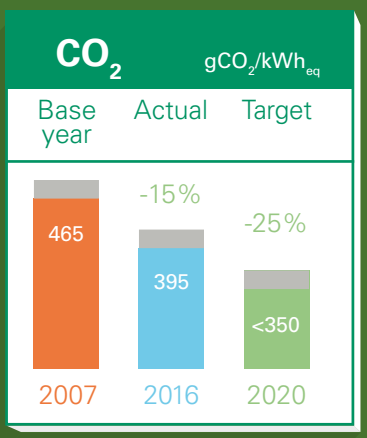
13 CLIMATE ACTION

THE GLOBAL COMMITMENT

Paris climate agreement

ENEL'S COMMITMENT

13 CLIMATE ACTION



The Enel Group aims to archive decarbonization by 2050.

A strategy in line with the Paris climate agreement and the United Nations Sustainable Development Goals.

ENEL'S CONTRIBUTION TO DECARBONIZATION

GENERATION

- -25% gCO_2/kWh by 2020 vs 2007
- Decarbonization by 2050
- New renewable capacity

DISTRIBUTION

- Digitalization of the network
- Reduction in network losses
- New means of connection
- Recharging points for electric mobility

VALUE ADDED SALES AND SERVICES

- Electric mobility
- Domotics
- Energy efficiency

Futur-e

Sustainable supply chain

Minigrids

Vehicle-to-Grid

Car Sharing

Circular economy

In 2015 in Paris, 196 parties agreed to the United Nations Framework Convention on Climate Change (UNFCCC), the agreement which essentially aims **to limit the increase in global temperature to below 2 °C and to take action to not exceed 1.5 °C**.

The Paris Climate agreement represents a great opportunity to contribute to the transition towards a sustainable global economic model which is more respectful of the environment and can create growth in synergy with the local areas, as part of communities and diversity.

The decarbonization of the energy mix by 2050 is, therefore, a key element and is one of the four strategic ESG (Environmental, Social and Governance) pillars of Enel, together with responsible relationships with communities, the valorization of the people who work at the company, and innovation and operational efficiency.

A strategy based on a long-term vision which translates into concrete objectives:

- reduction of 25% by 2020 in the intensity of CO_2 emissions compared to the levels of 2007;
- investments in the renewables sector of 5.2 billion euro in the period 2017-2019;
- new capacity from renewable sources of around 8 GW[14] by 2019;
- gradual and selective reduction in thermoelectric power plants in the various countries where present;
- research and development of new low carbon technologies in the Open Power approach, involving internal and external stakeholders.

The action to combat climate change is also one of the four United Nations Sustainable Development Goals to which Enel is committed, together with that on access to energy, access to education and the contribution to the social and economic growth of the communities in the countries where it operates. Besides the actions affecting the generation mix, Enel is active in the sectors of the energy efficiency, innovation and digitalization, relying on a transparent and robust system of governance. In particular:

- **smart networks and digitalization**: Enel has shown its leadership not only with smart meters but also in the automatic and smart management of networks by integrating innovative technologies;
- **distributed generation and isolated networks**: Enel is engaged in the field of offgrid electrification with various initiatives in Africa, Latin America and Asia;
- **increasingly efficient generation from renewables**: Enel will increasingly integrate renewables into its generation mix and will contribute to maximizing the efficiency of the individual technologies, and to developing hybrid systems, such as that at Stillwater in Nevada (USA) which integrates geothermal, photovoltaic and thermal solar technologies;
- **increase in energy efficiency through the use of electric technologies**: Enel is particularly engaged in the field of developing electric mobility, through participation in international research projects (for example, EVA+), the realization of smart charging infrastructure (for example, V2G technology), and active collaboration with key stakeholders. At the same time, as a utility which provides services to end users, Enel promotes the dissemination of efficient electric equipment and digital control and management technologies for consumption which improve consumers' response and behavior.

In this scenario, the circular economy, which combines growth and environmental sustainability, is a cross-cutting element of the decarbonization process.

14 The 8 GW growth in renewable capacity is due for 6.7 GW to organic growth (including the BSO model) and the remainder to non-organic growth.

The reference framework: COP21 and COP22

The Paris agreement which was reached during the 2015 global conference on climate change (**COP21**) represented an essential step in combating climate change because it established a plan to control climate-altering emissions in the medium and long term, with the support of solid and credible governance. Consequently, it can be considered as an element of stability from many viewpoints, for example on the regulatory front, which is traditionally uncertain owing to continuous changes in political scenarios. Throughout the preparation of the agreement and during COP21, Enel promoted a series of initiatives aimed at involving and mobilizing the private sector and category associations in the debate.

The new governance model aims to supervise the operation of States and to promote growing ambition in the reduction commitments through periodic monitoring of emissions and publication of the results achieved. The objectives communicated by the parties must be reviewed every five years to verify the "highest possible ambition" and will be subject to technical review in order to guarantee the transparency and environmental soundness of the policies adopted.
In terms of flexibility, the agreement introduces specific additional instruments to achieve national objectives, which will help increase the ambition of the overall action and will enable full involvement by the private sector in low-carbon investments.
The agreement provides a regulatory framework, but its success depends on how the individual States maintain their commitments and how the conditions will be created for full involvement by business and civil society in the construction of a new sustainable development model.

In November 2016 Marrakesh hosted COP22, where Enel promoted some initiatives to actively contribute to the conference and to take the opportunity to demonstrate its own sustainability strategy and its low carbon profile in terms of renewable sources, energy efficiency, smart networks and rural electrification.
The importance of COP22 resides in progressing the technical discussion aimed at defining the procedures to implement the Paris agreement for the post-2020 period and in verifying the strength of the political commitment following Paris. The implementing instruments are necessary to operate in the short term and to guarantee stability for long-term investments. The discussion then focused on the transparency of the procedures for monitoring, reporting and verification and on the criteria for the regular assessment and possible revision of the objectives taken on by the parties, as well as on progress on the financial commitments, and on the initiatives for capacity building and technology transfer among the countries.

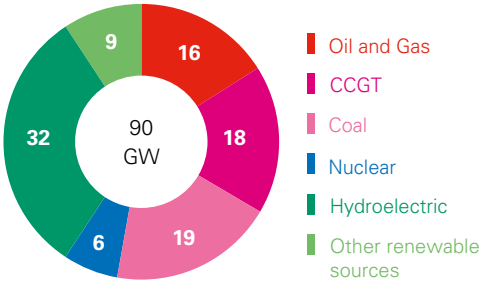
Enel, in keeping with its commitment in regard to decarbonization, supported various initiatives at COP22 and the active presence of the company's top management at numerous conferences reiterated and reinforced Enel's commitment to decarbonization by 2050, in line with the goal of a global reduction "well below the 2 °C" accepted in Paris.

Enel's commitment

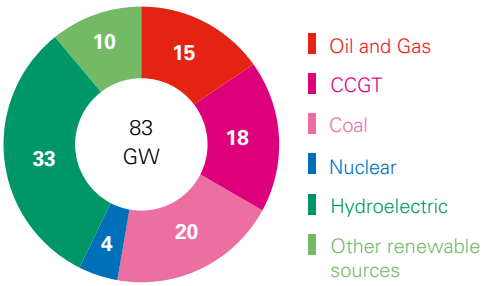
Net installed capacity

At the end of December 2016, the Group's net installed capacity was around 83 GW.
New installed capacity from renewables in 2016 was around 2 GW, mainly in the United States, Latin America and South Africa. Today the Group can therefore count worldwide on plants powered by renewable sources for around 36 GW of net capacity, which represent 43% of the Group's electricity generation assets.

Net installed capacity by source 2015 (%)



Net installed capacity by source 2016 (%)

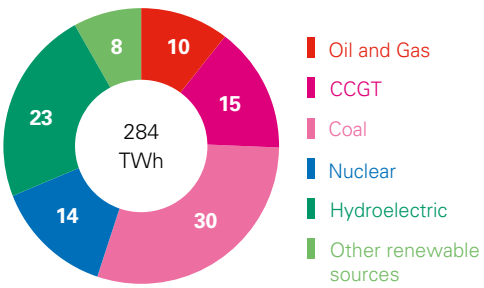


The removal from the scope of consolidation in July 2016 of Slovenské elektrárne entailed a reduction in installed capacity from thermoelectric and nuclear plants of around 2.4 GW and the removal of around 1.6 GW of installed capacity from the hydroelectric sector. In order to favor growth, a new development model was launched called "BSO" (Build, Sell and Operate), which is not so capital intensive and will further accelerate the development of Enel's broad portfolio of projects in renewable sources worldwide. The reduction in the net installed capacity on wind and geothermal plants in the United States and Canada (around 1 GW) is, for example, due to the removal from the consolidation of some power plants.

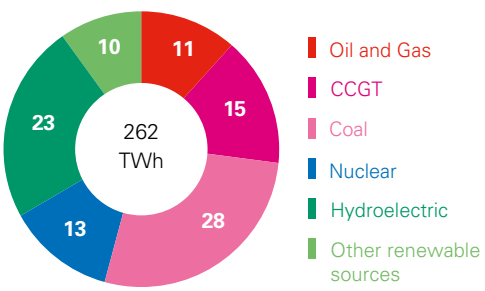
Production

Currently 46% of Enel's power generation comes from zero emission sources.
The net energy produced by Enel in 2016, of **262 TWh**, fell by 22.2 TWh compared to the value in 2015 (-7.8%), due to the lower quantity generated in Italy (-7.6 TWh) and abroad (-14.6 TWh). In particular, the reduction in the energy produced in Italy was mainly due to the fall in demand, lower hydroelectric production and the greater unavailability of some thermoelectric power plants owing to maintenance. Abroad the reduction involved the removal from the consolidation as from the end of July of Slovenské elektrárne, the drought conditions in Latin America owing to the "El Niño" phenomenon, as well as the

Net electricity production by source 2015 (%)



Net electricity production by source 2016 (%)



greater quantities of imported energy in Spain. As for the production mix, the change was due mainly to the lower production from coal (-13.3 TWh), nuclear (-6.4 TWh) and hydroelectric (-5.9 TWh); these effects were partly offset by the higher generation from wind (+2.1 TWh) and solar (+0.5 TWh).

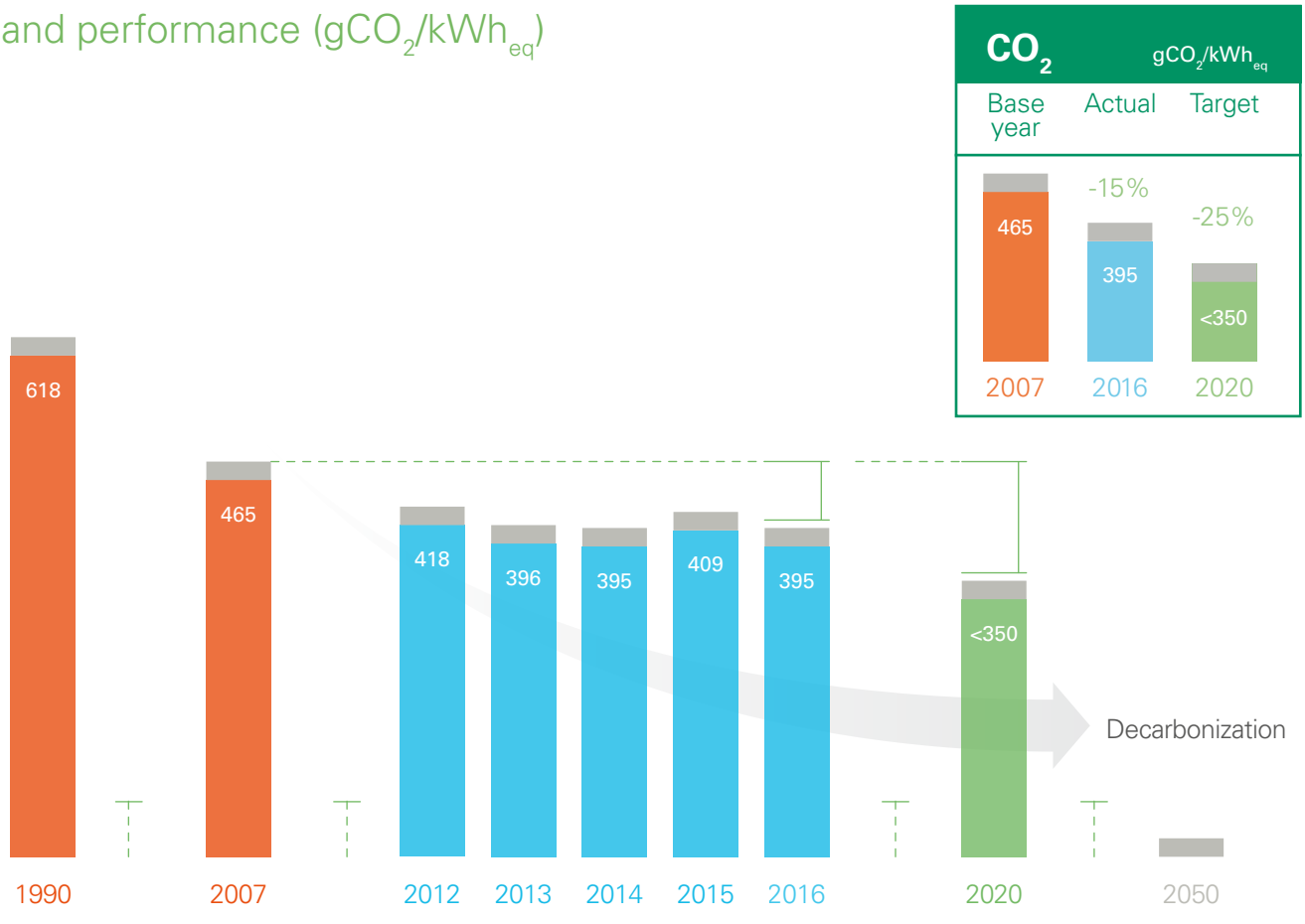
The existing power plants enabled total production of around 86 TWh from renewable sources during 2016 (which represent 33% of the net energy produced by Enel in 2016, 31% in 2015), thus avoiding the atmospheric emission of around 56 million tons of CO_2. The nuclear plants enabled the avoidance of a further 28 million tons of CO_2.

Specific CO_2 emissions

The specific CO_2 emissions stood at 395 g/kWh$_{eq}$ in 2016, down compared to the figure for 2015 by over 3%, due mainly to the reduction in thermal production from coal in Italy and Spain. Compared to 2007, the base year for the definition of Enel's reduction target to 2020 of specific CO_2 emissions, this value fell by 15%. Compared to 1990, the base year for the Kyoto Protocol, the specific CO_2 emissions (in other words those relating to the production of a single kWh) of the Enel Group fell by 36%.

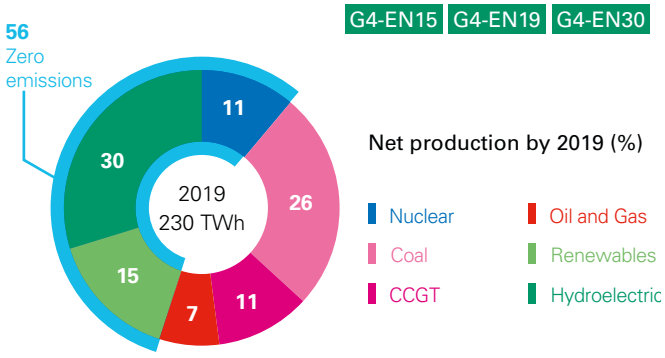
Over the years the reduction target for specific CO_2 emissions to 2020 has increased (compared to the values in 2007), going from -18% to -25%, setting a target for that date to produce specific emissions below 350 g CO_2/kWh$_{eq}$.

Specific CO_2 emissions reduction target and performance (gCO_2/kWh_{eq})



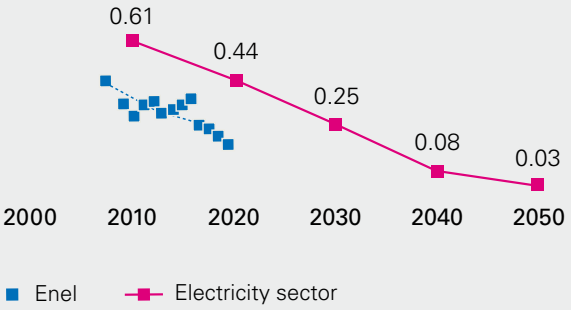
G4-EN15 G4-EN19 G4-EN30

The achievement of this goal is supported by a strategy which, in reference to the medium term and in line with the Group's Strategic and Industrial Plan for 2017-2019, envisages spending on investments in the renewables sector of 5.2 billion euro and the installation of 6.7 GW of additional renewable capacity (including the BSO model) with a consequent increase in zero-emission production to 56% compared to the current 46%.



The 2020 target has been recognized as "**science-based**", i.e. in line with achieving the decarbonization goals.

Sectoral Decarbonization Approach (SDA)



"Science-based target" is an initiative of the Carbon Disclosure Project (CDP), UN Global Compact (UN-GC), World Resources Institute (WRI) and the WWF to stimulate companies to set greenhouse gas emission reduction targets that are in line with the requests of science to limit the increase in the average global temperature to 2 °C by the end of the century compared to pre-industrial levels.

Companies' emission targets are assessed compared to a decarbonization trend based on the scenarios of the International Energy Agency (IEA) and the International Panel on Climate Change set up by the UN Framework Agreement on Climate Change. The scenarios set out 14 decarbonization trends to be applied to the main sectors of the economy, including for electricity generation. Following a review of the emission reduction data and strategy, Enel's target to 2020, in regard to CO_2 Scope 1 emissions, was below the trajectory for electricity companies and consequently was approved as "science-based". The target includes the operations to close 13 GW of generation from fossil fuels in Italy and represents a medium-term objective compared to the long-term goal of being carbon neutral by 2050.

An important recognition of Enel's strategy in combatting climate change and moving towards a low CO_2 emission economy was its admission to the "A-list" of the **CDP**.

Enel admitted to the A-list of the CDP

In 2016 Enel was admitted to the A-list of the CDP, the index most widely used by sustainable finance to orient investors towards companies with greater awareness of climate change issues. The A-list of the CDP index includes those companies which, from among around 2 thousand participants worldwide, stand out for the effectiveness of their strategy in taking up the opportunities and managing the risks of climate change. The score allowing admittance to the index also takes account of the completeness and the transparency of the information provided relating to greenhouse gas emissions. This year admittance to the A-list rewarded, in particular, companies such as Enel which are bound to greenhouse gas reduction targets that are compatible with the levels indicated by science, i.e. so-called "science-based" targets.

For some years Enel has also been active in the voluntary emission reductions sector aimed at those subjects (companies, institutions, end users, etc.) which intend to monitor or neutralize their carbon footprint, in other words the impact in terms of emissions of their activities (events, publications, products and services, both internal and external).

G4-DMA EN
G4-EC2

Risks and opportunities

The increasing international attention to climate change makes it necessary to increase the level of awareness of the main risks and opportunities which arise from it with particular reference to energy transition. Combating climate change is one of the elements which guides Enel's strategy which aims at the complete decarbonization of energy generation by 2050, in line with science-based targets.

Enel has launched an innovative and ambitious project to analyze the issues connected to **resilience and adaptation to climate change**. In particular, the main objectives concern: the definition of the key climatic scenarios, the mapping of the risks and opportunities linked to climate change and the related assessments. It is a project which will involve all the business areas of the Group in the main countries where it is present.

This initiative anticipates what the task force of the Financial Stability Board (TCFD – Task Force on Climate-related Financial Disclosure), an international structure which deals with containing and protecting financial markets from systemic risks, is preparing to issue in its recommendations on the risks linked to the climate. It is a document broken down into four areas: governance, strategy, risk management and measuring targets, and will be used as a reference point by institutional investors engaged in climate change.

Climate change entails operating and regulatory risks. The uncertainty of the political framework increases the risk linked to regulatory instability, reopening the debate on the introduction of alternative and less efficient policy instruments (for example, the European carbon tax and standards on CO_2 emissions).

Regulatory environment

At the European level, in order to ensure full management of the regulatory risk, Enel has further enhanced its commitment in support of the credibility and effectiveness of the Emissions Trading Scheme (ETS).

The Emissions Trading Scheme (ETS)

The European system for trading emission quotas (European Union Emissions Trading Scheme – EU-ETS) is the main instrument adopted by the European Union, in implementation of the Kyoto Protocol, to reduce greenhouse gas emissions in high energy consumption sectors, in other words the industrial sectors characterized by higher emissions. It is a "cap&trade" system because it sets a cap to the total level of emissions allowed to all the subjects bound by the system, but allows participants to trade CO_2 emission quotas according to their needs, within the set limit.

Enel acknowledges the role of the ETS (Emissions Trading System) in providing a price signal associated with the emission of CO_2 and believes that the cap&trade mechanism is the most efficient to reduce emissions, especially in industrialized economies: the definition of a target with an absolute value guarantees the effectiveness of achieving the environmental goal, while the price signal set by the market guarantees economic efficiency and the minimization of costs. Enel's strategy is in line with the provisions of the ETS. The dynamic management of the credit portfolio enables minimization of the quota purchase costs and ensures cover of the volatility risk on the carbon market. The advocacy and engagement with institutional stakeholders, category associations, non-governmental organizations and universities, which are undertaken through the European Affairs Function and the institutional Functions of the various countries, enable promotion of the Group's strategy towards ambitious climate change objectives.

Operational environment

Besides the aforementioned project, in terms of adaptation Enel started to map the environmental risks which include the risks associated with climate change through the weighting of the vulnerability of production sites. A pilot project for the assessment of vulnerability was carried out at sites in Iberia and Latin America to identify and prioritize climatic events which may impact on the operativity of the service. The project initially, on the basis of a UNFCCC method, assessed natural phenomena, such as for example hurricanes, which can represent a threat for the Group's assets, assessing the potential associated risk and subsequently the capacity to adapt the plants to face the impacts of the phenomena analyzed. To minimize these risks in the long term Enel has accelerated its decarbonization process, developing new business opportunities in the field of renewable sources, energy efficiency and new digital technologies in the market for end uses. Among the main opportunities: the digitalization of networks, the development of new products and services for energy efficiency for consumers and the promotion of electric vehicles in the sectors of transport and residential use.

Carbon pricing

The process of strategic and industrial planning assesses the impact of the carbon price on operations and on short-, medium- and long-term investment decisions. Decarbonization is one of the four strategic ESG (Environmental, Social and Governance) pillars and consequently the investment choices in new capacity are automatically in line with the goal of **keeping the rise in the global temperature to below 2 °C**. In this regard, Enel's strategy is focused, on the one hand, on increasing renewable capacity and, on the other, the gradual and selective reduction of the thermoelectric power plants present in various countries. For example, in Italy, the Futur-e Project aims to lead this transition with the widest possible involvement of all those concerned.

With reference to the medium term, the Group's Strategic and Industrial Plan for 2017-2019 envisages investments in the renewables sector of 5.2 billion euro and further growth in renewables through the development of the "Build, Sell and Operate" (BSO) model. The Group's new renewable production capacity globally will be 6.7 GW by 2019 including both organic growth (3.5 GW) and the BSO model (3.2 GW).

As for the short term, the internal reference price of CO_2 is set in the range of 7-13 €/t, in keeping with the recommendation internationally and with the orientations for the ETS. The short-term prospects reflect regulatory scenarios and market expectations and enable assessment of the impact of the price of CO_2 on Enel's operations.

The Futur-e Project

Futur-e represents a unique example worldwide, in which a company leads a process to redevelop disused industrial sites, which differ in terms of size and location, making it a development opportunity for the local area and for the Italian industrial system. Futur-e aims to transform 23 power plants in Italy, in the concept of the circular economy, into ecosustainable places dedicated to science, art, culture or tourism, and new industrial activities.

These are power plants producing a total of 13 GW which used non-renewable sources, based on obsolete or inefficient technology, and which therefore are no longer competitive on an energy market in which generation from large plants is giving way to increasingly distributed production using renewable sources.

For Enel, it is an opportunity for growth for the Group and a potential element of innovation for the whole country. The Futur-e program is designed with the goal of finding the most innovative and sustainable solutions for the decommissioning of these power plants and at the same time strengthening relations between the Company and communities.

The Shared Value approach used, which is based on close analysis of the context and on the direct and proactive involvement of local communities, is the key to the initiative. The dialogue started with local communities and institutions to transform the plants involved takes many forms: competitions, ideas contests, working groups.

During 2016 Enel launched the project competition for the former power plants of Rossano, Montalto di Castro, Porto Tolle, and Trino. Before each competition, a survey tailored to the local area in question enables local needs to be understood as well as the related expectations. The results of the analysis are essential to develop a stakeholder management and engagement plan, as also in the stage of selecting the best solutions for the reuse of the sites.

In the case of Porto Tolle, for example, the study of the local context and the materiality analysis were carried out through various channels, including interviews with the population to sound out ideas on the future reuse of the plant, and a series of meetings with category associations as well as the direct involvement of local institutions in the assessment of the projects. To assess the suitability of the proposals, there is a commission made up of representatives of the Municipality and Region, the University of Padua, Milan Polytechnic and Enel. The selection criteria for the projects are: technical and economic quality, level of innovation and environmental, economic and social sustainability, with particular attention to safeguarding the levels of employment and the best possible reuse. The common element to the projects presented is the desire to valorize the area and part of the existing structures by giving them completely new functions in the spirit of sustainability. The future of the site of the plant may therefore develop into sectors such as tourism, agrifood, fishing, with ideas aimed at creating value for the local area hosting the plant.

For the plants of Montalto di Castro, Rossano and Trino, the stakeholder engagement activities have involved local industry and international institutions, universities and schools, in assessing the selected projects and in promoting their dissemination. During 2016, over 8,400 stakeholders were involved at national and local level. In addition, a dedicated website has been developed, www.futur-e.it, to ensure complete transparency in all information regarding the program, promoted as an example of the circular economy. In addition, during the year the redevelopment of the former plant of Carpi was decided and it will become a logistics center for Enel.

The circular economy

Enel is transforming its business model by leading an energy transition focused on digitalization, renewables and networks, underpinning which is the key concept of Open Power, i.e. opening up to and sharing with the outside world, with the goal of creating shared value in addressing the major problems for humanity, with a view to business opportunities. In this scenario, the circular economy, which combines competitiveness and environmental sustainability, is for Enel the natural development of what has been done to date. This approach is taking root as the only road to follow to remain competitive on the market. It is a new model based on a considered economic paradigm, which purses development while reducing the impact on the planet and its resources.

In Enel, some areas, such as projects with renewables, the extension of the useful life or the reuse of the plants (for example, Futur-e) represent applications which are already widespread. In others, such as sharing or the "service as a product", innovative applications have been launched, such as for example the Vehicle-to-Grid, minigrids, electric mobility and car sharing.

In 2016 an action plan on the circular economy was developed, aimed at valorizing existing projects and accelerating and formalizing the Group's transition to this way of working. This plan saw the involvement of numerous interlocutors in an Open Power spirit in order to share goals and new ways of working. There have been numerous discussions with institutions, study centers, environmental associations, at both international and local level, to understand the needs and directions and to share the experience and skills developed by Enel.

Enel has also strengthened its participation in associations, both with the World Economic Forum and with the WBCSD on the circular economy theme. Numerous collaborations have been started with companies in other sectors in order to develop joint and cross-sectoral initiatives.

A creative session was also organized in the company, with the support of the Enel Idea Factory, which saw the involvement of around 20 people in the areas of Global Procurement, Global Renewables, Global Infrastructures and Networks and Global Thermal Generation, representing the areas which are particularly exposed to the theme.

Measuring circularity

Enel is developing a model to measure the circularity of its businesses, based on what the company considers to be the five pillars of circularity: sustainable input, reuse at life end, sharing, service as a product, and extension of the useful life. The model thus assesses circularity by taking account on the one hand of the input (renewables, sustainable, efficiency, etc.) and the output (recycling, reuse, etc.) of materials and energy, and on the other the level of use of the resources deployed, i.e the approaches adopted, aimed at increasing the load factor (means of sharing, selling products as services, extension of the useful life). This model, which is still at the test stage, will allow the measurement and comparison of the circularity of the various businesses and therefore make it possible to further increase Enel's effectiveness and impact on the theme of the circular economy.

"The Circulars 2017" of the World Economic Forum

At the end of 2016 Enel was included, following a thorough selection process, among the six finalists of the "The Circulars" award of the World Economic Forum, together with Nike, Cisco Systems, Basf SE, Patagonia and Johnson Controls. The WEF acknowledged Enel's great commitment in the field of renewables and appreciated the Futur-e Project. In particular, the award analyzed three aspects: leadership in guiding the transition towards the circular economy, innovation in transforming the business model, and measuring and communicating the impact of the circular economy on the business.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Development of renewable capacity	~+8 GW of additional renewable capacity in the 2017-2019 period
	Reduction of thermal capacity	-10.3 GW in the 2017-2019 period
	Specific CO_2 emissions reduction	<350 gCO_2/kWh_{eq} by 2020 (-25% base year 2007)
	Environmental retrofitting* of selected plants	~500 million euro in investment in the 2017-2020 period

SUSTAINABLE DEVELOPMENT GOALS

* Projects to increase efficiency and optimize the systems for reducing atmospheric emissions.

Quality for customers

G4-EU3
G4-EU4

In an energy market characterized by very rapid changes, the Plan 2017-2019 considers digitalization and customer focus as key elements which will allow an acceleration in the process of creating value. Reliability, security, and continuity in distribution, together with quality, effectiveness and transparency in electricity sales characterize each stage of the relationship with customers.

Networks
1,875,107 (km)

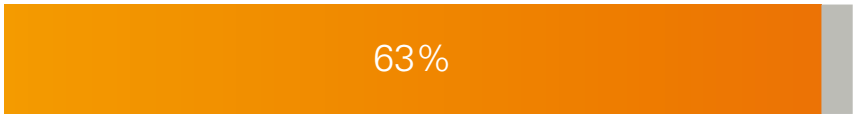
High Voltage (HV)

38,396

Medium Voltage (MV)

665,215

Low Voltage (LV)



1,171,496

Italy
1,144,987 km
HV **0%**
MV **31%**
LV **69%**

Iberia
316,562 km
HV **6%**
MV **37%**
LV **57%**

Latin America
322,146 km
HV **4%**
MV **50%**
LV **46%**

Romania
91,412 km
HV **7%**
MV **38%**
LV **55%**

Electricity transported on the Group's distribution network totaled 426 TWh, down by 1.4 TWh compared to 2015, largely following the fall in demand in Italy, only partially offset by the increase in the quantity transported in Spain and Romania. The number of customers in 2016 was over 61 million. During the year, there was an increase of around 1.2 million on the free market.

Energy sales totaled 263 TWh in 2016, up by 2.9 TWh compared to 2015. Higher quantities sold were recorded on both the Italian (+6.1 TWh) and Spanish (+0.6 TWh) markets, while lower sales volumes were recorded in Latin America (-0.3 TWh) and in France and Slovakia, totaling -3.5 TWh, following the Group exiting those markets.

Customers electric market (avg. no) **56,039,735**

Italy
26,776,635

Latin America
15,478,255

Iberia
11,047,937

Romania
2,736,908

Customers gas market (avg. no) **5,389,570**

Italy
3,876,191

Iberia
1,513,379

In February 2017 Enel finalizes the acquisition of the Brazilian distribution company CELG

Enel Brasil, which is controlled by Enel, finalized the acquisition of around 94.8% of the share capital of CELG, the electricity distribution company operating in the State of Goiás. With the acquisition of CELG, Enel's Brazilian customer base rose from 7 million to 10 million consumers.

G4-DMA EC
G4-DMA PR

Quality in distribution

Electricity is essential for a community's economic and social development, as well as for people's daily lives. In consideration of the different geographical situations, and in accordance with one of the commitments taken on with the United Nations 2030 Sustainability Goals ("Sustainable Development Goals"), bringing electricity to isolated areas is a primary goal of the company, through the use of new technologies and the development of specific projects to create shared value (see the chapter "Responsible relationships with communities"). It is Enel's responsibility to guarantee that the national electricity systems of the countries where it operates as a distributor enjoy a continuous and safe energy supply. The quality of the supply is closely linked to the reliability and efficiency of the transmission and distribution infrastructure, which must be able to handle the levels of demand requested. Enel, in coordination with the others who, for whatever reason, operate on the grid infrastructure, works continuously to develop the distribution network and make it more efficient. As for existing infrastructure, in all the countries Enel undertakes grid maintenance and modernization, mainly to reduce the number and length of interruptions to the service. Interventions can regard changes in the structure of the grid, replacement of components of networks with inadequate technical characteristics, an increase in the degree of grid automation, as well as remote operations on substations. From the viewpoint of "commercial" losses, the use of the smart metering system ("Telegestore") has led to more effective controls over energy balances, at the same time allowing a reduction in fraud.

The main innovation projects for networks regard the development of smart grids which can handle a high level of distributed generation (also from renewables) and optimize the use of storage and remote management systems. Smart grids combine traditional technologies with innovative digital solutions, thus making the management of the electricity network more flexible thanks to more effective information exchange. The creation of innovative digital technologies enables the monitoring of the whole network in order to intervene promptly in the case of breakdowns and to guarantee an optimal electricity supply. Remote control systems are essential for the management of distribution networks, allowing local centers to carry out all the operations needed to guarantee the quality and continuity of the electricity service provided.

From Brazil to Romania: the Ferentari community

In the logic of creating shared value and customer focus, there are some programs promoted by Enel in Brazil, such as the Reta, EcoEnel, and Social Electricity Bill Rio projects. With EcoEnel, for example, all the customers resident in the Brazilian State of Ceará and in the metropolis of Rio de Janeiro can benefit from a program which entitles them to subsidies on energy costs by differentiating their waste and taking it to waste collection centers. On the model of EcoEnel and in line with Sustainability Development Goal 7, Enel has started a similar project in the community of Ferentari, one of the poorest and most degraded districts of Bucharest with a high level of commercial losses. The application of a Creating Shared Value (CSV) approach enables the creation of an advantage both for the company through the recovery of commercial losses and an increase in the number and loyalty of customers in the district, and for the community whose quality of life improves thanks to the offer of social services, educational projects and protection of the environment.

Enel Romania has started collaborating with two local NGOs, the Policy Center for Rom and Minorities (PCRM) and Carusel, and has designed a community action program based on three pillars:

In this continuously developing system, customers become protagonists thanks to the use of electronic supports which make consumption transparent, provide incentives for active participation in the energy market, and promote rational use of energy.

In 2016 the spread of smart meters in the Group's countries continued, in particular in **Romania**, **Iberia**, **Chile** and **Brazil**. Smart meters are now in **Italy** with 32 million customers and in **Iberia** with 9 million customers, around 7.4% more than in previous years. The Strategic Plan 2017-2019 envisages the installation of around 18 million meters in coming years. In June 2016 Enel presented the new meter 2.0 (for more details see the chapter "Open Innovability") which is increasingly becoming the focal point for data exchange.
Innovative skills and technologies also enable the development of Smart Cities, combining in a single urban model protection of the environment, energy efficiency and economic sustainability. In exactly the same way the platform can support the development of production process models for complex systems (industrial districts, etc.) in the transition to the circular economy.

The electricity network is, therefore, the factor which facilitates numerous services, not only due to the continuous process of digitalization, but also thanks to its extension and broad coverage.

Enel is interested in hearing the opinion of its interlocutors regarding the services it offers and undertakes surveys to measure their level of satisfaction. In December 2016, **e-distribuzione**, the Group's energy distribution company, put into operation a new telephone infrastructure and innovative services which will enable an increase in the ability to respond and to provide information to customers increasingly quickly and precisely (www.e-distribuzione.it).

- → research and analysis of the context to identify the causes of inefficient, unsafe or illegal electricity management;
- → periodic consultations, such as community engagement initiatives which enable awareness and understanding of the problems of the communities after winning their trust;
- → community development initiatives which focus on issues of interest for the community and for Enel: energy efficiency, education, health, hygenic/sanitary services, etc.

Defined in 2015 and launched in 2016, the project is still at a preliminary stage but has already provided a lot of information useful to improve services by meeting the needs of vulnerable consumers.
With the help of the Mothers Club and the newly appointed "energy mediator" from the community, consumers have started to approach Enel of their own accord to ask to become regular customers. On the basis of the results of this pilot project, other initiatives are underway to contribute to defining a legislative framework which could offer systematic solutions for the various needs of vulnerable consumers, in particular the Rom community.

Italy - Management of the earthquake

During the second half of 2016, central Italy was hit by a series of large earthquakes. The first occurred on August 24, 2016 and was of magnitude 6.0, with its epicenter located along Valle del Tronto, between the Municipalities of Accumoli (Rieti) and Arquata del Tronto (Ascoli Piceno). Two further tremors occurred on October 26, 2016 with epicenters on the border between Umbria and Le Marche, involving Municipalities in the province of Macerata, i.e. Visso, Ussita and Castelsantangelo sul Nera, while on October 30 the strongest quake was registered, of magnitude 6.5, with its epicenter between the Municipalities of Norcia and Preci, in the province of Perugia.

Enel immediately took action with dedicated task forces to restore the electricity service, which was completed over 24-36 hours, respectively in buildings which were still useable and for public lighting systems. In addition, towers were installed to guarantee lighting in the "red zones" and work started to monitor the hydroelectric plants affected by the earthquakes.

In addition, Enel started, in accordance with the Creating Shared Value (CSV) approach, a series of initiatives to accompany the reconstruction stage, such as:

- mobile "Enel retail outlets" to facilitate the collection of requests from customers in Amatrice and other affected areas;
- running of safety coordination groups at the Prefectures of Rieti and Ascoli Piceno;
- fund-raising among employees in favor of those affected by the earthquakes promoted by Confindustria/CGIL-CISL-UIL: around 320 thousand euro was the total amount paid into the account of the Italian Civil Protection dedicated to initiatives for those affected by the earthquakes;
- donation of 2 containers to Valfornace.

In addition, an experimental project was launched in Cittareale in collaboration with Athonet for the realization of a mobile phone data network to guarantee LTE (Long-Term Evolution) connectivity in the areas hit by an environmental disaster and during which primary services are not available.
Enel Cuore, the Group's non-profit organization, promoted initiatives in favor of the elderly and children with the involvement of the Sant'Egidio Community (also with a consultation point) and of the Reggio Children foundation.

Quality of service

The leadership of a company such as Enel necessarily depends on paying attention to customers and a high-quality service: aspects which do not refer solely to the supply of electricity and natural gas, but also and above all to the intangible aspects of the service relating to customers' perceptions and satisfaction.

There are numerous areas where action has been taken:

- development of new tools and channels of contact;
- improvement in back office processes;
- monitoring of complaints and information requests in order to reduce response times and ensure they are correctly handled;
- analysis of notifications, in order to understand the perception of customers and any current problems, so as to immediately put in place the due corrective action and not compromise overall customer satisfaction.

Customer satisfaction

G4-DMA PR G4-PR5 G4-PR8 G4-26

The attention dedicated to the issues connected to service quality was confirmed this year too by the customer satisfaction results from all the countries where Enel operates as a seller or distributor of electricity.

In **Italy** the customer satisfaction index (CSI) for 2016 recorded a score of 91.2 for the regulated market and 90.3 for the free market, on a scale of 1 to 100. In addition, during 2016, further measurements were taken by a company which specializes in customer satisfaction for the electricity (free and protected categories) and gas market, both residential and business. The survey involved customers who contacted Enel through its toll-free number, customers acquired through various sales channels, customers who went to actual direct and indirect outlets or who were chosen at random from the customer database. Over 85 thousand phone interviews were conducted using the CATI (Computer-Assisted Telephone Interview) technique, the data was collected through a structured questionnaire consisting of closed questions and some further analysis using open ended questions.

During 2016 Enel continued to use the on-the-spot monitoring system, to provide customers with the chance to express an overall judgment on their phone call assistance by simply inputting a number from 1 to 5 at the end of the contact with the operator, and to indicate their satisfaction in regard to resolution of the problem. This type of survey enables over 25 thousand customers to be recontacted each day and to have an index broken down by partner, team, type of customer, and the reason for their call. In this way it is possible to promptly intercept any forms of dissatisfaction and to measure the effectiveness of the remedial actions implemented.

ISO 9001:2008 certification

The Istituto Marchio di Qualità (IMQ) confirms ISO 9001:2008 certification for the companies Servizio Elettrico Nazionale and Enel Energia for the high quality standards of the service offered, with a level of conformity of 100%, extending with full marks, and for the first time, the prestigious quality mark also to customer sale processes.

In **Iberia** "customer satisfaction" is constantly monitored through telephone interviews and via email (for example, *Sistema de Calidad Percibida* and *Estudio de Satisfacción de Clientes Empresas*) in order to offer customers the best possible assistance. The index has been constantly rising over the years, standing at 6.9 in 2016 on a scale of 1 to 10. Endesa also has the *Plan de Excelencia en la Atención Comercial* (Plan of excellence for customer focus), aimed at improving indicators on customer satisfaction year by year. In 2016 the plan paid particular attention to ensuring multilingual assistance for customers, preventative handling of complaints made by phone, an enhancement of the website (www.endesaclientes.com), improvements in the invoicing process and optimization of the service quality.
In **Romania**, customers,through various channels such as the contact center and the website, can express their opinions, which are collected on a monthly basis by the company throughcustomer care and written complaints received. Every six months a customer satisfaction study is undertaken by an external supplier using the CATI method, from which there emerged a general level of satisfaction of 84.9 for the free market, while for the regulated market it was 79.1 (on a scale from 1 to 100).
In Latin America, customer satisfaction indicators represent an essential element in defining strategies and new products. In **Brazil**, **Enel Distribuição Ceará** won recognition with the Abradee Prize, which certifies the company as the best distributor in the country, while in **Peru**, **Enel Distribución**, for the third year running, was named the best company for service quality by the *Organismo Supervisor de la Inversión en Energía y Minería* (OSINERGMIN).

Handling of complaints

In all the countries where Enel operates, customers have available various channels through which to make a complaint or an information request (post, website, toll-free numbers). Enel constantly monitors the feedback received in order to understand the perception of customers and any ongoing problems and to immediately implement the due corrective action. In **Italy**, through the Group company which operates on the free market, **Enel Energia**, control is guaranteed over the commercial quality of all the contact channels through systematic monitoring of sales and operational processes. The aim is to guarantee conformity with the provisions, in compliance with the law in force, for privacy and the rules protecting the freedom and dignity of workers. The controls are carried out in a number of ways: personal accompaniment, mystery calls, listening again to vocal signature made by phone, and analysis of customer complaints. Part of this is the new quality control model which introduces for partners contractual indicators with minimum thresholds for the allocation of bonuses and penalties. During 2016, some changes were made aimed at improving the previous model with the introduction of new service levels for the calculation of the contractual indicators. In addition, again as part of quality control, contractual indicators with minimum thresholds for the allocation of bonuses and penalties were defined and introduced also for the face to face channels (in particular agencies). In relation to the quality controls on the responses to complaints, during 2016 the control model was redefined envisaging, among other things, greater involvement by the partners being checked in the verification process. Finally, the service levels of the partners who respond to complaints were redefined; in 2016 the handling of the process for notifications of significant non-compliance from the regulatory, legal and anti-trust viewpoint continued, relating to the commercial partners of Enel Energia (for example agencies, physical outlets, phone-based partners). The notifications are managed through a portal and assessed by a team consisting of the Quality and Commercial Support, Legal, and Regulatory/Anti-trust units, so that the most suitable actions are taken. In September 2016 Enel and consumer associations signed the protocol for a **joint negotiating** body which, in the case of domestic or residential supplies and for amounts not exceeding 15 thousand euro, resolves disputes without going to court. The negotiation is free and time frames are short. In **Iberia**, complaints are managed both centrally by the *Atención de Reclamaciones* (complaints handling) unit and at local level through six territorial units, in order to intercept in advance possible service problems, define appropriate resolution instruments, thus improving the efficiency of the process. The figure of the *Defensor del Cliente - Ombudsman* remains active and is a unique example of its kind in acting as a bridge between the company and its customers; this figure is also present in **Brazil** and **Colombia**.

Care of vulnerable groups

G4-26 G4-27 G4-DMA PR G4-PR6

Enel is close to citizens in order to improve and maintain access to electricity in the most destitute areas and among the poorest populations.
In all the countries where the Group operates there are forms of support (often linked to State initiatives) which assist some segments of the population in paying electricity and gas costs, so as to allow equal access to energy.

In **Italy**, since 2008 for the electricity sector and since 2009 for the gas sector, there has been an incentive for residential customers in a state of economic need and – for the electricity sector alone – for customers who use life-saving electrical medical devices (the so-called "social bonus"). The bonus is financed with State resources and with specific tariff elements set by the Authority. The request for the bonus is handled by Municipalities and – should it be granted – customers are given a credit on their bills which varies on the basis of income and the number of family members. In 2016 the electricity social bonus was granted to around 420 thousand customers of Enel Energia and over 480 thousand of Servizio Elettrico Nazionale. In addition, Enel Energia, through its loyalty programs, offers customers the chance of savings on purchases thanks to the EnelMia bonus card, which has become a "discount" card with a wider and more diversified network of national partners: over 7 thousand shops throughout Italy and online, chosen from among the product categories which affect household budgets the most, such as fuel, food and leisure. During 2016, 1 million euro in discounts was applied. Customers aged over 65 can sign up to the **EnergiaX65** offer which gives the possibility of freezing energy prices for 3 years and moreover, again for 3 years, they receive a free "health and wellbeing" insurance policy for themselves and their families with 24-hour medical consultancy by phone, home medical visits if needed or booking of medical visits and examinations.

In **Romania**, Enel has launched a pilot project which aims at improving access to electricity for vulnerable groups (see the insert included in the section "Quality in distribution" entitled "From Brazil to Romania").

Also in **Iberia**, where there is great awareness of the energy poverty issue, Endesa has signed a series of agreements with local authorities and public bodies to avoid disconnections involving poor families. At the end of 2016, 166 agreements were in force and over 124 thousand invoices had been handled. The social bonus is still active and is for customers with installed power of under 3 kW who belong to the most disadvantaged social classes (pensioners, large households or where all the household members are unemployed). At the end of 2016 the number of customers who used the social bonus was around 980 thousand, 76% of whom were customers with installed power of under 3 kW.

Colombia - Crédito Fácil initiative

In Colombia, through the *Crédito Fácil* initiative, customers, in particular those who cannot access banking services and who represent a significant part of the population, can obtain credit more easily than through the traditional financial channels. On a market of almost three million customers, currently around 855 thousand use the *Crédito Fácil* credit card. In 75% of cases they are people who are using bank credit or a credit card for the first time. Thanks to this trust-based relationship customers acquire a new culture of respect for financial obligations, including the payment of energy bills. This all means less avoidance of payments.

A transparent relationship with customers

Transparency of commercial communication

G4-DMA PR | G4-56 | G4-PR3

In all the companies in the Enel Group, in conformity with the Code of Ethics, all contracts, communications addressed to customers and advertising must be:

- clear and simple, using language that is as close as possible to that normally used by the interlocutors;
- compliant with the laws in force, without using evasive or unfair practices;
- complete, without neglecting any detail that is significant in terms of customers' decisions;
- accessible to customers.

Enel is developing a digital transformation process which positions customers at the center (see also the chapter "Open Innovability"). In **Italy**, during 2016 various communication initiatives were undertaken aimed at making information on the energy world clearer for customers, including:

- review of the usability of the website in order to make it easier for customers;
- new online commercial assistance service;
- making available to 9.5 million customers the online "Bolletta Genius" platform, which can be accessed from the reserved area of the Enel Energia website, which enables customers to consult their own electricity and gas bills, analyze their consumption, check the trend in consumption over time and compare themselves with other customers in the same area;
- new authentication and authorization system and Social Login available as from July 25 online and from the mobile app of Enel Energia, Enel Servizio Elettrico and Enel Sole. This system replaces MyEnel to guarantee separation and autonomy in the management and storage of data. The Social Login function is also available on the Enel Energia portal and the mobile app of Enel Energia with a social account on Facebook, Google+ and Twitter;
- possibility of consulting the Enel Energia website also in English;
- new store locator on online portal and app which can be used from all mobile devices.

In Italy, Enel Energia, in keeping with the provisions of the law, indicates on the website and on bills the mix of energy sources used to produce the electricity supplied, as well as information on the energy mix required by European directives.

In **Iberia**, Endesa guarantees attention to customers online and through phone assistance. The website www.endesaclientes.com has more than 1.5 million customers registered (12% more than in 2015), electronic invoicing continues to spread together with the use of the apps. Two channels have been launched for WhatsApp and Facebook.
Of particular importance in Latin America in 2016 was the rebranding project which follows that already launched in Italy and Spain. A new identity, colors and logo represent the Group's integration in the various countries where it is present and wish to respond jointly to the great challenges and opportunities of the energy market, in line with the Open Power approach.

Colombia – Ventana Inteligente ("Smart Window") Project

On November 30, 2016, Codensa presented the first of ten smart windows which will be installed over the next two years. It is a technology which introduces a new means of interacting with customers: fast, simple and timely. It is possible to use 3 modules: video chat, self-consultation and website. The main advantage involves the possibility of access without any restriction on times, including weekends and holidays. Through the window, customers can receive tailored assistance through a video call with a virtual consultant. It is also possible to view invoices, print copies, access information on products and services and the *Crédito Fácil* service and navigate the Codensa website.

Accessibility of information

G4-DMA EU | G4-DMA EC | G4-DMA PR | G4-56 | G4-PR3

For communication with customers to be really transparent, correct and effective, it is necessary to ensure that any cultural or linguistic barriers, illiteracy or disability do not nullify equal access to information. Among the various initiatives are for example:

- **Italy**: a simultaneous translation service is in operation at Enel retail outlets in 13 languages (English, French, Spanish, German, Chinese, Arabian, Russian, Romanian, Punjabi, Albanian, Serbian, Croatian and Slovenian). As part of the "Servizi Enel per il sociale" Program, which was created in collaboration with the Prime Minister's Office, Enel Servizio Elettrico sends bills in Braille to visually-impaired customers. Finally, Enel Energia has activated the chat function on its website.
- **Spain**: the website www.endesaclientes.com has a large section to provide detailed explanations of electricity and gas bills, for both the free and regulated market, concept by concept. The website is available in Castilian, Catalan and English. In addition, Endesa seeks to overcome any barriers, whether physical, social or linguistic, thanks to its commitment to digitalization, through methods and support to guarantee access to the customer service for the disabled and the elderly (for example, a channel dedicated to people with hearing and speech difficulties to receive information on invoices and contracts). The phone channel, as well as being available in several languages, envisages a specific application to facilitate communication with people with speech problems. Contact points with customers are all on ground floors to guarantee access for the disabled.
- **Colombia**: visually-impaired customers receive bills in Braille. In total for 2016, 420 invoices were issued to facilitate the interpretation of consumption for customers.
- **Romania**: recently the Enel website and the app were completely redesigned to facilitate interaction and enable access to users remotely through their smartphone and tablet: an online consultant is available directly from the MyEnel account. In addition, in the areas where there is no Enel retail outlet, there are digital self-service kiosks in public places, where customers can view all the necessary information.

Privacy protection

G4-DMA EU | G4-PR8

In all the countries where it operates, Enel acts in compliance with the laws in force on privacy protection for customers. Enel is also committed to careful monitoring of all the third-party companies which may use the personal data of Enel's customers. Specific clauses are envisaged for this in contracts with partners who use personal data to carry out specific activities, such as for example sales or customer satisfaction surveys.

Commercial offers and products and services for energy saving

G4-DMA EC | G4-DMA PR | G4-DMA EU

In all the countries where Enel operates, a vast range of high performance energy products has been launched to guarantee savings in terms both of consumption and emissions.
In Italy there are commercial offers based on **differentiated time bands** which facilitate the overall efficiency of loads on the electricity network and for customers access at a lower price in the set time bands, which enables a significant saving in costs. In addition, customers are made aware of and responsible for their consumption choices and in their bills can easily check how much they have consumed in each time band, if necessary correcting possible misalignments in order to ensure the greatest saving possible.

During 2016 the **Speciale Luce** offer was launched which envisages the use of only certified energy produced from renewables such as water, sun, wind and the heat of the earth, underlining Enel's strong commitment to environmental themes. The offer, which was available from April to July 2016, is reserved to all residential customers. Throughout 2016 the **EnergiaX65** and **EnergiaXOggi** offers were confirmed following their launch in 2015. Both the offers comply with the exclusive use of certified energy produced from renewables and have a significant social impact. For each contract activated for EnergiaXOggi, Enel Energia, through Enel Cuore, undertakes to donate 2 euro to support digital teaching in kindergartens and primary schools. In the residential segment, Enel Energia has consolidated the offer of innovative added value products and the launch of some initiatives for **smart homes** and **e-mobility**.

Also in **Iberia** in 2016 the offer of added value services was intensified and they help promote economic, environmental and social sustainability. The initiatives were focused on energy efficiency, electric mobility, use of renewables, and digitalization.

In **Chile** in 2016 the Solar Electric and Full Electric projects continued: the former enables the heating of water through a solar-electric mix, the latter includes the integrated use of electrical equipment, using hi-tech and high efficiency devices (kitchen equipment, hot water and heating solutions).
Finally, in **Brazil** too the attention to the themes of energy saving and efficiency took the form of specific projects such as *Enel Comparte Consumo Consciente* – an education program on energy saving which envisages the replacement of old lightbulbs with new generation lighting – and *Enel Comparte Eficiencia* – regarding the replacement of old white goods.

From collecting points to involvement: EnelPremia

In Italy in 2016 Enel Energia transformed EnelPremia, the historic loyalty program, into an active, informed and loyal digital community, which at year end numbered 1.2 million members. Through EnelPremia, Enel Energia has encouraged virtuous behavior using quizzes, games and competitions oriented at respect and environmental and social sustainability. It covers promotion of sustainability from the correct recycling of waste, to the seasonal nature of food, to efficient consumption in the home up to concrete initiatives, such as participation in solidarity events or crowdfunding activities and the use of car sharing.

e-goodlife

At the end of 2016 **e-goodlife** was launched on the Italian market, a system of useful and innovative home automation services, starting from the world of energy (awareness of consumption and remote control of the home) and covering also security, to help customers save time and energy in managing their home and life.

Sustainability Plan 2017-2019[15]

G4-2

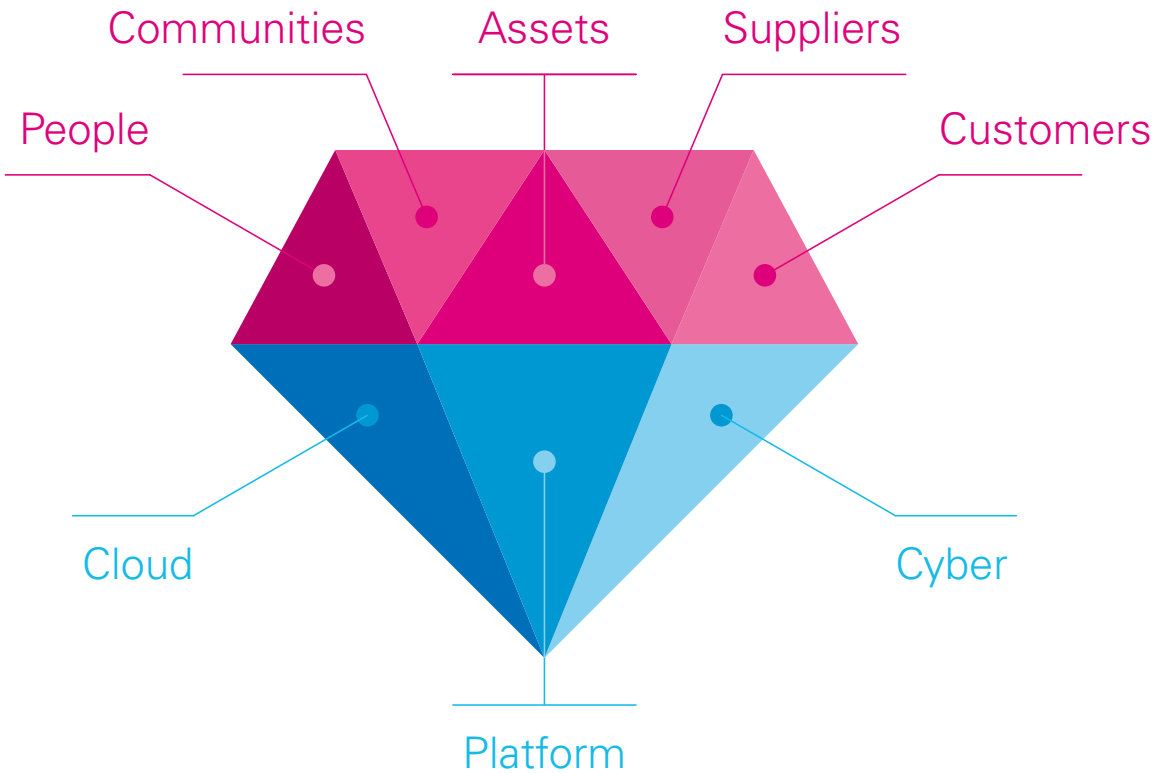
REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Acquisition of new customers on free market	+15.7 million customers in the 2017-2019 period
	New energy efficiency solutions and dissemination of new products and services	
	Commercial offers and integrated services tailored on customers' needs	
	Initiatives to promote responsible consumption	
	Promote sustainable electric mobility through the development and adoption of innovative business models	
	Increase the diffusion of digital billing through initiatives and campagins targeted at all customers	
	Cabling ratio	74% by 2019

SUSTAINABLE DEVELOPMENT GOALS

15 The management of relations and the development of the various initiatives/offers is defined at the level of each individual country where the Group is present, therefore refer to the related Sustainability Reports for the identification of the individual targets.

Digital-e

Facilitating the digital transformation enables traditional business to be improved, but also to explore completely new market opportunities, contributing to valorizing the large quantity of information available. The strong awareness that through information and communication technologies it is possible to influence the profound and rapid changes in the social, productive/economic and environmental fabric has led Enel to undertake a path aimed at disseminating a spirit and culture oriented at sustainability and creating shared value. The ICT (Information and Communication Technology) strategy, in line with the new Strategic Plan presented in November 2016, focuses on digitalization directed towards customers, assets and people, and using as strategic levers the cloud, platforms and cyber security. Such a model also has an impact on communities and suppliers.



1,995 ICT people who coordinate around **600** suppliers

around **470 million** euro in **investments**

around **145 thousand assets** available, fixed and mobile

around **1,200 applications**, of which **82%** managed in **cloud**

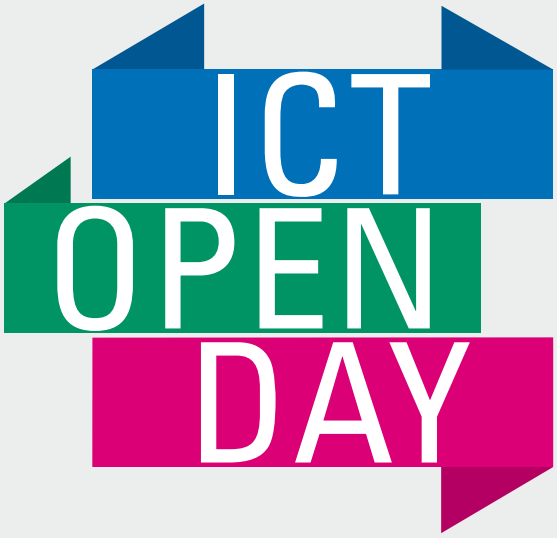
To respond to the challenges and consolidate the strategies, the organizational model of Global ICT was reviewed and broken down into global and local Functions, to provide services and IT solutions, as well as infrastructure, telecommunications and technology to the Business Lines in an "end-to-end" logic.
To guarantee effective dissemination of the digital culture and to facilitate the progress of digitalization throughout the Company, the Digital Enabler unit has been created and, for each Division or Function, Digital Managers have been appointed who collaborate with the Digital Enablers, analyzing processes and systems from a digital viewpoint.

To focus effectively on the aspects of IT security with a risk-based and cyber security by design approach, the model has also equipped itself with a Cyber Security unit to define the strategies and IT security plans, the design, control, monitoring and dissemination of the awareness of IT risks. As part of this unit, it is also planned to establish a Cyber Emergency Readiness Team (CERT) to respond to and proactively manage incidents relating to IT security.

2016 was also the year of awareness-raising in the Global Information and Communication Technology (GICT) unit on the issues of sustainability through the publication of the sustainability indicators in the Executive GICT Dashboard (indicators relating to printing, Telepresence and PC Power Management). This program has seen it address also the issues of Diversity and Inclusion during a dedicated event: Girls in ICT Day, which was held in Rome in April 2016, adhering to the international day promoted by the International Telecommunication Union (ITU) to attract young girls to scientific and technological studies and to make them aware of the potential and opportunities provided by the digital world.

ICT Open Day

To promote the new global model of ICT services, temporary spaces were set aside, both in Spain and Italy, where the ICT Open Day was held and saw the attendance of thousands of Enel people over two days. During the event the benefits of the model and the ICT products and services were set out.



Being digital

Enel's digital challenges are characterized by technologies which are highly pervasive and which must enable fast, efficient and timely production processes, in order to drive the incentivization of innovation. **Cloud**, **Big Data**, **Data Analytics**, **Internet of Things** are in this sense an essential step. The development of added value services for virtual storage, minigrids, electric mobility or smart homes necessarily envisage the creation of platforms to collect data in a standard way and make it available using a common language. **Salesforce** is the interface which also enables simplification of the interaction with customers' smart devices.

Salesforce

Thanks to the agreement with **Salesforce**, the intention is to digitalize processes, simplify architecture and layers of integration, guarantee greater efficiency and reduce the time-to-market, concentrating and focusing the company knowhow. Salesforce was set up in 1999 with the vision of reinventing **CRM - Customer Relationship Management** in a cloud architecture which was absolutely ahead of its time for that period. Since then, thanks to the use of cloud computing, Salesforce has revolutionized the way in which company software is conceived and used, offering an integrated and tailorable solution to maximize interactions with customers.

Sustainability and innovation are incorporated into all the aspects of the Salesforce business strategy, which has as its main goal the reduction of the environmental impact on the planet, from management of offices to the organization of events. By 2050 Salesforce has committed to totaling eliminating emissions of carbon dioxide, and at the same time supports projects and initiatives based on renewable and clean energy. In addition, an important pillar is the efficiency of data centers: from careful design and management of the platforms to the choice of partners with greater environmental and energy efficiency. Initiatives have been adopted to minimize the environmental impacts, such as water and waste, thanks to programs which certify large offices as "green". Finally, various company actions support worldwide socially useful projects through the 1-1-1 model, according to which 1% of working hours, 1% of share capital and 1% of products are donated to the community.

One of the most important examples of Enel's transformation into a platform company is the migration to the **cloud**, which remotely archives Enel's data. Its adoption in a hybrid form, uniting the cloud with the management on data centers owned by Enel, has enabled optimization of the use of around 9 thousand servers, 1.5 million KTPMC[16] and around 6 Petabytes of memory which have been 'taken' to the cloud. Consequently it has also been possible to rationalize the applications, reducing by around 200 units the number of applications managed, going from around 1,400 applications managed in 2015 to around 1,200 at the end of 2016, of which 82% were on the cloud. The cloud model has enabled Enel to use IT resources, both infrastructure and applications, when required, making full use of the access possibilities made available by the network, thus enabling a reduction in waste linked to the consumption of unused resources. In addition, Enel has adopted and promoted the use of IT instruments and machine learning techniques which have enabled the making of predictive analyses for the maintenance of the electricity distribution network and components of electricity generation plants, identifying early operating problems in equipment and in this way preventing breakdowns. This has enabled both improvement in the quality of the service provided, making it more sustainable over time, and improvement in the deployment of internal resources and increased safety at work, concentrating inspections on the equipment which is most exposed to the risk of breakdown.

Enel has also launched the development of connected devices aimed at monitoring domestic energy consumption, in order to reduce it. In this context, at the end of 2016, the **e-goodlife** initiative was launched in Italy, and in Spain the **Nexo** initiative, which aim to disseminate the use of "smart domestic devices" realizing an integrated and innovative domotic system oriented at optimizing the management of domestic consumption. To address the emerging trends which are profoundly shifting the electricity sector towards new business models, it is necessary to establish an ecosystem of sustainable partners with whom to construct end-to-end solutions. In March in Rome there was the Global ICT Vendor Day to align suppliers to the digitalization strategy and to share the results achieved and the challenges to be faced. The importance of the involvement of suppliers in promoting innovation was strongly reinforced, providing incentives for the path to digitalization which is being followed and for which it is proposed, in agreement with the Digital Strategy, to implement Digital Transformation through the adoption of new sustainable business models and new services for end users.

16 KTPMC, unit of measure of the processing power, is equivalent to 1,000 IT transactions per minute.

A new use of company IT assets in a spirit of the circular economy

A sustainability project has been launched to reward primary schools with the Group's IT assets (PCs, laptops and monitors) which were not bought by employees at the time of their scheduled replacement. This project has been implemented in Italy, in the North East, through a competition involving drawings and essays on the theme "Energy in all its forms". 400 students took part in the competition from 9 primary schools, from the first to the fourth year. The 153 essays presented were exhibited at the Enel retail outlet in Verona until September. The protagonists of the project were also the customers at Enel retail outlets who, together with the parents of the children, took part in voting to decide the winning primary school which was then celebrated at Enel retail outlets with a final ceremony.

The idea is an example of the application of the circular economy: the computers which would have gone out of service were reused to create a genuine computing room in the primary school which won the competition, thus allowing the education of the pupils, right from an early age, on IT and its applications.

In addition, in Romania a project has been taken forward based on the principles of the circular economy, which aimed to reuse IT devices, around 500 computers, for donation to 60 non-profit organizations (NGOs, educational and social institutions) which proposed, through the adoption of IT technologies, to develop education, training and integration projects in villages and small rural towns in the regions of Banat, Dobrogea and Muntenia.

ICT for people

Since 2015 there has been a transformation program aimed at designing and adopting a new global service model, "One Click", focused on the needs of the people who work at Enel and to ensure streamlined processes, innovative solutions and a unique and global approach.

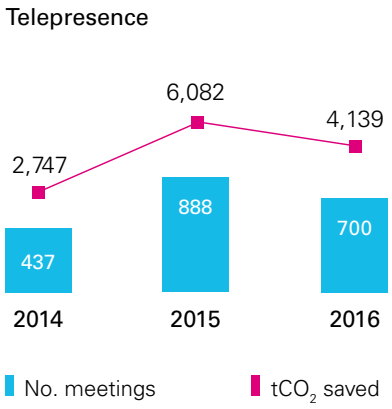
The new model, which has been in operation in the main countries of the Group since 2016 (Italy, Portugal, Spain, Chile, Peru, Colombia, Brazil), has enabled the rationalization and unification of request and approval processes and ICT services globally, the simplification and standardization of the types of ICT products and services available (from 500 to 100), and the provision of an IT support and assistance service, available 24 hours a day, 7 days a week, always in the local language of the caller, from any country in the Group.

In 2016 the Tech Bar was launched at offices in Rome, Madrid and Santiago del Cile, a permanent physical space where people can see at first hand the new service model, take part in training sessions, resolve configuration problems for devices and ask for information on distributed IT.

Telepresence and video communication

Telepresence is an evolution of the traditional video conferencing service which, by using latest generation technology, combines high definition audio and video elements with screens designed to create a virtual conference room.

Currently there are 7 Telepresence rooms in operation in the main Enel offices (Rome, Madrid, Fortaleza, Rio de Janeiro, Lima, Santiago del Cile and Bogotá). This service has a positive impact from the viewpoint of environmental sustainability, allowing the avoidance of air travel to move people around. Starting from the number of meetings, a calculation was made of the CO_2 saving linked to air travel and trips foregone[17].



In 2016 the Telepresence service was joined by a further video communication service based on the cloud platform (Blue Jeans). This service, taking advantage of Internet connectivity, allows the sharing of content and can be used, also when travelling, from a person's laptop, iPhone, iPad, smartphone and tablet. In 2016, 26,805 meetings were held, avoiding air travel for around 182 million km and car travel for around 2 million km, thus saving the emission of 20,779 tCO_2 (data source: Blue Jeans).

In addition, the traditional video conferencing service has been enhanced with the planned installation of 249 new sets.

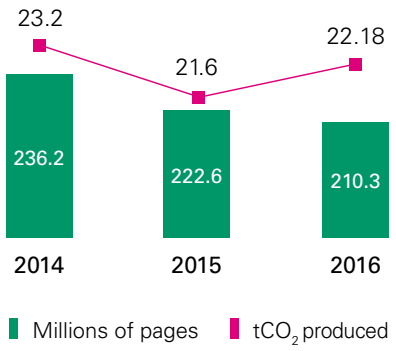
17 The number of people taking part has been estimated as: (number of devices - 1). The CO_2 emissions for travel also consider the movement from the city center to the airport by taxi (distances from Wikipedia). In 2014 only booked meetings were considered, while in 2015 and 2016 it was the number of meetings which took place.

Printing and optimizing the use of paper

For some time there has been operative in all Enel offices a printing service which, besides leveraging the latest generation printers which are programmed for more ecosustainable use, has been conceived on an advanced business model which has enabled the development from a product based concept to a service. The particular features of this service, together with more rational use of printing, have enabled a reduction over the years in paper consumption and consequently a reduced impact on the environment.

In particular, starting from the number of pages printed and the technical characteristics of the printer models, each month a calculation is made of the quantity of CO_2 associated with the electric consumption of the printers during printing, applying the emission coefficient (data source: Enerdata) of each country, which considers the specific mix of energy sources[18].

Printing services



In the continuous search for economically sustainable optimization of processes, Enel is working on the realization of various initiatives aimed at digitalizing the activities based on the use of paper. Among the main projects in 2016 were:

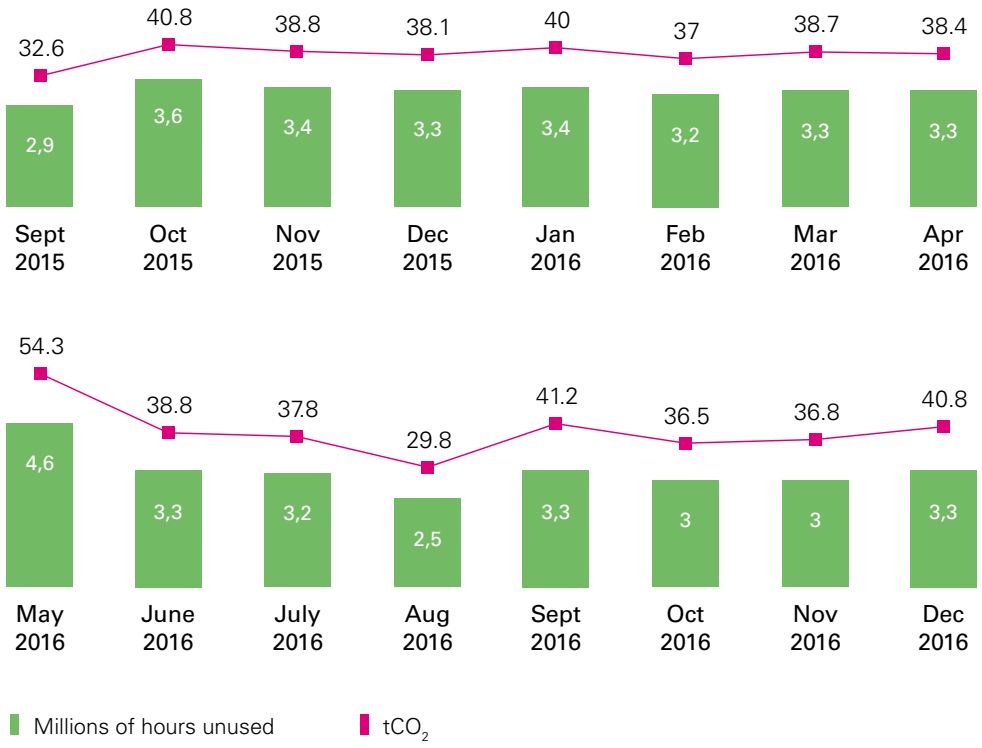
- Up Paper: for the digitalization of work-related expense claims, which has enabled around one million sheets fewer to be printed each year and reduced handling times;
- online bills: for the free market and for the protected market, in Italy, it has reduced the issue of printed invoices, thus obtaining significant benefits from an environmental viewpoint connected to lower paper consumption. In 2016, it is estimated that around 39 million fewer sheets were printed for invoicing on the free market, and around 18 million fewer sheets printed for invoicing on the protected market;
- the Online Billing Project, in Iberia, enabled a reduction in the issue of printed invoices, obtaining significant benefits from an environmental viewpoint linked to lower paper consumption. In 2016, it is estimated that there were around 10.8 million online invoices, with a saving of around 21.6 million printed sheets;
- the "Cero Papel" initiative, in Colombia: for informed and responsible use of paper through the promotion of the use of digital instruments to file and disseminate information, through awareness-raising campaigns on the improvements, in terms of environmental impact, following the reduction in paper use.

18 It considers the data in the following areas: Italy, Iberia, Russia, Romania, Brazil, Chile, Peru, Colombia.
The tCO_2 produced in 2016 is higher than in 2015 by around 0.5 t, although Enel employees printed around 12 million sheets fewer in 2016 compared to 2015, owing to the worsening emission coefficient (gCO_2/kWh), for Spain and Italy, in 2016 compared to 2015 (data from Enerdata on May 23, 2016). If we calculated in 2016 the quantity of tCO_2, applying the same coefficient values (gCO_2/kWh) as in 2015 for the various countries, we would have obtained 20.41 tCO_2 instead of 22.18 tCO_2.

PC Power Management

2016 saw the continuation of the project, which started in September 2015, to monitor the consumption of electricity by employees' PCs in Italy outside of normal work hours[19], thanks to the presence on IT work stations (desktops, laptops, monitors) of a Microsoft function which enables the identification of when a work station is on but not being used and to calculate the related environmental impact in terms of CO_2 produced.
Following the analyses made, specific awareness-raising initiatives will be established aimed at mitigating electricity consumption.

PC Power Management - Italy



19 Monday-Friday (from 7 p.m. to 7 a.m.); Saturday and Sunday. The monitoring excluded the servers and personal computers which, by their nature, must always be operational (for example, the GESI application, Enel retail outlets, Borsa Energia, etc.). Specifically, the indicator represents the total CO_2 associated with electricity consumption of desktops, laptops and monitors to which is then applied the average CO_2 emission value per unit of electricity produced (gCO_2/kWh) relating to the mix of sources in Italy.

Cyber security

In a context in which managing cyber risks, which are continually growing, has become a global priority, for Enel cyber security is an essential element of the digital strategy.
The Company, as other key players in the electricity sector, uses digitalized systems to manage its own generation plants, distribution network and relationship with customers; business critical systems, smart grids, smart meters are increasingly digitalized and integrated into the hi-tech panorama. In addition, the use of the Internet of Things is spreading and this leads to the growing dissemination of devices in smart and interconnected environments and systems. Traditional IT is evolving towards mobile computing or cloud computing.

The cyber security strategy is aligned with that of the Enel Group and is based on a precise assessment of the possible risks and on the definition of the related cyber security initiatives at global level. It is defined with an iterative process which envisages the involvement of the various business areas, gradually consolidating aspects such as the forecast scenario for IT security, the objectives and strategic initiatives for security. The cyber security strategy is approved by the top management and then broken down into operating plans for implementation of the planned initiatives. The activities are implemented with a security by design approach which focuses on security aspects right from the first stages of the design of applications, systems and processes.

Cyber security in figures

Spending on cyber security during 2016 was **over 10 million euro**.
Dedicated people: **66** people (51 men and 15 women) in December 2016 (58 in 2015).

In 2016 the Enel Group's protection systems each day blocked around:

- **600 thousand incoming emails, that were malware or spam;**
- **800 viruses;**
- **700 thousand incoming malware connection attempts.**

During 2016 on average **150 cyber security incidents** were handled every day of varying degrees of severity and **over 400 suspect domains** were identified and notified which use the Group's brand illegally as well as around **80 hostile actions** by hackers. In addition, **300 actions** were undertaken for systematic checking ("Ethical Hacking") of the protection level achieved by IT systems and applications.

Group assessment

In January 2016, the assessment was completed of the Group's cyber security. The assessment, which was conducted in conformity with key international standards (NIST, NERC, etc.), regarded IT systems, industrial control systems, the organization, processes and the practices adopted. On the basis of the results of this work the necessary organizational and design actions were identified.

The new organizational model

In September 2016, the Enel Group redefined its organizational structure for the management of cyber security. A specific Cyber Security unit was created reporting directly to the Chief Information Officer (CIO) and whose head covers the role of Chief Information Security Officer (CISO) of the Enel Group. This has also made the decision-making chain more streamlined and flexible in a context in which the speed of response to events is essential. The unit is structured to manage the governance and assurance of cyber security, the definition and supervision of the architecture and systems of IT security in a range of contexts (Information Technology, Industrial Control Systems and emerging technologies, Internet of Things, etc.), solutions and services for the prevention, protection and response to any IT attacks and the definition and supervision of systems to manage IDs and access control. The new organizational structure envisages the involvement of the Business Lines in the activities connected to cyber security through the figures of the Risk Managers and Response Managers.

Main actions and projects

In 2016 Enel started the project to define the new Cyber Security Framework, which describes the processes for the management of cyber security in the Enel Group in line with Risk Based and Security by Design approaches.

2016 was also characterized by the launch of new and important projects for IT security:

- the introduction of the new system of **Identity Access Management** (CompAC) which enables the activation of security policies for access, verifying the compatibility of the assignment of each role with the rules dictated by the principle of the segregation of duties;
- the creation of Enel's **Cyber Emergency Readiness Team** (CERT), which is based in Italy and with contact points in the main countries where Enel is present with its assets and infrastructure. During 2017 the project will lead to the official accreditation of the CERT in the various Group countries. The existence of the CERT allows supervision and monitoring of cyber security events on IT systems and on industrial control systems and allows centralized coordination of the management of cyber security incidents, as well as guaranteeing constant updating on the risks for IT security and close collaboration with national and international organizations which deal with cyber security and with other CERTs;
- the development and installation of a new generation of probes (Advanced Deep Packet Inspection Probes) aimed at improving the capacity to record cyber security events;
- the protection of web applications (Web Application Protection through Advanced Cyber Security Solutions), through advanced services which allow the protection of information exchanged with visitors to websites, improving performance in terms of response time and mitigating the effects of any attacks aimed at interrupting the service (DDoS attacks).

Information and awareness-raising

During the year the ICT Security Awareness program continued, a permanent and continuous initiative at Group level which proposes to create and constantly promote a cyber security culture, thus improving behavior in response to IT threats and attacks which seek to exploit the habits and expectations of users. The program envisages both campaigns on general themes and specific initiatives linked to specific risks.
The global Cyber Risks campaign (November 2015-December 2016) involved all the people who work in Enel and was divided into four themed modules: risks deriving from the ease of connection, security of data and information, use of secure technologies also outside of the workplace, and security in the use of mobile devices.

Main collaborations

In 2016 the active participation in standardization groups continued, in particular in the International Electrotechnical Commission TC57/WG15 "Data and Communication Security" on the theme of the cyber security by design approach to cyber security.

In addition, the support of the National Observatory on Cyber Security, Resiliency and Business Continuity of Electrical Systems continued, a group of experts (of which Enel is a founding member) which represents a reference point for research initiatives in the field of critical electricity infrastructure.
In September 2016 Enel organized an international Hackathon, called Hackathon Cyber Security; a contest between the proposals of seven emerging companies to combat IT attacks in four areas: industrial control systems (Supervisory Control And Data Acquisition - SCADA), Internet of Things (IoT), data protection, and protection of mobile devices. The winning company of the Hackathon was involved in field testing of the proposed solution.
Collaboration was started with companies producing innovative IT security solutions, thus making it possible to influence their development with the goal of maximizing the benefit that can be obtained from their use in the Group's industrial context.

Finally, Enel supported the Cyber Security for infrastructure of the Energy & Transport (CSET 2016) observatory which was held in Genoa in June 2016.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Investments in digitalization (assets, customers, people)	4.7 billion euro in the 2017-2019 period – digitalizing assets, operations and Group processes and enhancing connectivity
	Cover of web applications exposed to Internet with advanced cyber security application solutions	100% of web applications protected through advanced cyber security solutions by 2019
	Establishment of Enel CERT* and accreditation with national CERTs	Accreditation in 8** countries by 2018
	Dissemination of the culture of IT security and change in people's conduct in order to reduce risks	15 cyber security knowledge sharing events provided in the year
	Activities to reduce CO_2 emissions	-17.2 million pages printed in the 2015-2019 period Development of Telepresence and video communication systems Launch of actions to reduce hours of non-use of PCs, laptops, and monitors in Italy

SUSTAINABLE DEVELOPMENT GOALS

* Computer Emergency Readiness Team.
** Italy, Spain, Romania, Argentina, Brazil, Peru, Colombia, Chile.

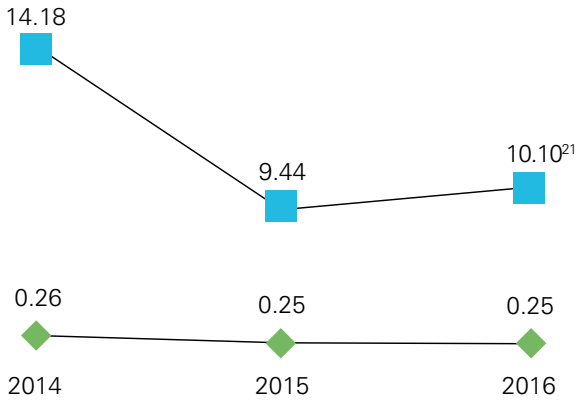
Occupational health and safety

G4-DMA LA
G4-LA6

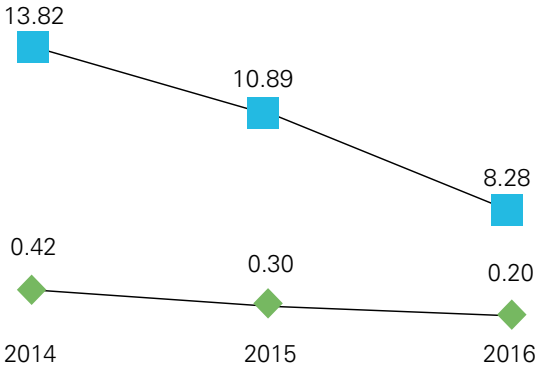
Enel considers the health, safety and physical and mental wellbeing of people its most valuable asset, one that must be protected at all times in life, whether at work or at home and during free time. Every person is responsible for his or her health and safety and that of those others with whom he or she interacts, and therefore commits to developing and promoting a strong safety culture wherever Enel operates in the world. The constant commitment of everyone, the integration of safety in processes and training, the reporting and analysis of near misses, the rigorous selection and management of contractors, continuous quality controls, the sharing of experience throughout the Group and comparison with the top international players are for Enel the cornerstones of the culture of safety.

Safety indices[20]

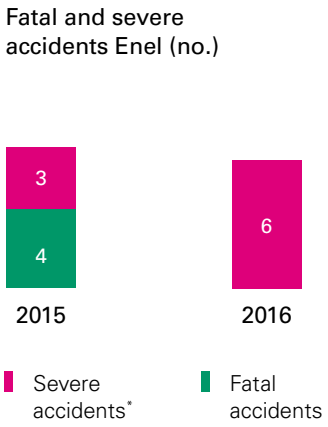
Enel employees

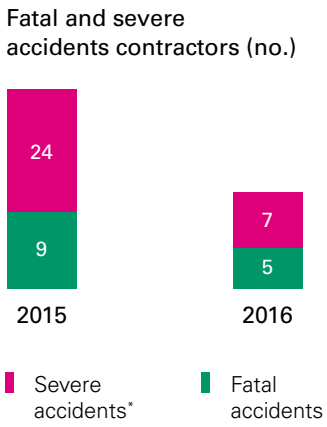


Employees of contractors



20 For the calculation of the LTIFR and LDR rates, reference should be made to the notes in the attachment (performance indicators).
21 The value in 2016 rose also due to the attribution of lost days following injuries that occurred in 2015.

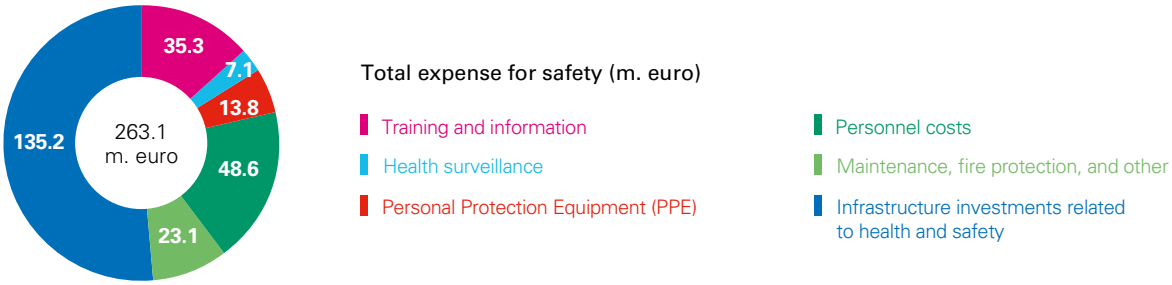




* Accident that has caused the permanent or temporary disability with absence from work, falling into one of the following categories:
- first prognosis, reported on the first medical certificate issued, of over 30 (calendar) days;
- guarded prognosis, until the injured employee is removed from the hospital/emergency room danger list;
- unknown prognosis estimated to be over 30 (calendar) days.

In 2016 the Lost Time Injuries Frequency Rate (LTIFR) and Lost Day Rate (LDR) of Enel Group employees correspond to 0.25 and 10.10 respectively. The indices related to the employees of contractors stood respectively at 0.20 (down by 34% vs. 2015) and 8.28 (down by 24% vs. 2015).
In 2016 no fatal accidents involving employees of the Enel Group occured, while 5 fatal accidents involved contractors employees (4 events less than 2015).
The Policy "Classification, Communication, Analysis and Reporting of Incidents" defines the roles and the ways to guarantee the timely communication of accidental events and to ensure root cause analysis, the definition of improvement plans and their monitoring. The policy details communication and investigation modalities for events such as "near misses", that could have resulted in severe injuries.
In accordance with the aforementioned policy, all fatal and severe accidents occurred to both Enel and contractors employees (including also events which are not severe but are considered as significant) were investigated by a group of experts.
Main accidents causes are related to unsafe behaviors, deficiencies in work planning, coordination and supervision.
Improvement actions started after the investigation are constantly monitored and followed upon their completion.

Enel in 2016[22] invested over **263 million euro** in safety, with an increase of around 9% vs. 2015.



22 For information on the annual trend see the attachment (performance indicators).

In the new organizational model, the Health & Safety (H&S) Holding unit has an important oversight role, promoting also the sharing of best practices in-house and setting up a program of external benchmarking on health and safety with international top players, to identify opportunities for improvement. Alongside the Holding Function, the Health, Safety, Environment and Quality (HSEQ) Functions of the Global Business Lines provide guidance and support on health and safety issues to the business and define and monitor the implementation of improvement plans.

100%

of Enel Group operational companies have implemented a health and safety management system certified according to the standard OHSAS 18001:2007, except for some recent company acquisitions or companies subject to significant organizational or business changes that may not currently hold OHSAS 18001 certification, but are actively in pursuit thereof

G4-EU18

Development of the culture of safety: communication and training

In 2016, over 820 thousand[23] hours of H&S education, information and on-the-job training were provided for Enel employees, with the goal of improving knowledge and specific competences of workers throughout the Group.

From November 14 to 20, 2016 there was the eighth edition of the **International Health and Safety Week**, providing for all workers a moment to reflect on health and safety themes. Around 1,400 events were held in 19 different countries, involving both contractors and Enel employees, for a total of 72 thousand people. The communication and support campaign entitled "Let's Pay Attention" aimed to reinforce the importance of the collaboration and involvement of all individuals, regardless of hierarchies and roles.

Also in 2016 the information campaign on **road safety** continued, focusing on the main causes of accidents. The people who work in Enel responded to a quiz in 7 languages and were invited to share their personal experiences through a dedicated section on the company intranet.

100%

staff at contracting companies who will work for Enel and who have received training on safety from their employer

over 670 thousand hours

of information and training provided for contractors[24]

23 The training hours include also training on-the-job and induction courses before accessing worksites.

24 In 2016 the Group further increased the involvement of contractors. The 670 thousand training hours, besides active courses, also include the induction courses to access worksites.

G4-EU18

Safety in contract processes

Safety is strongly integrated into contract processes, and Enel scrupulously follows its contractors, monitoring their performance both in the prior stage, through the approval systems, and the contract execution stage, through numerous control processes.
In the General Contracting Conditions, which are valid for the whole Enel Group, there are clauses dedicated to health and safety. In 2016 the process of reviewing the supplier approval and selection process was completed. The new model, which is common to all the Group's Business Lines, envisages even stricter rules for selection of the companies on the basis of their H&S performance. As for the monitoring of activities during execution of the contract, the Vendor Rating system is a consolidated process. H&S performance is measured through a specific index and, since 2015, the application of a global model on the Vendor Rating index affects evaluation of the contractor after a significant accident occurred.

For this reason, the contractors are involved in numerous initiatives aimed at promoting the safety culture; for instance, the **Safety Personalized Plan – Contractors** meeting was organized in Italy, involving a group of contractors working for more than one Business Line and which activities have a significant impact on safety, in order to share a common commitment to realize the improvement actions identified. In 2016 on-field inspections and control activities on contractors continued; over 250 thousand checks were carried out throughout the Group.

In 2016 **Extra Checking on Site (ECoS)** rose by 56% compared to 2015, with 219 ECoS carried out (compared to the 98 planned). The "Extra Checking on Site" tool has the aim of evaluating the adequacy of the organization, commitment and processes in a pre-determined operative area. These controls are performed by expert HSEQ personnel external to the operating unit subject to the assessment, together with technical experts specific to the business and permit to plan and define corrective actions that are duly monitored.

Structural safety and technological innovation

Technology, through innovation, can support H&S activities: from training to preventative analysis, to corrective controls.

In 2016 some safety innovation projects launched in 2015 continued and some new ones were introduced:

- **Virtual Reality 3D Simulator for Health and Safety Training**: a project created in 2015 and developed in 2016 to apply virtual reality to Health & Safety training and raising worker awareness on safe behaviors through learning from mistakes;
- **augmented reality**: in 2016, several devices were introduced to remotely manage and monitor activities on worksite, in order to increase safety conditions. Through a mobile application installed on smartphone, operators can have real-time access to all the information connected to a specific activity;
- **Man Down Detection**: the project is currently experienced on contractors; it has the purpose of ensuring the safety of alone workers through the use of a digital technology equipment. This personal device monitors the worker's movements and sends an alarm message to the control room if the worker falls to the ground or lies down for too long;
- **Active Safety at Work (ASW)**: it is an application which enables self-verification of the use of Personal Protection Equipment (PPE) according to the specific activity to be undertaken;

- **use of drones** for inspections in chimneys, boilers and canals, to prevent the risks connected with direct access by workers to such places;
- **application APP5RO** execution of safety measures (Five Golden Rules) in dead working must be certified through smartphone cameras sending pictures to an Enel Server via a mobile app, ensuring their compliance (1. Completely section the plant; 2. Make sure you are not closed in and put up warning signs; 3. Verify the absence of voltage; 4. Carry out earthing and short-circuiting; 5. Delimit the work area and arrange protection for the adjacent active areas);
- **Intrinsic Safety**: project focused on using new technologies on both design and existing machinery in order to reduce exposure to risk in the workplace and/or during work activities. Project key factor is the sharing of information among H&S and Engineering units in order to define, validate and make available a method to identify the latent risks which may be hidden in a piece of machinery, system or equipment;
- **Smart Helmet**: the goal is improving the safety of workers in confined spaces through the use of a connection with a remote operator. The helmet is equipped with video-audio communication system which allows the person working in a confined space to exchange information with a remote operator.

In Latin America contractors are also required to record the activities of their workers and to share the videos with Enel. This allows a systematic verification of the daily execution of the works, the identification of best practice, near misses and non-conformity and the exchange of feedback.

A plan to enhance safety standards of company vehicle fleet has been progressing for some years; latest upgrades include black boxes able to provide assistance and support to drivers both while driving and in emergency situations.

Health in Enel

The Enel Group promotes the culture of mental and physical health and organizational wellbeing and focuses on the work-life balance. In this light global and local awareness-raising campaigns are carried on in order to promote healthy lifestyles, screening programs aimed at preventing the occurrence of illnesses, and the supply of medical services is guaranteed. In Italy healthcare records are digitalized and health surveillance is managed through a dedicated IT system.

The global initiatives and programs are developed in accordance with the calendar of the World Health Organization and with local needs. Alongside global initiatives, also specific activities at country level have been implemented, focused mainly on screening programs and early diagnosis.

The Policy "Stress at Work Prevention and Wellbeing at Work Promotion" enables the identification and management of stress at work, providing also a series of indications aimed at promoting the culture of organizational wellbeing. In addition, in 2016 the Travel Policy was issued in order to standardize the prevention process against risks from environmental factors linked to the local social and healthcare context and from biological agents.

G4-DMA PR
G4-PR1

Safety of communities and third parties

Enel plants present locally are built in compliance with legal provisions and good practices and are equipped with health and safety management systems with the aim of eliminating/minimizing risks both for workers and for communities. Plant, machinery and equipment are subject to systematic inspections and periodic maintenance in order to guarantee normal operation, in compliance with the law and in accordance with the highest standards.

In order to guarantee the health and safety of the community and reduce the impact of company production activities on the external environment, periodic measurement campaigns are conducted in the company to monitor indicators such as:

- **the level of the electromagnetic fields generated by electrical distribution plants;**
- **the noise level generated by electrical machinery installed at production plants, substations and transformer centers.**

These periodic measurement campaigns permit to keep risks under control and within the legal limits also for the communities in the areas where the Company operates. The following environmental aspects are monitored: atmospheric emissions (polluting gases, greenhouse gases, particulates, vapors, aerosols); discharges to surface water; waste production, recycling, reuse and disposal; land contamination; physical agents (noise, vibrations, dust, etc.); impacts following accidents and emergencies; biological impacts and impacts on ecosystems (biodiversity, etc.).

G4-DMA SO

Managing emergencies

Enel has introduced a crisis management system, which establishes a common management approach to critical events in the various countries where the Company operates through the adoption of standard methods. The system guarantees the appropriate involvement of the competent company departments both in the case of events limited to a national level and in the case of serious crises which involve the whole Group. According to this approach, it has been envisaged to adopt a global measurement system, with a 3-level scale, to assess the magnitude of the impact caused by the critical event. Crises with a high impact level are managed centrally, while those with a medium or low impact level are managed within the specific organization in the individual countries.

For crises with a high impact level, it is envisaged to set up a central crisis committee chaired by the Chief Executive Officer, which also involves the heads of Holding Functions. In these cases, an operative center is active in Enel Headquarters in Viale Regina Margherita, Rome, providing 24-hour support for communication and coordination of the flow of information. Periodic simulations are foreseen for the verification of the correct functioning of the system. In Enel there is a Security unit as part of the Human Resources and Organization Holding with the aim of defining strategies and guidelines on the issues of safety, guaranteeing reporting to top management and promoting the sharing of best practice. In addition, a travel security process has been established with the aim of protecting Enel staff travelling abroad by supplying information and notices on the destination countries, indicating the conditions which could represent risks for the health and safety of travelers (for example, political unrest, terrorist attacks, crime, healthcare emergencies, etc.), providing the guidelines and conduct to be followed and activating security measures needed in regard to the risk level identified for the destination country.

G4-DMA EC | G4-DMA SO

Nuclear policy

Enel adopts a policy for the safe management of its nuclear activities. This policy focuses not only on safe nuclear operations, but also on the integration of nuclear safety into all the corporate processes, stressing the importance and particular nature of being a nuclear operator. The policy confirms the commitment of top management to undertake all the activities in such a way that the operational nuclear units are managed and developed safely and with the protection of workers, the local populations and environment as the most important priority, as well as encouraging excellence in all stages of the process and going beyond simple respect of the law.

Checks on the safety of nuclear power plants, i.e. the stress tests which were arranged in Europe immediately following the Fukushima incident, seek to measure the size of safety margins at nuclear power plants given extreme external scenarios, such as earthquakes or flooding, and incidental scenarios, for example the lack of electricity or the lack of water for cooling, thus investigating the response of the plant should it be subject to unplanned operating conditions. The nuclear power plants have been carefully studied and the improvements identified are being implemented. These measures include, for example, the installation of new safety systems and technologies to guarantee the continuity and availability of electric power in the case of a total blackout.

G4-LA5 | G4-LA8

Industrial relations for health and safety issues

In order to facilitate the implementation of the health and safety initiatives and to encourage the sharing of decisions and results, in all the Group countries a number of joint committees have been set up dedicated to monitoring and controlling health and safety conditions nationally and across divisions. With the aim of facilitating the integration and standardization of the committees which operate at different levels, during 2012, in Italy the bilateral occupational health and safety committee was set up, in accordance with the Italian model of industrial relations of July 17, 2012. The committee has the task of promoting prevention and training activities, as well as raising awareness of health and safety issues, and, finally, drawing up and collecting examples of good practice. As from 2013, this aspect was further extended to the whole scope of the Enel Group, through the creation of a bilateral commission for health and safety at Group level, set up under the Enel Global Framework Agreement of June 14, 2013. This committee, which in 2013 defined a "joint recommendation" which can be applied in all Enel countries, focuses on the application and implementation of health and safety standards at Group level.

Here below are further details on the committees which operate in the various countries at national and/or local level.

COUNTRY	JOINT HEALTH AND SAFETY COMMITTEES
Italy	Besides the bilateral committee on policies for safety and protecting the working environment which was set up in 2012, there are two committees which operate at the divisional level of Infrastructure and Networks and Generation. In addition, periodic meetings are organized involving the employer, the head of the prevention and protection service, the competent doctor and the workers' safety representative. The meetings are held at least once a year and 100% of employees are represented.
Russia	In every plant in Russia there are committees which deal with health and safety. Every organizational unit has a worker representative for occupational health matters, for a total of 49 representatives, who communicate with the company managers and unions.
Slovakia	In every plant a health and safety committee has been set up. Each committee consists of representatives of the workers (indicated by the unions) and representatives of the employers. The health and safety committee periodically assesses the state of implementation of health and safety plans and policies and proposes measures to manage, monitor and improve safety.
Romania	In accordance with legal provisions, there are safety and hygiene committees in each company, consisting of: representatives of the company, the specialist doctor and professional representatives of the unions/representatives of employees, which meet periodically (quarterly) to discuss specific issues, and propose measures to manage, control and improve safety.
Spain	At national level the *Comisión de participación y control* has been set up and, at local level, *Comités de seguridad y salud territoriales* have been set up.
Argentina	In the power plants there are bilateral hygiene and safety committees, which meet once every month or two months.
Chile	At all production sites with more than 25 workers, there are *Comités paritarios de higiene y seguridad*, which pass resolutions on occupational health and safety initiatives through an annual work plan. These committees meet once a month.
Peru	There are 5 bilateral committees, which also see the involvement of representatives of contracting companies.
Brazil	At all sites a *Comissão interna de prevenção de acidentes* is set up and consists of representatives of the Company and representatives of workers, focused on establishing accident prevention initiatives.
Colombia	Two joint committees have been set up (COPASST), one for Distribution and one for Generation, which have the task of promoting the law on occupational health.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Extra Checking on Site (ECoS) - planned	120 in 2020
	Global awareness-raising programs on prevention and health promotion	17 in the 2017-2020 period
	Further reduction in LTIFR and LDR	
	Integration of safety into policies, processes and procedures	
	Dedicated initiatives to strengthen the awareness and commitment of employees and contractors to health and safety and promotion of the culture of safety	
	Continuous improvement of safety on-field controls and on site inspections, and investigation of all accidents and significant near misses, identifying preventive and corrective measures	

SUSTAINABLE DEVELOPMENT GOALS

Sustainable supply chain

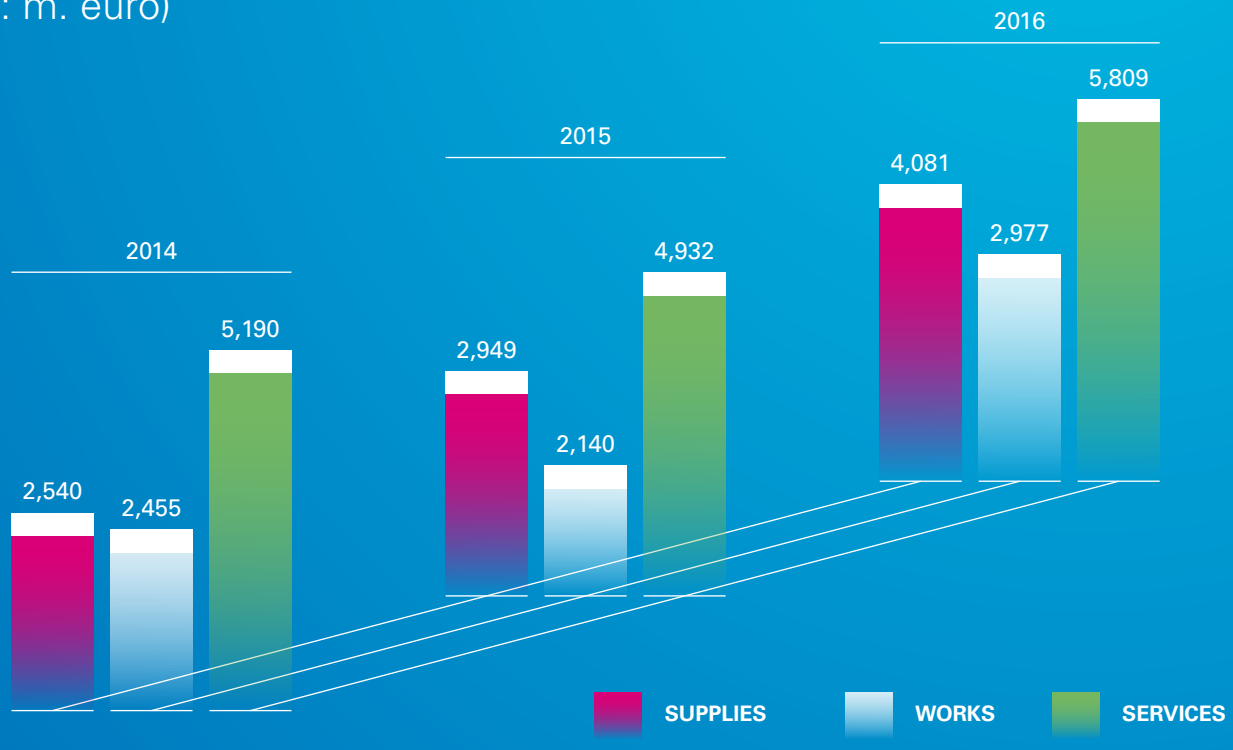
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Enel bases its purchasing processes on pre-contractual and contractual conduct which is focused on reciprocal loyalty, transparency and collaboration, in order to have a resilient and responsible supply chain, which can understand and adapt to the external context and which is committed to adopting best practice in order to take opportunities and mitigate any economic, environmental and social risks.

Purchases and tenders for goods and services

G4-12 G4-13 G4-DMA EC G4-EN32 G4-DMA EN G4-DMA LA G4-LA14 G4-LA15 G4-DMA HR G4-HR4 G4-HR5 G4-HR6 G4-HR10 G4-HR11 G4-HR12 G4-SO9

Purchases of materials and services 2016: around 13 billion euro (UM: m. euro)



→ **Suppliers** with which a **new contract** was signed in the year: **35,860**

→ **+7%** increase in approved suppliers **compared to 2015**

→ **Workforce** of contractors: **129,158 FTE**

The procurement process is managed through a matrix organization which enables experiences and specific competences to be shared, so as to be able to respond adequately and quickly to the needs of the business. This organization envisages the management of procurement procedures by four different global units in a matrix with the local units in accordance with well-defined and integrated responsibilities and governance which favor development and sharing at all levels. This organization is completed by two central units which operate to monitor procurement processes and dealings with suppliers. It is a fluid and flexible model, underpinned by a defined and structured process which is adaptable to the characteristics of each supplier, characteristics which enrich the portfolio of solutions available to the Group, while respecting specific local conditions and considering diversity and innovation as added value.

The procurement procedures aim to guarantee the quality of the service in full compliance with the principles of cost-effectiveness, efficacy, timeliness and correctness. The Code of Ethics, the Zero Tolerance of Corruption Plan, the Policy on Human Rights, and the 231 Compliance Program are the framework for procurement and represent a *de facto* guide and code of conduct for suppliers. Enel's suppliers have available a single global registration point, "Open Supplier Portal" (globalprocurement.enel.com), which enables them to interact with all the companies in the Enel Group through a global dashboard and to use all the services available: responding to tender invitations, managing their own approval process, viewing their own Vendor Rating results, and so on. Online deals in 2016 in Italy numbered 1,218 and helped avoid around 315 thousand pages being printed, thus reducing the environmental impact of this work.

The processes underpinning Enel's procurement system

Enel carries out a risk assessment on 100% of its tier-1 suppliers[25], totaling around 8,600 companies, 80% of which have been considered critical in relation to their strategic position for the Company's business, purchase volumes, and potential economic, social and environmental impacts. In 2016 the detailed analysis was completed of all the sectoral groups with the aim of identifying specific risks associated with each category. The main risks identified were: economic, environmental, social and reputational.

25 Tier-1 suppliers are all those with whom Enel has a current direct contract worth over 25,000 euro.

Requirements of good standing

In 2016, new operating practices were established and implemented regarding checks at Group level on the "Requirements of good standing" aimed at consolidating the existing control system through more incisive action to contrast corruption and in particular through:

- the determination of specific documentary criteria to certify the legal requirements and good standing, which are standard and applicable to the procurement process (from the approval stage to the assignment of the individual contract);
- the identification of operational verification methods aimed at enhancing the prevention instruments available and impacting in a rational, complete and decisive way on cases of corruption and on the factors which favor its dissemination;
- the promotion of a widespread culture of respecting the rules and ethics.

Enel's global system of approving suppliers enables an accurate evaluation of the companies which intend to take part in the procurement procedures and represents:

- → **a guarantee for Enel, since it is an updated list of subjects of certified reliability on which to draw;**
- → **the possibility, in compliance with the laws in force, for suppliers to be called on for procurement tenders organized by Group companies.**

The approval process requires, also in compliance with the law in force, the presentation of a series of documents (self-certification regarding the possession of the general prerequisites, financial statements, certification, etc.) and, among other things, the adhesion to the principles expressed in the Code of Ethics, the Zero Tolerance of Corruption Plan and the 231 Compliance Program, the Policy on Human Rights, and the ten principles of the Global Compact with specific reference to the absence of any conflict of interests (including any potential conflict). All approved suppliers are requested, during the formalization of the contract, to provide specific documentation certifying they are up to date with the payment of social security contributions. In particular, as part of the questionnaire regarding human rights, which is designed in accordance with the indications of the internationally recognized principles contained in the UN's "Guiding Principles on Business and Human Rights" and UNICEF's "Children's Rights and Business Principles", suppliers are asked for specific information regarding their impact on: a) the local communities where they operate; b) inclusion and diversity; c) freedom of association; d) protecting privacy; e) forced labor and child labor; f) suppliers; g) communication. Finally, they are asked for information regarding any ongoing legal proceedings and any ethical policies which the supplier has adopted.

The categories with a high environmental impact, 29% of the total, include in the approval requirements the request to implement an environmental management system that conforms to ISO 14001, while for high health and safety risk categories to be tendered, 48% of the total, suppliers are evaluated by examining their corporate performance and organizational and operational quality as regards the safety of such performance (for example OHSAS 18001 certification). During 2016 a specific operational order was issued which precisely defines at Group level the duration and the means of implementing the provisions, should the supplier violate the occupational health and safety requirements and repeat such violations.

For some categories relating to the Market Division specific requirements are envisaged in relation to the evaluation linked to staff turnover and training.

The companies included in the Enel Register of Approved Companies are also constantly monitored, including through the use of external databases, in relation to events for which the company and its main exponents are responsible (economic-financial reliability, administrative procedures taken against the company or its exponents), regular contributions and criminal procedures.

The strengthening of the checks on the possession of the aforementioned requirements, both in the stage of admission to the Approval System and maintaining the approval and in the stage of assigning a contract, is focused on particular activities, goods and contracts which are considered more sensitive ("at risk"), identified for each country/geographic area: Italy, Argentina, Chile, Colombia, Peru, Romania, Russia, South Africa, North America, Mexico, Central America, India, Iberia and Brazil.

The "Good Standing Committee" has also been established, which includes the purchasing managers of the business units and the managers of the technical units responsible for the tender/contact/product group, the manager of the Supplier Management and Development area; members of the Security area; the head of the Legal Affairs area for Global Procurement. The Committee meets periodically (normally each month) with the aim of sharing and analyzing situations for which it is necessary to undertake actions or establish sanctions on suppliers.

In addition, in 2016 specific **tenders** were launched introducing assessment elements linked to sustainability. For example, in the tender for the supply of "Fireproof fire-retardant cables", an assessment criterion was included relating to the reduction in the emission of corrosive gases below the current minimum limits allowed by the relevant law in force (CEI 20-37); while in the tender for "Smart Grids and Equipment" the realization by suppliers of socially useful projects regarding "Quality Education, Decent Work and Sustainable Economic Growth" was assessed.

Enel has established specific **contractual clauses**, which are included in all the contracts for works, services and supplies and are periodically reviewed to take into consideration the various regulatory updates and to align to international best practice. During 2016 the 6th edition of the General Contract Conditions was published which consists of a General Part which contains the clauses that are applicable in all the countries, to which are added country-specific annexes containing clauses applicable in each individual country. Currently there are 15 annexes in use (Italy, Spain, Portugal, Chile, Peru, Colombia, Brazil, Romania, Slovakia, Russia, Argentina, Guatemala, Panama, Mexico, and Costa Rica). In 2016 specific general conditions were defined which are applicable to contracts for the purchase, maintenance and support services of sofware and cloud services and 9 country-specific annexes: Argentina, Brazil, Chile, Colombia, Italy, Peru, Romania, Russia and Spain. Enel requires, among other things, its contractors and subcontractors to adhere to the ten principles of the UN Global Compact, the respect and protection of internationally recognized human rights, as well as respect of ethical and social obligations on combating child labor and protecting women, equality of treatment, a ban on discrimination, freedom of union membership, association and representation, forced labor, environmental safety and protection, hygiene and sanitary conditions and other regulatory, pay, social security, insurance and tax conditions. Contractual commitments are then envisaged for Enel's contractors and subcontractors aimed at adopting conduct that is opposed to any form of corruption and extortion and to lead to conduct that does not harm the environment, favoring initiatives to promote greater environmental responsibility and the development and dissemination of technologies which respect the environment. In order to guarantee respect of the aforementioned obligations and constantly check their fulfillment, Enel reserves the right to monitor and control its contractors and to terminate the contract in the case of violation.

Sustainable Supply Chain Project

The Sustainable Supply Chain Project continued, which was launched in 2015 and aims to standardize across the whole scope of the Enel Group the criteria for monitoring companies from the viewpoint of their environmental impact, safety, and respect of human rights. The project aims to strengthen the Group's positioning regarding the supply chain and valorize the Company's key role in the process of changing and innovating its suppliers. In particular in 2016 the sustainability requirements were defined which will become obligatory during 2017, which the supplier must satisfy to be included in the Enel Register of Approved Companies. These requirements are broken down into three different sections for which the supplier must provide information and documentation linked to safety, environmental and human rights aspects. The supplier will be selected and constantly monitored also on issues such as: inclusion and diversity; the protection and privacy of workers, and verifying its own supply chain on issues linked to forced labor/child labor.

The approval procedure is complemented by the **Vendor Rating** system, aimed at monitoring the performance of suppliers in terms of their correct conduct during the tender, and quality, timeliness and sustainability in performing the contract. The Vendor Rating index can be used an element to evaluate tender invitations and to continue contractual relations in compliance with the law in force. In 2016, 937 groups of goods and around 3,300 contractors were monitored through this process.

The approval and Vendor Rating systems are implemented in all the companies in the Enel Group, both in Italy and abroad and for each of the processes the establishment of a specific evaluation commission is envisaged, including the heads of the Purchasing area of the business units and the heads of the technical units to which the tender/contact/goods refer, and the head of the Supplier Management and Development area. This guarantees the same means of evaluation for all the Group's suppliers (same rules and indicators); some of the suppliers subject to this evaluation are examined for a number of types of good.

Through these monitoring and evaluation procedures, Enel establishes a continuous dialogue with suppliers, with the purpose being collaborative not punitive, which leads to the highlighting of weaknesses and problems found and the sharing of corrective actions. In almost all cases the company's performance improves and the working relationship with Enel continues to mutual satisfaction.

6,145

Number of tier-1 suppliers evaluated during 2016[26]

10%

% of tier-1 suppliers evaluated to whom corrective actions were assigned

98%

Percentage of suppliers evaluated with a corrective action plan whose ESG performance improved following the action plan

G4-DMA LA

Training and information

Enel, with the aim of safeguarding the health, safety and general wellbeing of its workers and the workers of companies with which it collaborates worldwide, constantly promotes greater attention to and awareness of risks, encouraging the increasing adoption of responsible conduct. In July 2016 the "Safety Personalized Plan" event was held at the Enel Auditorium in Rome dedicated to contracting companies in order to share good practice and collect proposals to improve health and safety. The event was organized using the "World Café" system, establishing 6 main themes (Conduct; Procedures; Planning work, supervision and controls; Safety in design; Training and communication; Safety in procurement processes) which were discussed and analyzed by a similar number of work groups. Each work group, which consisted of a representative of Enel and workers from the companies, made its contribution to each theme proposed, by rotating the participants around the different discussion tables. As a member of the Business Integrity Forum of Transparency International Italia, which consists of large Italian companies active in cultural dissemination projects in the field of integrity and ethics and in adopting instruments to combat corruption, in November 2016 Enel implemented initiatives to promote the SME Integrity Kit in order to create value from the correctness, loyalty, and sense of responsibility which are part of the DNA of Italian small and medium size companies. Enel sent an email to all the approved suppliers which have their registered office in Italy and gave them the data needed to access and the means of using the service and made available the procurement help desk to provide their own suppliers with relevant information.

26 Micro contracts are not considered; therefore, the total number of tier-1 suppliers is given with existing contracts worth over 25,000 euro.

Circular economy in the sustainable supply chain

The circular economy is an economic system which describes the steps to be taken for sustainable reform of the production of goods and services. As part of Global Procurement the evolution towards a circular approach requires profound knowledge of material flows, in terms of components, environmental impacts and the possibility of recycling products. Part of this context is also the project on the "Environmental Product Declaration (EPD)". The purpose of these declarations is to quantify and present objective data (water consumption, CO_2, soil, atmospheric emissions, etc.) relating to the whole life cycle of our supplies, which have never previously been defined in a standard way that allows comparisons to be drawn. The advantages from this process will concern the definition of reference benchmarks for the supplies that we acquire (triggering a continuous improvement process in both internal performance and that of our suppliers); control of the Group's environmental footprint and a reduction in costs as a result of the monitoring of consumption and the optimization of production processes.

The EPD project falls within the work to operate sustainable worksites promoted by Renewables and Global Thermal Generation as inputs and outputs of the system. The sustainable worksite is a model for efforts to construct and restructure plants where safeguarding the environment, rational use of resources and a focus on health characterize every detail of the daily work carried out. The worksite model also envisages the constant monitoring of activities in terms of environmental performance, in order to generate continuous improvement mechanisms and realize a virtuous and effective collaboration also with contractors and suppliers. The adoption of innovative solutions on the worksite, both in terms of materials and in terms of engineering and infrastructure, as well as the increasingly marked orientation towards the reuse of materials and equipment, confirm that Enel is gradually shifting from a linear economy to a circular and more virtuous economy, which puts resources back into the production cycle instead of considering them as waste to be disposed of.

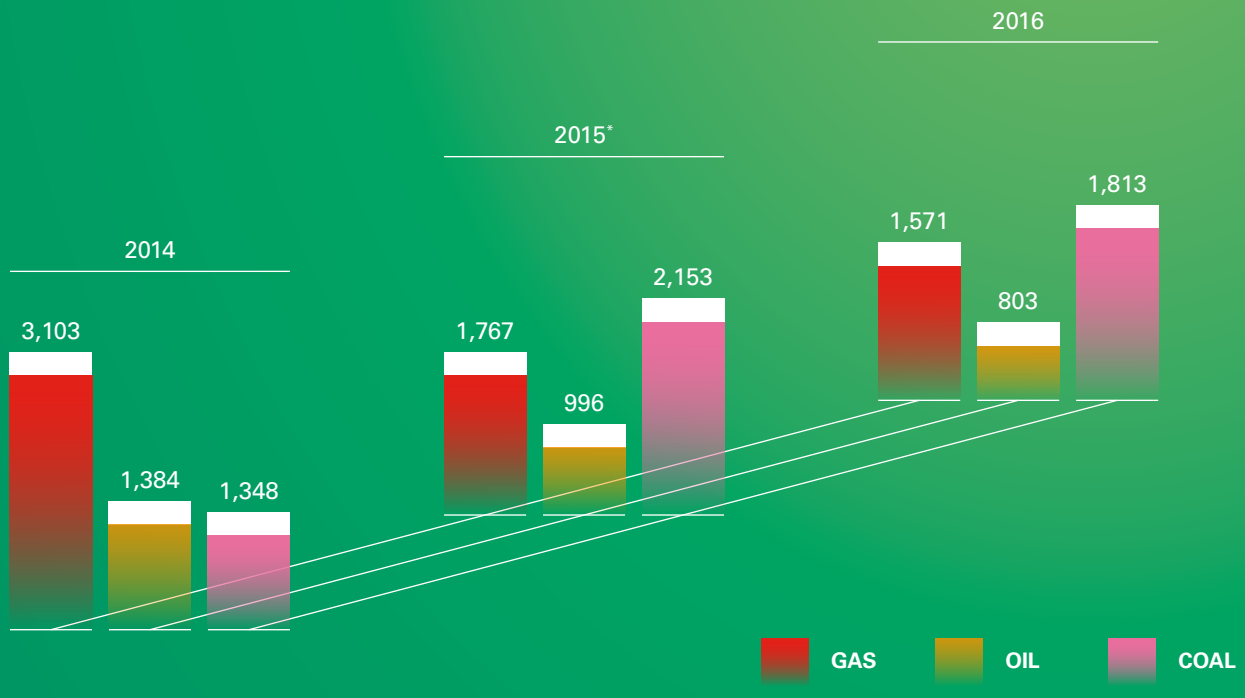
G4-DMA EC
G4-DMA HR
G4-EC9

Fuel procurement

Purchasing fuel is a strategic activity for the Group, since it plays a leading role in guaranteeing the security and continuity of thermal energy production. The selection of fuel suppliers is done by assessing economic and financial aspects of the counterparties and the possession of the technical and commercial prerequisites. Suitable counterparties are subsequently included in specific Vendor Lists. Purchase contracts signed with such suppliers are subject to the rules adopted by the Group regarding the Code of Ethics and the Zero Tolerance of Corruption Plan, to which suppliers must adhere.

In relation to purchases by sea from the international market, a check is made that suppliers are not on specific blacklists of the UN, European Union and the US Office of Foreign Assets Control, lists which respectively identify individuals or organizations connected with terrorist organizations, organizations subject to financial sanctions by the EU and so-called SDN (Specially Designated Nationals) organizations which are subject to sanctions by the United States for accusations, among other things, of terrorism or drug-trafficking. Finally, in order to mitigate the risks from fuel transport by sea, Enel has adopted a tool to assess and select the transporters used, known as vetting. Vetting is a recognized industry standard for oil transport, but for some years Enel and a small number of operators have started to apply the same methodology also in the sector of dry bulk transport (minerals, coal, cereals).

Fuel purchases 2016: around 4 billion euro
(UM: m. euro)



* Refer to note no. 3, page 247 of the appendix (performance indicators).

Bettercoal (bettercoal.org)

G4-DMA HR

In February 2012, together with other European utility companies, Enel set up Bettercoal. The Group's commitment has taken shape both in the process of defining Bettercoal's code, policies and governance systems and in implementing the code in its own mining operations and in transferring the Bettercoal standards to its own local coal suppliers who were initially excluded from the scope of Bettercoal, which, although it has a universal calling, at first focused on major coal exporters in Europe. During 2016 the initiative continued with the development of on site audit and the realization of a self-diagnostic process.

The Bettercoal code has been developed with the support of an independent group which represents the differing interest groups and consists of experts from civil society, the unions and the mining community. It involved a full public consultation process, which also included meetings with interested parties in South Africa, Colombia, Indonesia and Russia, and in all the main coal-producing countries.
The code transfers to suppliers the expectations of Bettercoal members as regards their practices in 4 key areas: operations, ethical commitment and transparency, human and labor rights, and environmental commitment.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	% of approved suppliers evaluated for safety aspects: introduction of evaluation criteria for health and safety aspects for the main product groups	100% by 2019
	% of approved suppliers evaluated for environmental aspects: introduction of evaluation criteria for environmental aspects for the main product groups	100% by 2019
	% of approved suppliers evaluated for human rights or business ethics aspects for the main product groups	100% by 2019

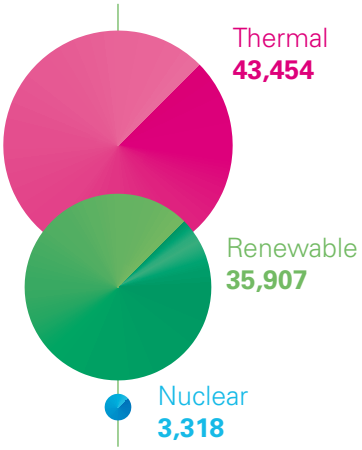
SUSTAINABLE DEVELOPMENT GOALS

Environmental sustainability

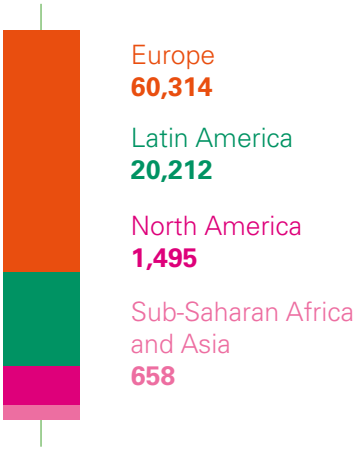
G4-9

Net installed capacity 2016 (MW)

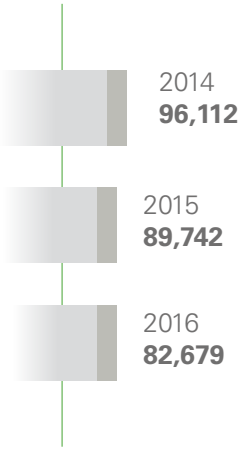
By source



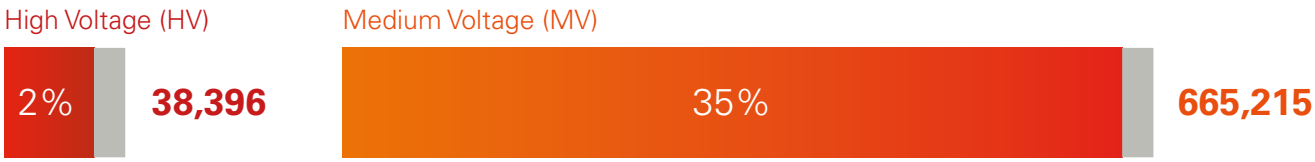
By geographical area



By year



Length of grid (km)



COUNTRY	THERMO*	NUCLEAR	RENEWABLES*	CABINS
Argentina	3		2	19,814
Brazil	1		42	256,838
Chile	8		33	21,931
Colombia	2		11	70,443
Peru	3		7	9,977
Spain	33	3	225	134,011
Portugal	1			
Romania			12	22,855
Mexico			11	
Guatemala			5	
Slovakia**	2	2	35	
Greece			50	

* The number of power plants by country may vary on the basis of the aggregation criterion used (for example, organizational or based on size).

** Left Enel scope during 2016.

Sources

Thermal

Renewable

Nuclear

Geographical area

Europe

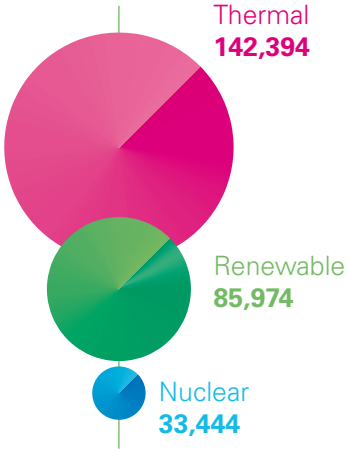
Latin America

North America

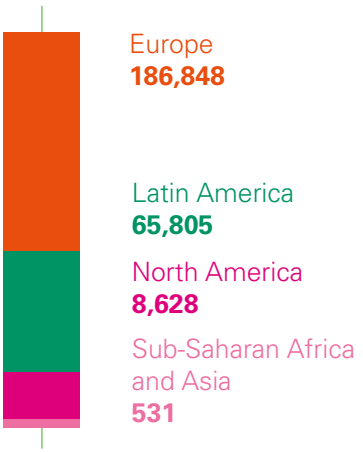
Sub-Saharan Africa and Asia

Energy production 2016 (GWh)

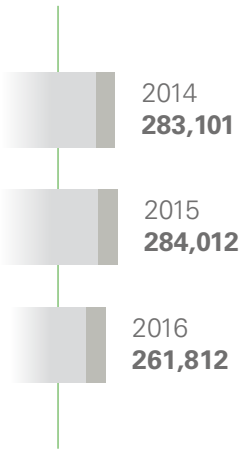
By source



By geographical area



By year



Low Voltage (LV)

COUNTRY	THERMO*	NUCLEAR	RENEWABLES*	CABINS
Russia	4			
Belgium**	1			
Canada			1	
Bulgaria			2	
Costa Rica			3	
Italy	32		566	580,377
India			3	
Uruguay			1	
South Africa			7	
Panama			4	
United States			47	

Environmental policy (last update: March 2017)

Managing environmental issues, combating climate change, protecting the environment and sustainable environmental development are strategic factors in carrying out and developing the Enel Group's activities and decisive in consolidating its leadership in energy markets.

Since 1996 Enel has had an environmental policy which is based on **four fundamental principles**:

- protecting the environment by preventing impacts on it and pursuing the efficient use of natural resources;
- improving and promoting the environmental and sustainable features of products and services;
- creating value for the company;
- satisfying systematically the legal obligations of compliance and voluntary signed commitments, going beyond mere legislative conformity;

and pursues, with a viewpoint to the development of the "circular economy", ten **strategic objectives**.

1. **Applying to the entire organization internationally acknowledged Environmental Management Systems inspired by the principle of continuous improvement and defining environmental indicators to measure the environmental performance of the entire organization**

- Annual maintenance of ISO 14001 certifications
- Rationalization and simplification of certifications present in the various organizational areas; search for synergies and sharing of environmental management experiences under the ISO 14001 certification of the Enel Group

2. **Achieving the ideal insertion of industrial plant and buildings in the local area, while protecting biodiversity**

- Projects to protect biodiversity (conservation of the habitats of protected species, reintroduction of particular species, collaboration with research centers and nature observers, replanting of indigenous flora)
- Bio-monitoring (land, seas, rivers)
- Gradual replacement of bare cables on electricity power lines with buried power lines to protect birds
- Works to mitigate the visual impact of generation and distribution plant and mines
- Development and update of a Group Plan for Biodiversity

3. **Reducing environmental impact by applying the best available technologies and best practice in the stages of plant design, construction, operation, maintenance and decommissioning**

- Assessment of the environmental impact from the construction of plant or significant changes
- Identification, assessment and sustainable use of BAT (Best Available Technologies)
- Protection and monitoring of the quality of surface water, soil and subsoil in areas around the plants
- Identification and development best practices inside and outside the Group and promotion of their application throughout the Group

4. **Leadership in renewable sources and in low-emission electricity generation and efficient use of energy and water resources and raw materials**

- Gradual expansion of plant for generation from renewable sources
- Improvement of the efficiency of generation plant (use of higher yield components and/or processes, reduction in the consumption of auxiliary services)
- Reduction in grid losses associated with electricity distribution (optimal grid design, use of larger diameter cables and electric components with lower level of losses)
- Mapping and monitoring of all generation plant in order to identify possible water stress and intervene, where necessary, through more efficient water resource management

- Optimization of in-house recycling of water for industrial use G4-DMA EN
- Creation of value and reuse of process waste and residues, including ash and gypsum from coal and lignite as raw materials in other production processes, in conformity with the national context and the related legislation
- Interventions to promote energy efficiency and application of innovative technologies and digitalization (both inside the Group and for end users)

5. Optimal waste and effluents management

- Reduction in waste production and increase in the percentage of its recovery and reuse
- Improvement in water quality and optimization of its internal reuse
- Qualified selection of suppliers for waste transport, recovery or disposal services and use of IT systems to trace the waste

6. Development of innovative technologies for the environment

- Systems to increase efficiency and limit emissions
- Smart grids
- Innovative renewables
- Multigeneration systems and storage systems
- Electric transport

7. Communication to citizens, institutions and other internal and external stakeholders regarding the company's environmental management and results

- Publication of the Sustainability Report and open data access to the Group's main environmental parameters
- Communication with analysts and participation in various sustainability indices
- Initiatives to open plant to the public
- Websites and intranet disseminating environmental initiatives

8. Training and raising awareness of employees on environmental issues and laws also through the support of company media

- Periodic training on environmental issues
- Intranet with analyses of issues

9. Promotion of sustainable environmental practices at suppliers, contractors and customers

- Use of qualification criteria for suppliers and contractors and their subsequent assessment based on environmental performance of the activities carried out
- Information-giving meeting on significant environmental aspects in the work start stage through the transmission of the environmental policy and explanation of the means of managing impacts produced by the activities undertaken (waste, emissions, discharges, etc.)
- Promotion and awareness-raising on the issues of sustainability and the circular economy throughout the supply chain

10. Satisfying legal compliance obligations and voluntary commitments

Each company, within its scope, must:

- Guarantee that operations are carried out in compliance with legal obligations and voluntary commitments
- Assess the fulfillment of obligations and commitments entered into
- Correct any cases of non-compliance in regard to the obligations and voluntary commitments entered into

The Group policy is a guideline document, the implementation of which is entrusted to the various Group companies, on the basis of their specific activities.

Environmental governance

Environmental activities are carried out in Enel through an organization that is broken down into operational units and coordinated, as regards the general environmental policy guidelines, by a unit of the Parent Company. In the Business Lines and global service Functions there are responsible structures and figures at various levels (see also the chapter "Decarbonization of the energy mix").
In particular, the corporate Functions coordinate the management of the respective environmental issues, providing the necessary specialist assistance in accordance with the guidelines of the Parent Company, and the operating units manage specific aspects affecting various industrial sites. In the Group in 2016 staff working on the handling of environmental issues numbered 371 Full-Time Equivalents (FTE). In the year training was undertaken for a total of around 79 thousand hours regarding Environmental Management Systems (such as the management of water and waste, environmental recovery, prevention, and integrated security systems).

In particular, around 40% regarded distribution, while the remainder focused on traditional generation and renewables. In addition, periodically mapping takes place of the main environmental risks; the MAPEC – Mapping of Environmental Compliance – system used in the past, is no longer adopted owing to the changes made in the organization of the Group, and was replaced by *ad hoc* analyses conducted on specific environmental issues by the individual Business Lines, such as for example ECoS (Extra Checking on Site) checks carried out by the Generation Business Line, in order to define and monitor the significant areas (see also the chapter "Occupational health and safety").

Environmental Management Systems

A key element in the environmental policy is the gradual application to all the activities undertaken by the Enel Group of internationally recognized Environmental Management Systems (EMS).
As from 2012, when the Enel Group obtained ISO 14001 certification for the first time the application of EMS has been gradually expanding and now *de facto* covers almost 100% of the activities (production plant, networks, services, property, sales, etc.). The certification does not cover only newly acquired or newly built assets.Also for the new assets, specific activities are planned to adopt EMS.
The Group certificate harmonizes the application of the environmental policy to all the activities and the consequent constant control and the verification of all the certifications. The verification of implementation of the policy and the Group environmental program enable maintenance of the whole scope which is constantly protected by the Environmental Management System ISO 14001.

THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

IQNet and its partner

CISQ/RINA

hereby certify that the organisation

ENEL S.P.A.

VIALE REGINA MARGHERITA 137 00198 ROMA (RM) ITALIA

has implemented and maintains a

Environmental Management System

which fulfills the requirements of the following standard

ISO 14001:2004

in the following Corporate Divisions

GLOBAL GENERATION BUSINESS LINE
RENEWABLE ENERGIES BUSINESS LINE
GLOBAL INFRASTRUCTURE AND NETWORK BUSINESS LINE
UPSTREAM GAS BUSINESS LINE
GLOBAL PROCUREMENT
GLOBAL ICT
ITALY COUNTRY
IBERIA COUNTRY
ROMANIA COUNTRY

for the following field of activities

FOR ENEL SPA GROUP: DISTRIBUTION AND USE OF ELECTRICITY, PRODUCTION OF ELECTRICITY FROM RENEWABLE AND NON-RENEWABLE SOURCES, SALE OF ELECTRICITY, GAS AND MANAGEMENT OF CUSTOMERS, SEARCH BY DRILLING AND EXTRACTION OF HYDROCARBONS, PURCHASING ACTIVITIES FOR SUPPLIES AND/OR PROPERTY AND WORKS, FACILITY MANAGEMENT SERVICES AND GENERAL SERVICES, OCCUPATIONAL TRAINING ACTIVITY, FACTORING AND INSURANCE SERVICES, MANAGEMENT OF DESIGN, PRODUCTION, MAINTENANCE AND ADMINISTRATION OF INFORMATION TECHNOLOGY SYSTEMS, ORIENTATION OF POLICY RESEARCH AND DEVELOPMENT, DEFINITION AND MONITORING OF INITIATIVES IN INNOVATION AND ENVIRONMENT, DEVELOPMENT, SCOUTING, TESTING OF TECHNOLOGIES AND PROCESSES FOR THE GENERATION AND DISTRIBUTION OF ENGINEERING PROCESSES RELATED TO THE DEVELOPMENT, IMPLEMENTATION AND ADAPTATION OF THERMAL POWER GENERATION AND NUCLEAR PLANTS, RADIATION PROTECTION AND NUCLEAR SAFETY ACTIVITIES, OVERSIGHT, DESIGN, CONSTRUCTION, DEVELOPMENT, RUNNING AND MAINTENANCE OF HV, MV, LV ELECTRIC NETWORKS AND REMOTE CONTROL, COMMERCIAL SERVICES RELATING TO TRASPORTATION OF ELECTRICITY AND CONNECTION TO FINAL COSTUMERS AND PRODUCERS, ELECTRICITY BUDGET MEASUREMENT AND DEVELOPMENT SERVICES.

Registration Number: **IT-82367**

First Issue : 2012-07-26 Current Issue : 2015-07-20 Expiry date : 2018-07-19

The status of validity of the certificate can be verified at http://www.cisq.com or by e-mail to fedcisq@cisq.com

Michael Drechsel
President of IQNET

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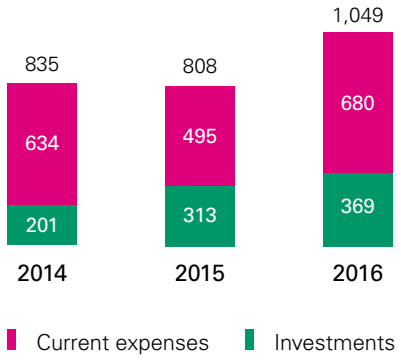
Environmental spending

G4-EN31 | G4-DMA EN

In 2016 the total financial commitment for environmental protection and safeguarding was 1,049 million euro, of which 680 million was for current expenses and 369 million for investments.

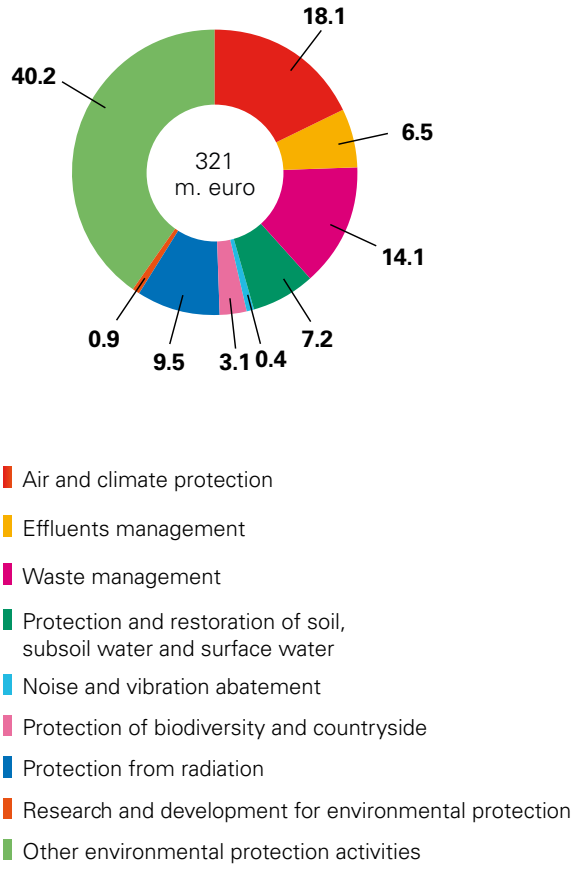
Environmental spending (m. euro)



Current expenses, excluding the 53% share spent to buy emission certificates (around 359 million euro), concerned mainly the segment relating to thermal production, followed by nuclear and by geothermal.

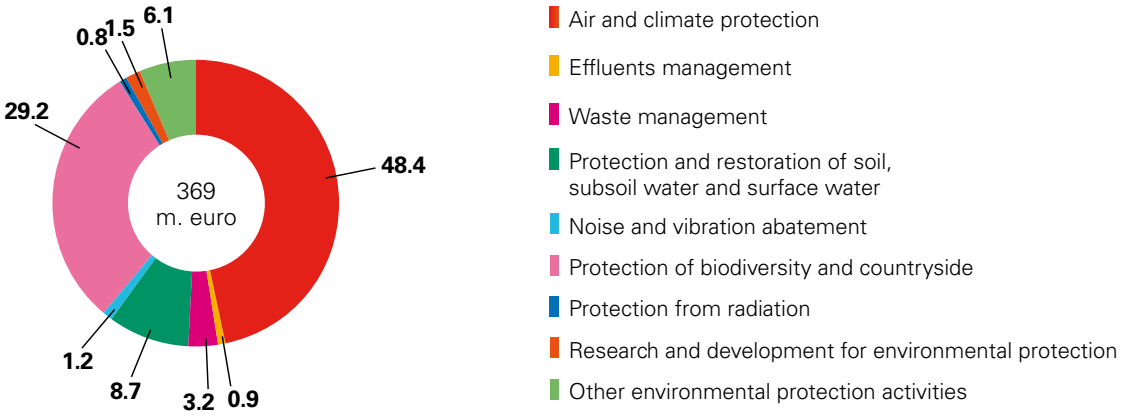
The diagram shows the percentages of spending divided by environmental themes.

Current environmental expenses excluding emission certificate costs (%)



Investments of 369 million euro rose compared to the previous year (+18%) and mainly concerned existing plants. In the environmental sector investments mainly concerned air and climate protection, followed by the protection of biodiversity and countryside.

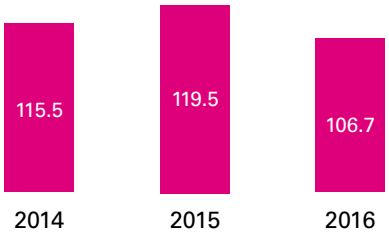
Environmental investments (%)



Greenhouse gas emissions

The use of fossil fuels to produce electricity represents one quarter of global greenhouse gas emissions. Enel's industrial activities contribute to the emission of carbon dioxide (CO_2), sulfur hexafluoride (SF_6) and methane (CH_4). In 2016 the direct emissions of **CO_2** equivalent (**Scope 1**), of 106.7 million tons, fell by 11% compared to 2015, a result due to the lower thermal production in 2016 compared to 2015 and, as part of this, lower production from coal.

Total direct emissions - Scope 1 (m. t_{eq})



SF_6 is used in high- and medium-voltage electrical equipment for its insulating properties and ability to dampen electric arcs which make it irreplaceable in such applications. The emissions into the atmosphere in 2016 totaled 5,765 kg, or 135 thousand tons of CO_2 equivalent (23,500 - Global Warming Potential - GWP). In percentage terms, SF_6 contributes 0.13% of the Group's greenhouse gas emissions, an extremely limited quantity.
As for methane (**CH_4**), Enel until the previous year reported the fugitive emissions due to the extraction of coal in the mines it owns. During 2016 there was no mining, but restoration of the sites is taking place.

Enel records the emission of ozone depleting substances in accordance with the Montreal Protocol, including chlorofluorocarbons (CFC), hydrochlorofluorocarbons (HCFC), halon and methyl bromide. The emissions of these substances totaled 27,675 tCO_2e[27].

Scope 2 emissions (0.61 million t_{eq}) concern indirect emissions arising from the generation of the electricity purchased and consumed by the Company. Scope 2 includes the emissions of CO_2 associated with the consumption of electricity purchased on the grid for civilian uses and for pumping in hydroelectric plant, since it is not possible to precisely confirm the producer and so they cannot be classified differently. All electricity supplies for Italian offices and power plants are from renewables.
In 2016 Scope 2 emissions fell by around 6% compared to the previous year.

Scope 3 emissions are the consequence of the company's activities, but derive from sources which the company neither controls nor owns. It includes fugitive emissions of methane from coal mines which are not owned by the company and those generated by the transport of fuel and waste. In 2016 the value was around 7.2 million t_{eq}, down by around 11% compared to 2015 owing to the fall in thermal generation and consequently the lower volume of fuel used.

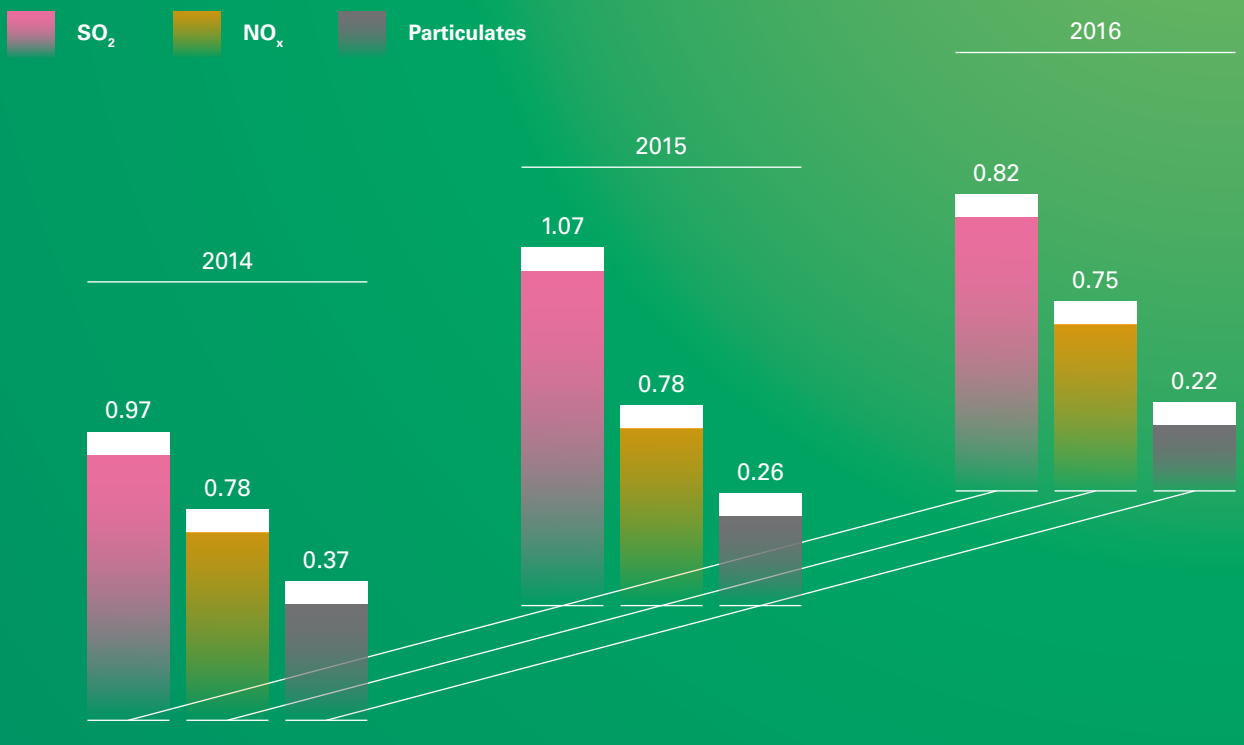
27 The value obtained is calculated by converting the tons of each individual gas recorded (CFC, halon, methyl bromide, R22 and freon) by applying the average Global Warming Potential value for the families of gas (source: IPCC, WG1AR5_Chapter08).

Emissions of SO_2, NO_x and particulate matter

The biggest atmospheric pollutants associated with thermal production are sulfur oxides (SO_2), nitrogen oxides (NO_x), and particulate matter. The emissions are measured on the stack, in most large plants through continuous monitoring systems, in accordance with the requirement of national law.

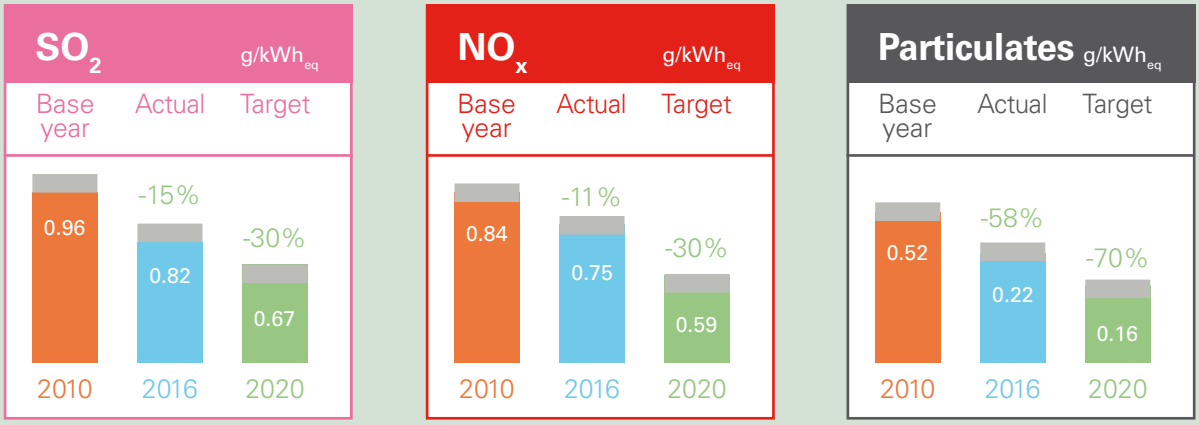
Compared to 2015 the atmospheric emissions of the three compounds fell in relation to the lower thermal production in 2016 (-8%), and, as part of this, the lower coal production (-16%) compared to the previous year, matched by stable production from gas-fired plant.
The specific atmospheric emission values reflect the trends in total emissions, also in regard to thermal, simple and combined production (electricity and heat from all the production plants). The specific emissions fell in 2016 linked to the lower operation of the coal-fired power plants and the removal from the scope of the plants of Slovenské elektrárne as from August 2016. The most important change regards SO_2, down by 23% compared to the previous year, in which there was a peak connected to the operations of less efficient units in Slovakia owing to the temporary closure of some units for maintenance. Specific emissions of NO_x fell by 4% compared to the previous year thanks also to the stable activity of the gas-fired plants in the final part of the year.
The lowering of the specific value of particulate matter is linked in particular to the optimization of the operation of the three sleeve filters installed at the Reftinskaya plant in 2015. In future years, a gradual reduction in pollutants is expected thanks to a series of interventions at all the generation plant, to align them to best practice in the sector through the installation or improvement of the systems to reduce pollutants including also the gradual closure of less efficient plant.

Specific emissions of SO_2, NO_x and particulate matter compared to total net production (g/kWh_{eq})



Objectives to 2020

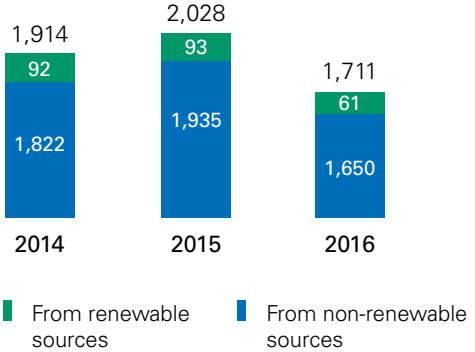
Enel, compared to the data recorded in 2010, has set itself the target of achieving by 2020 the targets for reduced atmospheric emissions assessed on the basis of the results achieved and the planning from the Industrial Plan for the next three years, which will see the mix move towards renewables and a reduction in generation from fossil fuels through a change in the scope of production plant.



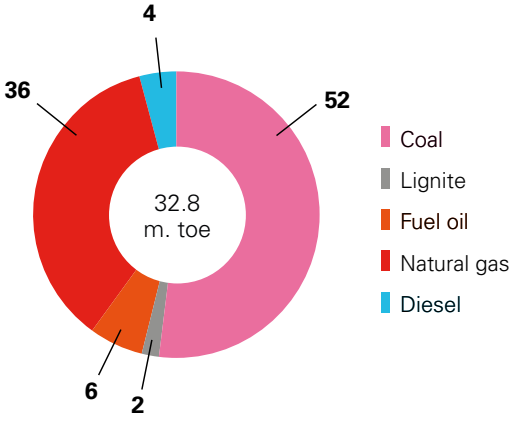
Efficiency in energy consumption

The Enel Group consumes energy to power its generation plant, through which it produces in its turn new energy which is distributed on the market. In 2016 there was a 15% fall in fuel energy consumption (the consumption of fossil fuels went from around 35.8 m. toe in 2015 to 32.8 m. toe in 2016) owing to the lower thermal production compared to the previous year. Fossil fuel is used almost entirely as a source of energy for thermal production. For Enel using energy efficiently means, on the one hand, maximizing the yield from the mix of sources (thermal, nuclear and renewables) and, on the other, making the distribution grid more efficient to avoid significant quantities of energy being lost along power transmission lines. Enel's strategy to reduce energy consumption, therefore, envisages investments to increase efficiency in all the Group's activities, from production to distribution, and also aims at disseminating greater awareness on energy use (see also the chapter "Decarbonization of the energy mix"). In 2016 work continued to increase the efficiency of power generation capacity. The implementation of the operational excellence programs continued thus optimizing the distribution of the production load.

Fuel consumption by primary source (,000 TJ)



Consumption of fossil fuels for simple and combined thermal production 2016 (%)



G4-EN6 G4-EN7 G4-EN19

The table below sets out the main initiatives adopted both for power plants and the local area with an indication of the country and the type of intervention.

	COUNTRY	TYPE OF INTERVENTION	DESCRIPTION OF INTERVENTION
EUROPE	Russia	Thermal production	**Reftinskaya**: saving of 6,594.2 GJ from unit 1 (3 actions planned for 2016 were rescheduled for 2017, including the retrofitting of unit 1 with heating plates, the reconstruction of the regenerative air heater, the change of the vacuum systems). The retrofitting of unit 8, with the replacement of the heating plates, ended in the final quarter of 2016. The impact on efficiency will be assessed in 2017. **Nevinnomysskaya**: saving of 13,398.72 GJ from organizational actions to increase energy efficiency and energy saving completed in 2016 which were less effective than the actions taken in 2015, when instruments were replaced. **Konakovskaya**: saving of 36,624.8 GJ from the retrofitting of units 1 and 2 in 2016.
	Spain	Thermal production	3,163 GJ saved thanks to the redefinition of the minimum technical requirements at **Alcúdia** (the saving was calculated as the difference between the average outputs in 2015 vs. 2016, considering the hours for 2016 and specific consumption) and 0.61 GJ at **Teruel** thanks to the replacement of 2 mills of the Grupo-III with a more efficient model with the aim of reducing electricity consumption.
		Electricity grid distribution	**Las Salinas**: replacement of old light bulbs with a LED system.
	Romania	Electricity grid distribution	Energy savings recorded at: Muntenia, 3,034.8 GJ; Dobrogea, 2,774.88 GJ; Banat, 3,170.88 GJ. These were due to the optimization of operations and the reconfiguration of the network, the balancing of the phase loading, with the final effect of reducing the network losses. This was possible due to the work done in the previous year.
		Market	Enel Romania offered 400 energy-saving light bulbs (7.5 W) and 250 extension cables with switches, as part of a larger initiative which aims to improve access to energy and efficient consumption.
	Italy	Market	Offer of energy efficiency products and services as Smart Energy Solution (SES) which enables companies to save up to 30% of energy consumption, reducing the impact of the cost of energy and keeping performance unchanged. Besides lighting, the technologies currently in the SES portfolio are: UPS, sub-metering, automation kits, ISO/DE service, factor correction units, microcogeneration, monitoring platform.

	COUNTRY	TYPE OF INTERVENTION	DESCRIPTION OF INTERVENTION
LATIN AMERICA	Brazil	Innovation	The demand management programs and the energy efficiency program offer savings of 46,270 MWh/year, and the reduction of demand at peak hours of 11,167 kW of energy. The initiatives include environmental education and replacing old equipment with more efficient models, and aim at more rational use of energy. In 2016, 59% of low-income participants in residential projects reduced their energy consumption. In addition, 211,917 computers were replaced with more efficient models certified with the seal of the Class A National Program for energy saving (PROCEL).
	Colombia	Innovation	A program was adopted of loans to buy electric bicycles which enabled a saving in emissions of 18.5 tons of CO_2.
	Chile	Electricity grid distribution	Technological renewal with the installation of 53,906 smart meters and 435 concentrators in 10 Municipalities of the area where the company has a concession.
	Peru	Electricity grid distribution	First public lighting system installed with LED lights; with the installation of this technology a new project was also started for the development of the remote management system which enables optimization of energy use through the power and optimal regulation of the flow of light.

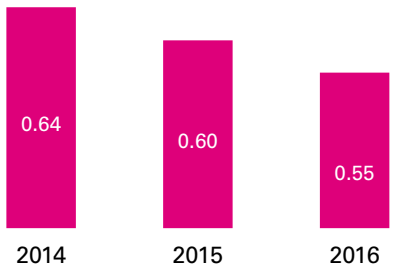
Responsible management of water resources

The integrated management of water resources is based on the following guidelines:

- efficient use of water resources, also through control of losses;
- optimization of the treatment of effluents and the protection of the quality of the water of the destination environment;
- management of releases from hydroelectric power plants through specific programs to guarantee the volumes necessary to preserve the ecological state of rivers (minimum flows);
- integrated management of water basins to preserve the multiple uses of the local area and the water quality.

The Enel Group draws off water mainly for industrial purposes, such as cooling, desulfurization, reducing nitrogen oxides, etc. and uses it mainly in thermal production and nuclear energy production.
In 2016 the total quantity of water drawn off was around 150 million m^3, a reduction of around 15% compared to 2015 (175 Mm^3), mainly due to a change in the scope owing to the gradual closure of around 3 GW of installed thermal power in Italy and the sale of Slovenské elektrárne in July 2016 (around 4 GW). Specific consumption in 2016 was 0.55 l/kWh_{eq}, down by around 7% compared to the previous year, in line with the target for the reduction in water consumption up to 2020 of 30% compared to 2010.

Specific net consumption of industrial water in overall production of electricity and heat (l/kWh_{eq})

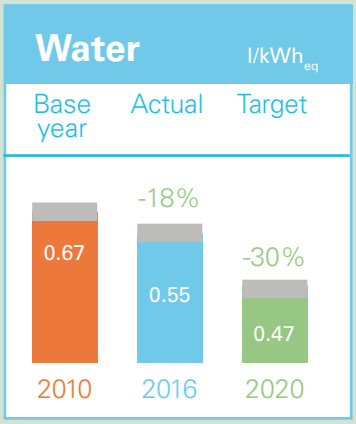


In addition, in 2016 only around 8% of the Group's total production used and/or consumed freshwater in water-stressed areas ("Water-Stressed Area" is an area where the availability of water per head annually is below 1,700 m^3).
Total water requirements are covered using water drawn from so-called non-scarce sources (seawater), scarce sources (surface and underground fresh water and from aqueducts) or through the use of effluents arising from the Group's production processes.

In 2016 the draw offs from scarce sources totaled around 135 million m^3, down compared to 2015 by around 15%, an effect due to the removal from the scope of the Slovak power plants which mainly use river and rain water. The percentage of use of effluents from production processes rose slightly compared to 2015, to stand at around 4% of total draw offs in 2016.
Other requirements, such as open-cycle cooling, are covered without any real consumption, using sea or fresh water which is drawn and then returned to the original body of water in the same quantity, with its chemical properties unchanged and with minimal changes in terms of temperature (always within the limits set by the laws in the countries where Enel operates).
99% of the water used for open-cycle cooling in Enel power plants is returned. Enel is engaged in reducing water use in production processes, in particular by favoring as far as possible multiple use systems for water. For example, in some coal-powered plants, the drainage water of closed-circuit cooling towers is reused in desulfurization systems, while the installation of crystallizers downstream from desulfurization systems enables the total recycling of effluents.

Objectives to 2020

Enel, compared to the data recorded in 2010, has set itself the target of achieving by 2020 the target of reduced specific water consumption of 30%. The target was established on the basis of the results achieved and the planning from the Industrial Plan for the next three years, which will see the mix move towards renewables and a reduction in generation from fossil fuels through a change in the scope of production plant.



The focal points of Enel's management of water resources are:

- measuring performance, such as for example specific consumption, polluting load of effluents, etc.;
- definition of policies and specific reduction targets (objective to 2020 on specific water consumption, for the achievement of which Enel has made a public commitment).

The assessment of water risk

Enel constantly monitors all the production sites in areas at risk of water shortage in order to manage this resource more efficiently.

In particular the monitoring of sites involves the following levels of analysis:

- mapping of production sites in potential water scarcity areas, in which the average value of renewable water resources per head is lower than the reference value set by the FAO (mapping is done using the Global Water Tool of the World Business Council for Sustainable Development);
- identification of "critical" production sites, i.e. those with a "Water Scarcity Area" with water supply solely from fresh water;
- more efficient management of water aimed at maximizing the supply from effluents and sea water;
- monitoring of the climate and vegetation data for each site.

Besides compliance with the various regional Safeguarding Plans which impose an obligation to release minimum flows, Enel has in parallel launched in Italy, Spain and Latin America tests regarding the real impact on the ecosystem of such flows and, in some specific cases, studies aimed at analyzing the changes in daily flow caused by the intermittent introduction of turbinated water downstream from power plants.

Water discharges

G4-DMA EN | G4-EN22 | G4-EN26

Effluents include the residues of water for industrial use and rain water collected by the internal areas of thermoelectric power plants, and they are potentially polluted by oil. Enel pays close attention to the quality of its discharges into water, and constantly invests to improve the features of effluent treatment plants.
Potentially polluted water produced at Group sites is sent to specific treatment plants depending on the type of pollution present. The effluents thus treated are partly discharged into surface water and partly reused in the plant itself, thus helping to cover total water needs. In 2016 the recycling of effluents after treatment, across the Group, was around 6 million m^3, which enabled coverage of 4.2% of total consumption, around 150 million m^3.

G4-DMA EN | G4-EN23 | G4-EN24

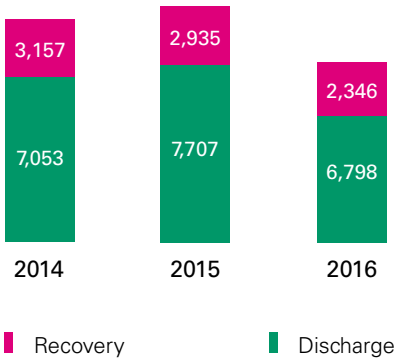
Management of waste

Waste products from the Group's activities are disposed of at the locations that are most suitable depending on the type of material, or, when possible, are recycled. Recovery mainly concerns materials which can be:

- reused in construction, as in the case of gypsum and combustion ash;
- regenerated such as oils and batteries;
- recycled such as some types of metal.

The Group policies are oriented at continuously increasing over time the percentage of hazardous and non-hazardous waste sent for recycling.

Waste produced (,000 t)



In 2016 the Enel Group produced a total of 9,144 thousand tons of waste, of which 99% was classified as non-hazardous, down by 14% compared to 2015.
The fall in this value was due to lower use of thermal generation, especially coal, compared to the previous year.The production of coal ash fell by 11%, going from 8 Mt in 2015 to 7.1 Mt in 2016, while that of gypsum from the desulfurization of fuel gasses fell by 23% compared to the previous year (from 1.7 Mt in 2015 to 1.3 Mt in 2016). The waste sent for recycling in the whole scope of Enel was 25.7% of all the waste produced, slightly down on 2015 (27.6%).

Enel, as part of its activities in the nuclear field, undertakes to minimize the production of waste from its daily activities, as well as future potential waste from decommissioning. The trend in the quantities of radioactive waste produced depends on the maintenance work and operations to move fuel, and therefore can vary significantly from year to year. This impacts in particular on the specific production of solid high-level radioactive waste at nuclear power plants.

Objectives to 2020

Enel, compared to the data recorded in 2015, has set itself the target of achieving by 2020 the target of reduced waste production of 20% compared to the value for 2015. The target was established on the basis of the results achieved and the planning from the Industrial Plan for the next three years, which will see the mix move towards renewables and a reduction in generation from fossil fuels through a change in the scope of production plant.

Spills

For 2016 the total quantity of the most important spills was around 22 m^3, linked mainly to grid construction and maintenance.

Spills as part of distribution

As part of the distribution of electricity, possible environmental accidents derive mainly from the discharge of insulating mineral oil following breakdowns to equipment or vehicles or electrolyte acids in primary cabins. Except for rare cases of spills from large transformers, environmental accidents are mainly marked by small spills for which prompt intervention is envisaged and subsequent environmental recovery by a specialist firm, in accordance with the methods imposed by local law.
For more careful safeguarding of the environment affected by the accident, the parts of the plant potentially at risk of spills and company vehicles are equipped with kits with absorbent material, in order to isolate possible routes for further dispersion in the case of an accident.
To further mitigate the risk connected to holding potentially harmful substances from the environmental viewpoint various tests are underway which envisage the use of vegetable – and therefore biodegradable – oil in place of the traditional insulating mineral oil.

Protecting biodiversity

G4-DMA EN | G4-EN11 | G4-EN12 | G4-EN13 | G4-EN14 | G4-EN26 | G4-EU13

Habitats affected

Terrestrial ecosystems

Aquatic ecosystems

Wet zones

Species involved

Mammals

Birds

Amphibians and reptiles

Fish

Flora

Species in the IUCN Red List

EX	EW		EXTINCT
CR	EN	VU	THREATENED
NT	LC		LOW RISK
n	NUMBER OF THREATENED SPECIES		

The Red List, which is drawn up by the International Union for Conservation of Nature (IUCN), provides information on the conservation status of various species.

GRI indicators

EN12

EN13

EN14

SPAIN

EN12 EN13 EN14

PROJECTS 26

VOLUNTARY 100%

EN 2 VU 14
CR 1 NT 26

ITALY

EN12 EN13 EN14

PROJECTS 46

VOLUNTARY 39%

EN 13 VU 10
CR 28

ROMANIA

EN12 EN14

PROJECTS 9

VOLUNTARY 67%

EN 2 VU 4
CR 2 NT 3

GREECE

EN12 EN14

PROJECTS 2

VOLUNTARY 0%

VU 3 NT 1

RUSSIA

EN14

PROJECTS 3

VOLUNTARY 0%

EN 2 VU 1
NT 7

USA

EN12 EN13

PROJECTS 3

VOLUNTARY 0%

MOROCCO

EN12

PROJECTS 1

VOLUNTARY 0%

SOUTH AFRICA

EN14

PROJECTS 1

VOLUNTARY 0%

CR 8

MEXICO

EN12 EN13 EN14

PROJECTS 2

VOLUNTARY 0%

VU 1

GUATEMALA

PROJECTS 4

VOLUNTARY 0%

PANAMA

EN13

PROJECTS 2

VOLUNTARY 0%

URUGUAY

PROJECTS 2

VOLUNTARY 0%

COLOMBIA

EN12 EN13 EN14

PROJECTS 6

VOLUNTARY 43%

EN 3 VU 2
CR 1 NT 1

BRAZIL

EN12 EN13 EN14

PROJECTS 25

VOLUNTARY 7%

EN 7 VU 21
CR 2 NT 40

PERU

EN14

PROJECTS 2

VOLUNTARY 0%

CHILE

EN12 EN13 EN14

PROJECTS 8

VOLUNTARY 0%

EN 3 VU 11
CR 2 NT 1

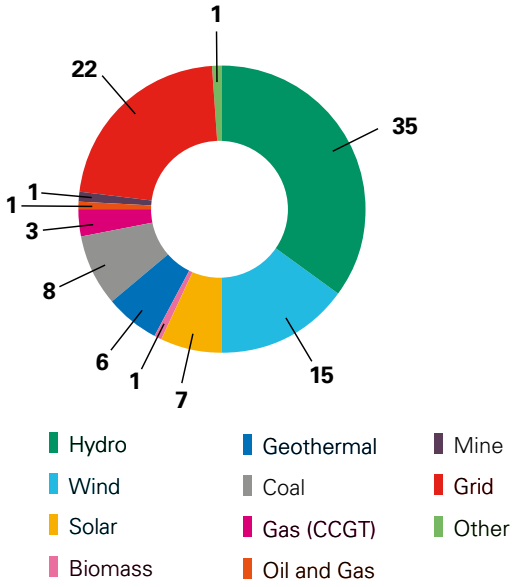
Enel is well aware of the value of ecosystems and of the environmental services associated with such systems and is traditionally engaged in responsible management of natural resources during its operations.
Protecting biodiversity is a strategic objective of Enel's environmental policy and is an integral part of the Group's Environmental Management Systems (EMS). In 2016 the safeguarding of species and natural habitats involved 142 projects, for a total investment of 12 million euro, and total surface area of protected areas of 940 thousand hectares.

The projects include studies, stocktaking and monitoring plans for sensitive species, programs to reintroduce native species, reforestation, infrastructure work such as the insulation and replacement of electric cables which are dangerous for birds as well as the installation on electric cables of supports for the nesting of birds of prey and migratory species, and the construction of ramps for the transit of fish near hydroelectric plant. Interventions are planned by assigning priorities as regards ecosystems to protected areas and as regards species to those in the "Red List" of the International Union for Conservation of Nature and Natural Resources (IUCN), but local situations which may have particular importance for local communities are treated equally with the utmost attention.
In 2015 Enel drew up a specific policy to be considered as a reference point and guideline for all the Group's initiatives to safeguard biodiversity in its electricity generation, transmission and distribution activities. The policy has been developed to contribute to the objectives of the United Nations Convention on Biological Diversity (CBD), the 2011-2020 Plan for Biodiversity and associated Aichi targets. In particular Enel undertakes to:

- plan activities which may interfere with species and natural habitats in compliance with the principle of "mitigation hierarchy", which above all consists of the commitment to:
  - avoid and prevent the occurrence of negative impacts on biodiversity, and, when the impacts cannot be avoided:
  - reduce the damage and remedy its impact; and, finally,
  - offset the residual negative impacts; in the case of residual impacts, undertake offsetting works in compliance with the principle of "no net loss" to biodiversity and, where applicable, with a net positive balance;

G4-DMA EN | G4-EN11 | G4-EN12 | G4-EN13 | G4-EN14 | G4-EN26 | G4-EU13

Breakdown of projects by technology (%)



- for each new plant undertake Environmental Impact Studies which include an assessment of the effects on biotypes, on animal and vegetal species, in order to avoid operating in areas of high natural value, envisaging also the adoption of the best solutions to limit the impact on biodiversity;
- collaborate with local communities, research centers and environmental and local associations to identify biodiversity values and develop studies and projects for their safeguarding and valorization;
- monitor the effectiveness of the measures adopted in order to protect and preserve biodiversity;
- regularly report on its performance in relation to biodiversity.

The current projects are distributed across almost all the countries where Enel is present, with a higher number in Italy, Brazil and Spain. The technology with most associated projects is hydroelectric, followed by networks and wind, solar and geothermal among renewables.
Enel also coordinates the working group of the World Business Council for Sustainable Development on "Biodiversity Measurement, Valuation and Reporting", created by the organization to enable companies to discuss how business can make a responsible commitment to safeguarding biodiversity in its activities. Further information on the biodiversity projects is available at: https://www.enel.com/en/investors1/biodiversita.html.

As Pontes

As Pontes, an open coal mine in the North West of Spain, has for many years powered the Endesa power plant of Puentes de García Rodríguez, near La Coruña. In 2007 the mine was closed with the consensus of most of the population, the workers were reabsorbed into other companies and an extended program of environmental denaturalization started. The program was created with the aim of recreating the different stages of nature in the area (meadows, shrubbery, wood) so as to recreate habitats for vegetal and animal species. The recovery operations envisaged the planting of 600 thousand trees and the sowing of 130 tons of seeds, among other initiatives.

The mining area was filled naturally with the flow of rain water and with the water from the river Eume and today there is an artificial lake which is 205 meters deep and with a perimeter of 17.8 kilometers.

The physical and chemical quality of the water has been monitored since 2008 and the observations have enabled verification of the gradual recolonization of the basin by local fish species, such as the brown trout (*Salmo trutta*), the three-spined tickleback (*Gasterosteus aculeatus*), and the Northern straight-mouth nase (*Pseudochondrostoma duriense*).

The overall effect on the biodiversity of the location has been considerable: 168 animal species have been surveyed and numerous species of flora have reappeared. Among the most important in terms of conservation are the Iberian frog (*Rana iberica*), the little bustard (*Tetrax tetrax*), the European otter (*Lutra lutra*), and the Iberian emerald lizard (*Lacerta schreiberi*).

The As Pontes Project is a genuine global reference point for industrial reconversion in sustainable fashion.

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Rolex Award 2016 – Chile

Vreni Häussermann, since 2003 director of the Huinay science station, supported by the Catholic University of Valparaíso and by Enel, in 2016 won the Rolex Award for Enterprise, which is given to five main winners and five youth winners who have demonstrated that they have the passion, the determination and, above all, the enterprising spirit needed to make the world a better place. In particular, Vreni Häussermann is exploring the fjords of the Chilean Patagonia to document the mysterious life of the marine depths. It is a project half-way between scientific research and divulgation, which seeks to create public support for the conservation of the area with its unique and tremendously rich biodiversity.

Other activities

Besides operating in the production of electricity and heat, the Enel Group also operates worldwide in electricity distribution, the storage and movement of fuel, and work in mines and on worksites, while constantly monitoring any environmental impacts from such activities (see the chapter "Quality for customers").

Cabling rate

In order to safeguard the countryside and local area, Enel Infrastructure and Networks adopts specific strategies to mitigate the environmental impacts of building new networks and modernize the exisiting ones. In particular two actions are important for the "cabling" of the networks:

- **adoption of elicord cabling consisting of three insulated and intertwined cables;**
- **underground low and medium voltage lines, in urbanized areas.**

The adoption of elicords for overhead lines is, for example, less impactful in crossing woods since it drastically reduces the interventions needed in the area of installation (cutting of plants, etc.), and integrates in terms of the landscape with the vegetation and, by needing a smaller clearance area, reduces the impact on the local area.

The cabling rate was 72% in 2016, up by 4% compared to 2015, and is the percentage of cabled lines to total lines and provides an immediate indication of the reductionof the environmental impact of the transmission lines.The increase in this figure over time is due to an increase in the length of overhead and underground lines at the expense of the bare lines. This is due not only to the systematic introduction of LV overhead lines and the ongoing replacement of the bare LV cables with overhead/underground cables which have been in use for some time now, but also to the adoption of overhead MV lines, with benefits in terms of the resilience of the network, containment of the cutting of plants and a drastic reduction in the risk of electrocution of birds.
For this rate, the target is 74% in 2019 (see the chapter "Quality for customers")

Storage and movement of fuel

In relation to the storage and movement of liquid fuel (storage tanks for oil and diesel and the related oil pipelines) and solid fuel (storage facilities for coal and lignite situated at dedicated ports), particular monitoring is made of the use of resources, the consumption of primary energy, the consumption of electricity and the production of emissions, effluents and waste.
In 2016 there was no mining undertaken in mines owned by the Company, but the activities for geomorphologic, hydrogeological and natural recovery were monitored.
The Enel Group also operates in **the work to design**, **build and revamp plant**. The strategies aim to use the best available technologies internationally, in order to guarantee technological development and increase the efficiency of plant, also through suitable and innovative research projects.

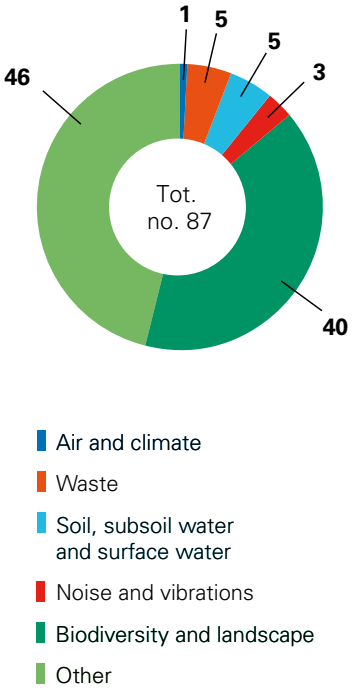
As from 2013, in conformity with the new standards, which are applicable as from 2015 and have been defined by the Global Reporting Initiative GRI-G4, the Enel Group started to report the main environmental performance indicators connected to the activities on worksites, which are subject to considerable variety over the years, as regards environmental aspects which are directly managed by the Group.
As from 2016 the reporting has been developed on the basis of a new model of the **sustainable worksite** and on the principles of the "circular economy" both for worksites relating to thermoelectric power plants and those regarding the construction of new capacity from wind, solar and geothermal renewables sources and from distribution.
The model and the first results obtained will be reported in the next Sustainability Report.

Environmental disputes

During 2016, 87 new environmental disputes were started, which brought the number of legal proceedings open at December 31, 2016 to 569 for Generation, Renewables and Distribution (civil and criminal defense proceedings in environmental cases in which legal action has been brought against the Group and those originating from third party appeals for the annulment of favorable administrative orders). Around 80% of the proceedings concern the electricity distribution grid. In 2016, 82 proceedings were closed.

The amount of the fines imposed on Group companies in 2016 totaled around 2 million euro. This amount includes also the fines which are being appealed and for which a temporary execution order has not been granted. In addition, further environmental fines were imposed for a total of around 17.9 million euro in relation to years prior to 2016, deriving from the activity of the nuclear power plants in Spain. Of this amount around 15 million euro relates to a fine which has been challenged and the execution of which was suspended pending the settlement of related proceedings. For a description of the state of proceedings reference should be made to the Endesa Sustainability Report (chapter 5.7). Details on the most significant disputes at Group level are set out in this Report in the chapter "Responsible relationships with communities" and in the Annual Report.

Environmental disputes started in 2016 (by environmental sector, %)



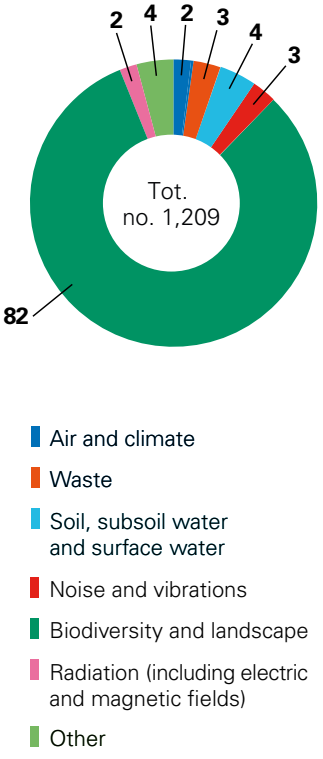
Colombia - Embalse del Muña dispute

In 2001 the inhabitants of Sibaté (department of Cundinamarca) started a class action against the Group company, Emgesa SA, with the national, provincial and municipal bodies, as well as private individuals who work near the banks of the Bogotá river, for damage and harm arising from the contamination of the Muña basin. Emgesa SA's involvement arises from its pumping of contaminated water from the Bogotá river. The requests from the plaintiffs have been incorporated in a single proceeding, since they regard similar interests. In response to these requests, Emgesa SA has objected that it is not responsible for the contested events stating, among other things, that the basin receives water which is already contaminated. The initial request from the plaintiffs is around 850 million euro. Emgesa SA has asked for the involvement in the proceedings of numerous public and private bodies which discharge into the Bogotá river or which, for whatever reason, are responsible for the environmental management of the river bed. At the appeal stage the Council of State confirmed in full the decision of the Administrative Court of Cundinamarca which had, among other things, denied the request for enforcement to appear made by the company against the various bodies involved. An administrative appeal was made against this decision and in parallel an appeal was presented. The outcome of these proceedings is awaited.

Environmental criticalities

Besides the environmental disputes, Enel monitors so-called "environmental criticalities": disputes and claims which subjects such as private citizens, committees, environmental organizations, and local administrators can bring against the operation, management or construction of Group installations (plant, grids, cabins, buildings, etc.). This category includes, in order of importance, administrative orders, legal notices, written protests (whether direct or through the press), and media campaigns. The criticalities are events which may also occur following the adoption of more rigorous and advanced prevention measures and the Group reserves particular attention to these, making its own staff available, whether for emergency response or at managerial level. In the case of criticalities, Enel acts openly and transparently, making available the information requested, in full respect of the parties involved. There were 1,209 environmental criticalities recorded in 2016, significantly up on the previous year, above all in Brazil owing to an increase in the complaints about distribution activities from both private individuals and administration. The criticalities relate in particular to high voltage plants since in this context impacts on the physical and natural environment and the economic impact are greater than seen with medium/low-voltage plants.

Environmental criticalities at December 31, 2016 (by environmental sector, %)

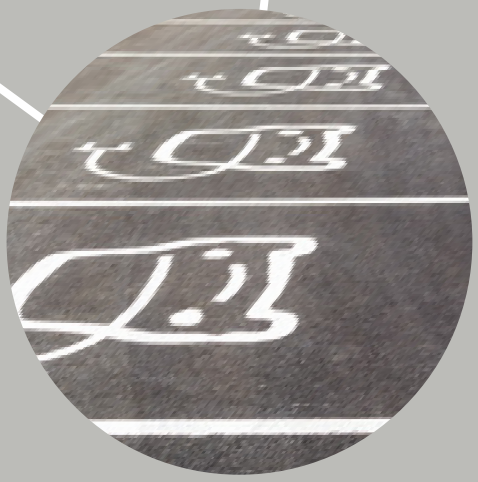


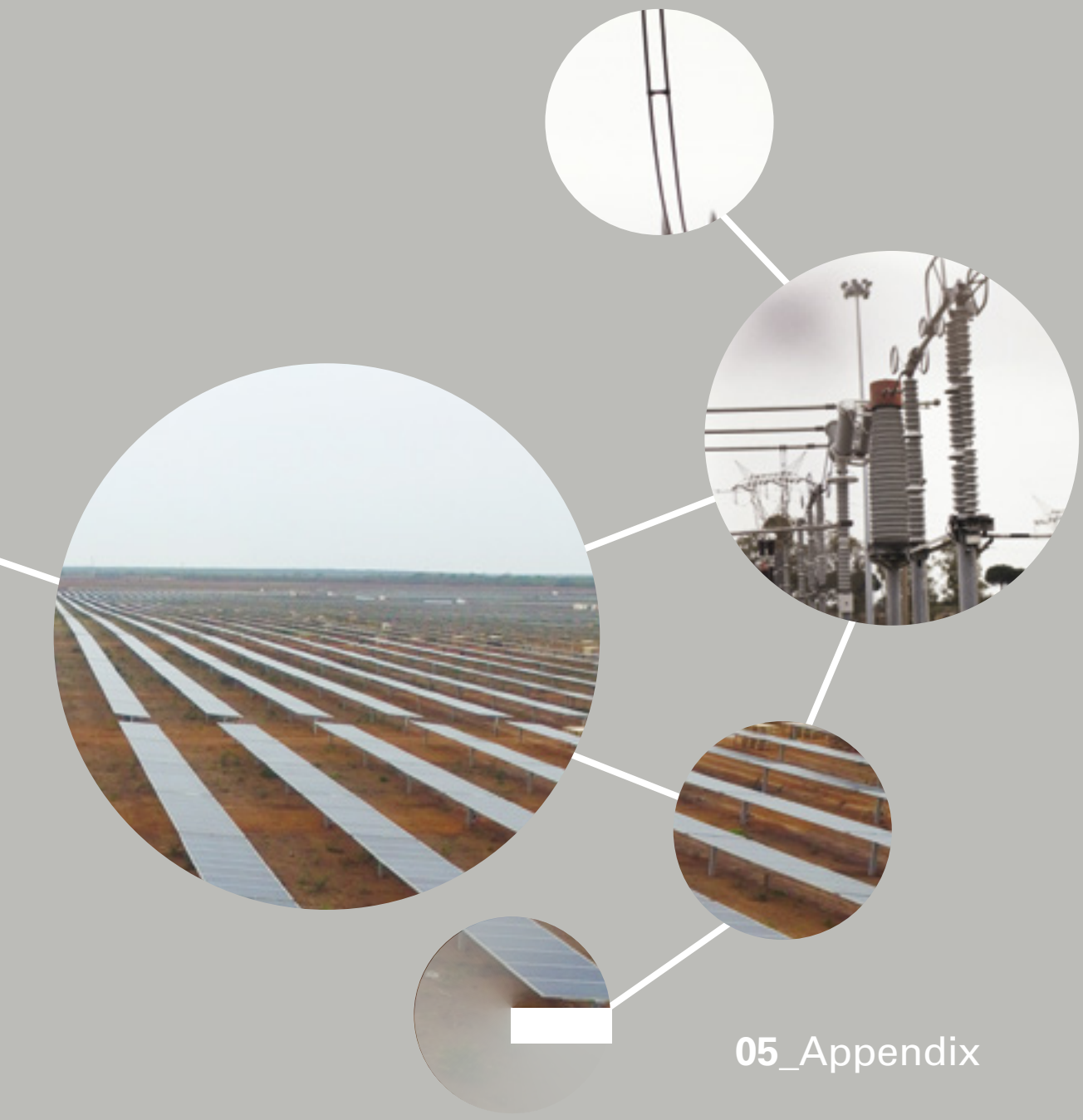
Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
	Reduction of SO_2 specific emissions	-30% by 2020 (vs. 2010)
	Reduction of NO_x specific emissions	-30% by 2020 (vs. 2010)
	Reduction of particulates	-70% by 2020 (vs. 2010)
	Reduction of specific water consumption	-30% by 2020 (vs. 2010)
	Cabling ratio	74% by 2019
	Reduction of waste produced	-20% by 2020 (vs. 2015)
	Implementation of biodiversity plan	
	Continuation of protection of species in the "Red List" of the International Union for the Conservation of Nature and Natural Resources (IUCN) in the protected areas near plants	
	Circular economy	Adoption of a systematic approach to the circular economy in the Group Launch of project to assess circular economy impacts Coherent application of the principles of the circular economy to Future-e projects, considering the circular economy as a key factor in developing the projects

SUSTAINABLE DEVELOPMENT GOALS





05_Appendix

Methodological note

G4-3 G4-5 G4-30 G4-31 G4-32

Since 2003 Enel has published an annual Sustainability Report together with the Group's Annual Report.
The 2016 Sustainability Report is aimed at stakeholders in the Enel Group with the purpose of highlighting the action taken in regard to the Group's Sustainability objectives and, thus, responding to the legitimate interests of all the stakeholders.

Information and further details
on the issues and indicators in this Report
can be requested from:

Enel SpA
Direzione Innovazione e Sostenibilità
Sostenibilità

Viale Regina Margherita, 137
00198 Rome – Italy
Tel +39 06 8305 1
Email sustainability@enel.com
Web https://www.enel.com/en/investors1.html

How this Report has been created

The Sustainability Report 2016 has been prepared in compliance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), G4 "in accordance" – Core option, and the supplement dedicated to the Electric Utilities sector issued in 2013 by the GRI ("Electric Utilities Sector Disclosures"). In particular, the process of establishing the contents is based on the principles of materiality, stakeholder inclusiveness, sustainability context and completeness; with reference to the quality of the information reported, the principles of balance, comparability, accuracy, timeliness, clarity and reliability have been followed.

In addition, this Report conforms to the principles of inclusivity, materiality and responsiveness indicated in AA1000APS (AccountAbility Principles Standard) issued in 2008 by AccountAbility, the international research institute on sustainability issues.
In reference to the principle of materiality, in particular, the detail in which the various issues are addressed was determined on the basis of their weight in the objectives and strategies of the Enel Group and of their importance for stakeholders, determined through a structured process of materiality analysis.

The materiality analysis 2016

G4-18 G4-20 G4-21

The process followed for the materiality analysis 2016 envisaged the updating of the results of the analysis obtained in the previous year. The methodology adopted envisages the annual updating of the results from the involvement of stakeholders and, every two years, the realization of new *ad hoc* engagement and listening activities, in parallel to a possible revision of the categories of stakeholders and of the issues subject to analysis, should the sustainability context make it necessary.
The materiality analysis was conducted on the basis of the guidelines in AA1000SES, for the stages of mapping and prioritizing stakeholders and analyzing the results, and of the criteria of AccountAbility and of the GRI-G4 for the definition of key issues and the application of the principle of materiality.
The definition of the issues to be analyzed is based on various sources, including the corporate policies and principles of conduct, dialogue with stakeholders, the issues of greatest interest for Sustainability rating agencies, and relevant benchmarking studies.

The following aspects were investigated in relation to these issues:

- on the stakeholder side, the relative importance of each issue in the perception of stakeholders and the "direction" of their expectations (i.e. an expectation of engagement rather than disengagement on the part of Enel). To better understand the expectations of stakeholder, during 2016, a pilot project was launched to monitor the level of satisfaction of stakeholders regarding the Company's control of an issue;
- on the Company side, the level of impact of the issues on industrial strategies, determined on the basis of the current and future commitment taken on for each issue.

In particular, the results were integrated that emerged from numerous initiatives to listen to, involve and talk to key stakeholders that Enel undertook during 2016, together with a structured analysis of the positions independently expressed by "authoritative" stakeholders, such as national and transnational institutions, authorities, stakeholder associations, and multilateral bodies on sustainability issues. Examples of the sources considered were customer satisfaction and customer complaints, dealings with analysts and investors, questionnaires from sustainability rating agencies, dealings with representative and category associations, institutional relations at national and local level, union relations, media monitoring, and surveys.

The impact of the various issues on Enel's strategies was determined by involving the Strategic Planning unit and other company Functions for analyses on specific issues, and was then confirmed by the Chairman and the Chief Executive Officer. This analysis reflects the strategic guidelines defined by the 2017-2019 Strategic Plan, the objectives of the Functions/Divisions and the commitments taken on by the Group through its policies and conduct criteria.
Analysis of these two aspects enabled the attribution of various priority levels for the issues and their positioning in a matrix, as set out in the specific chapter on the materiality analysis. The materiality analysis summarizes the various perspectives and provides an overview of the issues with the greatest potential to influence the actions and performance of Enel and the decisions of its stakeholders, as well as the degree of "alignment" or "misalignment" between the priorities attributed by stakeholders to the various issues and the Group's level of commitment in this regard.
Below is the table of the issues included in the materiality analysis in the "Aspects" of GRI-G4, with the related indication of the internal boundary and of the external boundary within the organization.

G4-18 | G4-19 | G4-20 | G4-21

ESG CATEGORY	ISSUE OF MATERIALITY ANALYSIS	GRI-G4 "ASPECTS"	INTERNAL ENVIRONMENT	EXTERNAL ENVIRONMENT
Business & Governance	Economic and financial value creation	Economic Performance	Group	Investors
	Sound governance	Governance Labor Practices Grievance Mechanisms Human Rights Grievance Mechanisms	Group	-
	Fair corporate conduct	Ethics and integrity Anti-corruption Anti-competitive Behavior Compliance (Category: Social) Public Policy	Group	Institutions Authorities
	Traditional technologies	Plant Decommissioning System Efficiency Availability and Reliability	Group	-
	Renewable energies	Economic Performance Availability and Reliability	Group	-
	Aiming at operating efficiency and innovation	Research and Development Availability and Reliability System Efficiency	Group	-
	Energy efficiency and services	Demand-side management	Group	Customers
	Quality in relations with customers	Product and Service Labeling Marketing Communications Customer Privacy Provision of Information	Group	Customers

ESG CATEGORY	ISSUE OF MATERIALITY ANALYSIS	GRI-G4 "ASPECTS"	INTERNAL ENVIRONMENT	EXTERNAL ENVIRONMENT
Environmental	Climate strategy	Emissions	Group	-
	Mitigation of environmental impacts	Materials Energy Emissions Effluents and Waste Transport Overall Compliance (Category: Environmental)	Group	-
	Responsible use of water resources	Water Effluents and Waste	Group	-
	Biodiversity and protection of natural capital	Biodiversity	Group	-
Social	Management, development and motivation of people	Employment Labor/Management Relations Training and Education Diversity and Equal Opportunity Equal Remuneration for Women and Men Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor	Group	-
	Occupational health and safety	Occupational Health and Safety	Group	Suppliers
	Responsible relationships with communities in operations	Indigenous Rights Local Communities Grievance Mechanisms for Impacts on Society Disaster/Emergency Planning and Response Customer Health and Safety	Group	Communities
	Support and development of local communities	Local Communities Access	Group	-
	Sustainability of the supply chain	Procurement Practices Supplier Assessment for Labor Practices Supplier Human Rights Assessment Supplier Environmental Assessment	Group	Suppliers

The reporting mix

On the basis of the results of the materiality analysis it was possible to define the structure of the Sustainability Report 2016 by focusing it more on material issues to which specific chapters have been dedicated. In the same way the level of materiality of the issues, which are in their turn broken down into detailed sub-issues, influenced the level of analysis applied to the individual issues and the reporting of the related GRI indicators (G4 Guidelines and Electric Utilities Sector Disclosures) in order to be "in accordance" – Core option, as well as the choice of the most suitable reporting tool to represent them (Group Annual Report 2016 and attached reports), to which reference has been made to address or analyze more specific issues, respectively, on economic performance and governance or on environmental management. In addition, the materiality analysis was the basis for defining Enel's Sustainability objectives for 2017-2019, as illustrated in the Sustainability Plan in the specific chapter. The GRI Content Index, which is set out as an Appendix, contains references to the Sustainability Report 2016 and to other reporting instruments used in the Group. Please consult www.enel.com for further information, for example, on the innovation projects or the activities of the Enel Foundations. Please consult the *Informe de Sostenibilidad* 2016 of Endesa and Enel Américas for further details on initiatives dedicated to customers and local communities respectively in Spain and Latin America.

Process of drafting and assurance

G4-33

The process of reporting and monitoring Key Performance Indicators (KPIs) for sustainability involves the Parent Company as regards the cross-cutting issues, and all the Group's Business Lines, Global Functions and companies for the specific issues and indicators of the differing business sectors.

In the areas involved, individuals have been identified to collect, check and process the relevant KPIs. The Sustainability unit, which is part of the Innovation and Sustainability Function, is responsible for consolidating the information, as well as coordinating the whole drafting process for the Sustainability Report.

In this process, the Administration, Finance and Control Function guarantees the coherence, between the Sustainability Report and the other reporting documents, of the quantitative data in the Group consolidation system.

The Sustainability Report is analyzed and assessed by the Control and Risks Committee and the Corporate Governance and Sustainability Committee which check its completeness and reliability; the document is then approved by the Board of Directors and finally presented at the Annual Shareholders' Meeting together with the Group Annual Report.

The Sustainability Report is subject to limited audit by an independent auditor, EY SpA, which is also engaged to audit the Enel Group Annual Report. The work undertaken during the audit envisages the application of the criteria indicated in ISAE 3000[28] and, consequently, of the Code of Ethics for Professional Accountants, including professional independence and verification of the absence of conflicts of interest which may invalidate the ethical principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The report, which describes the principles adopted, the activities undertaken and the related conclusions, is set out in the Appendix.

28 International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".

Parameters of the report

G4-13 G4-22 G4-23 G4-28

The data and information contained in the Sustainability Report 2016 regard Enel SpA and the consolidated companies for the year ended December 31, 2016. In the text and in the Appendix to the Sustainability Report, "Parent Company" or "Holding" means Enel SpA, while "Group" or "Enel" means the set of Enel SpA together with its subsidiaries. The data in the Sustainability Report, in particular, refer to the companies included on a line-by-line basis in the scope of consolidation of the Annual Report at December 31, 2016. The associated companies (which in the Annual Report are valued using the equity method) and the other entities over which Enel exercises significant influence (including joint ventures) are included in the calculation of the data, where available, in proportion to Enel's equity interest and are mentioned in the text where they produce significant impacts. The Slovakian assets are not included in the scope as regards financial and economic data, while they are included in the environmental and operational indicators up to the end of July 2016. The scope does not include, in reference to installed capacity, plants for which the BSO mechanism has been used. For details on the subsidiaries in the scope of consolidation, readers can refer to the Annual Report 2016. Some divergences from the KPIs and information in the Sustainability Report 2015 can be ascribed to changes in the Group's scope of consolidation. For more detailed information on the changes, refer to the Annual Report 2016 in the sections "Main changes in the scope of consolidation" and "Significant events in 2016".

The effect of the changes in the scope of consolidation and any significant changes or limitations in the scope or in the means of calculating the individual indicators compared to 2015 are expressly indicated in the text and/or in Appendix, together with the effects produced on the related data. The reader can refer to the notes in the tables in the Appendix for all other details on adjustments to the previously published data, the means of calculation, the key assumptions and limitations in the reported indicators.
The calculations are made on the basis of the accounting and non-accounting results and of Enel's other information systems and are verified by the managers responsible for them. There is an explicit indication of data which come from estimates and the related calculation method.

Performance indicators[29] [30]

The key sustainability performance indicators are set out from pages 204 to 254 and are an integral part of this Sustainability Report. In order to facilitate the cross-reading of the performance indicators and the qualitative information given in the Sustainability Report, in the printed copy the quantitative indicators will be recorded in a separate document. The document will be included in the pocket on the inside cover.

Units of measure

,000	thousands
,000 d	thousands of days
,000 h	thousands of hours
,000 t	thousands of tons
%	percent
years	years
euro cent	euro cents
g/kWh	grams per kilowatt-hour
GBq per unit	gigabequerel per unit
d	days
GWh	gigawatt-hour
h	hours
h/pro-cap	hours *per capita*
i	index
kg	kilograms
kg CFC-11 eq	CFC-11 kilograms equivalent
kWh	kilowatt-hour
kWh eq	kilowatt-hour equivalent[31]
kWh/t	kilowatt-hour per ton
kWp	peak kilowatt
l/kWh	liters per kilowatt-hour
m. A4 eq	millions of A4 sheets equivalent
m. euro	millions of euro
m. h	millions of hours
m. m^3	millions of cubic meters
m. t	millions of tons
m. t eq	millions of tons equivalent
Billions of m^3	billions of cubic meters
million	million
min	minutes
m. toe	millions of tons of oil equivalent
MW	Megawatt
MWh	Megawatt-hour
no.	number
sec	seconds
t	tons
TBq per Unit	Terabequerel per unit
Toe	tons of oil equivalent
TJ	Terajoule
TWh	Terawatt-hour

Acronyms

BoD	Board of Directors
BOD	Biochemical Oxygen Demand
CCGT	Combined Cycle Gas Turbine
COD	Chemical Oxygen Demand
CSR	Corporate Social Responsibility
CSV	Creating Shared Value
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBT	Earnings Before Tax
EGP	Enel Green Power
EIB	European Investment Bank
EPS	Earnings per Share
DT	Distance Training
HV	High voltage
IPO	Initial Public Offering
IRAP	Italian Regional Production Tax
IRES	Italian Corporation Tax
LBG	London Benchmarking Group
LV	Low Voltage
MV	Medium Voltage
PCB	Polychlorinated biphenyls
R&D	Research & Development
SDG	Sustainable Development Goal
S&P	Standard & Poor's
SRI	Socially Responsible Investor
TSR	Total Shareholder Return

29 In terms of the year on year comparison of the data, it is noted that the differences between 2016 and 2015, in absolute terms and as a percentage, are calculated taking into consideration the decimal places which, in some cases, are not visible in the print version.

30 In the Attachment percentage variations over (100%) are not shown.

31 Corresponding to the sum of energy and heat production.

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Building a better working world

Independent auditors' report on Enel Group "2016 Sustainability Report" (Translation from the original Italian text)

To the Board of Directors of
Enel S.p.A.

We have carried out a limited assurance engagement of "2016 Sustainability Report" (hereinafter also the "Report") of Enel S.p.A. and its subsidiaries (hereinafter also "Enel Group") as of 31st December 2016.

Directors' responsibility on the Report

The Directors are responsible for the preparation of the Report in accordance with the "G4 Sustainability Reporting Guidelines" and "Electric Utilities Sector Disclosures", issued in 2013 by GRI - Global Reporting Initiative and with the "Inclusivity", "Materiality" and "Responsiveness" principles included in the "AA1000 AccountAbility Principles Standard (2008)" issued by AccountAbility (Institute of Social and Ethical Accountability), that are detailed in the paragraph "Methodological Note" of the Report, as well as for that part of internal control that they consider necessary in order to allow the preparation of a Report that is free from material misstatements, even caused by frauds or unintentional behaviors or events. The Directors are also responsible for defining the Enel Group's commitments regarding the sustainability performance and for the reporting of the results achieved, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' responsibility

It is our responsibility the preparation of this report on the basis of the procedures carried out. Our work has been conducted in accordance with the criteria established by the principle "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board for the engagements that consist in a limited assurance. This principle requires the respect of relevant ethical principles, including those related to independence, which was respected also in accordance with the "AA1000 AccountAbility Assurance Standard (2008)", since services or activities that could have generated an independence conflict have not been performed for the Group, as well as the planning and the execution of our work in order to obtain a limited assurance that the Report is free from material misstatements. These procedures included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

The procedures performed on the Report were related to the compliance with the principles for defining report content and quality, as articulated in the "G4 Sustainability Reporting Guidelines" and

"AA1000 AccountAbility Principles Standard (2008)", and are summarized below:

a. Comparison of the economic and financial data and information included in the Report with those included in the Enel Group's consolidated financial statements as of 31st December 2016 on which we issued our audit report, pursuant to art. 14 and 16 of Legislative Decree dated 27th January 2010, on the 11th April 2017;

b. Analysis, through interviews, of the governance system and management process of the issues related to the sustainable development regarding Enel Group's strategy and operations;

c. Analysis of the process relating to the definition of material aspects included in the Report, with reference to the criteria applied to identify priorities for the different stakeholders categories and to the internal validation of the process outcome;

d. Analysis of the operation of the processes that support the generation, recording and management of the quantitative data reported in the Report. In particular, we have carried out the following procedures:

   - interviews and discussions with personnel of the Management of Enel S.p.A. and with personnel of Enel Generación Chile S.A., Gas Atacama Chile S.A., Enel Green Power S.p.A., Enel Green Power Chile Ltda. and Parque Eolico Valle de los Vientos S.A., to obtain an understanding about the information, accounting and reporting systems in use for the preparation of the Report, as well as about the internal control processes and procedures supporting the collection, aggregation, data processing and transmission of data and information to the department responsible for preparation of the Report to comply with the "Inclusivity", "Materiality" and "Responsiveness" principles included in the "AA1000 AccountAbility Principles Standard (2008)";
   - on-site verifications at the Atacama thermal power plant of Gas Atacama Chile S.A. in Mejillones (Chile) and at the Valle de los Vientos wind plant of Parque Eolico Valle de los Vientos S.A. in Calama (Chile);
   - analysis on a sample basis of the documentation supporting the compilation of the Report, in order to confirm the processes in use, their adequacy and the operation of the internal control for the correct processing of data and information in relation to the objectives described in the Report;

e. Analysis of the compliance and internal consistency of the qualitative information included in the Report to the guidelines identified in paragraph "Director's responsibility on the Report" of the present report;

f. Analysis of the process relating to the stakeholders engagement, with reference to the procedures applied, through the review of minutes or any other existing documentation relating to the main topics arisen from discussions with them;

g. Obtaining of the representation letter, signed by the legal representative of Enel S.p.A., relating to the compliance of the Report with the guidelines indicated in paragraph "Directors' responsibility on the Report", as well as to the reliability and completeness of the information and data presented in the Report.

Our engagement is less in scope than a reasonable assurance engagement in accordance with ISAE 3000 and, as consequence, we may not have become aware of all the significant events and circumstances which we could have identified had we performed a reasonable assurance engagement.

Building a better working world

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the "2016 Sustainability Report" of Enel Group as of 31st December 2016 is not in compliance, in all material aspects, with the guidelines "G4 Sustainability Reporting Guidelines" and "Electric Utilities Sector Disclosures" issued in 2013 by the GRI - Global Reporting Initiative and with the "Inclusivity", "Materiality" and "Responsiveness" principles included in the "AA1000 AccountAbility Principles Standard (2008)", as stated in the paragraph "Methodological Note" of the Report.

Roma, 20th April 2017

EY S.p.A.

Signed by: Massimo delli Paoli, Partner

This report has been translated into the English language solely for the convenience of international readers

Seeding Energies

Appendix to the Sustainability Report 2016

This appendix is an integral part of the Enel Group's Sustainability Report 2016

Performance indicators

Getting to know Enel - ID

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU1	**GENERATION**							
	Installed capacity							
	Net efficient generation capacity by primary energy source							
	Net thermal capacity:	(MW)	**43,454**	**47,577**	**54,178**	-4,122	-8.7	Enel
	Coal	(MW)	16,103	16,841	17,048	-738	-4.4	Enel
	CCGT	(MW)	15,100	16,099	16,112	-999	-6.2	Enel
	Oil/gas	(MW)	12,251	14,637	21,018	-2,386	-16.3	Enel
	Net nuclear capacity	(MW)	**3,318**	**5,132**	**5,132**	-1,814	-35.3	Enel
	Net renewable capacity:	(MW)	**35,907**	**37,033**	**36,802**	-1,126	-3.0	Enel
	Hydroelectric	(MW)	27,425	29,046	29,653	-1,620	-5.6	Enel
	Wind	(MW)	6,532	6,653	5,774	-121	-1.8	Enel
	Geothermal	(MW)	761	833	833	-72	-8.6	Enel
	Biomass and cogeneration	(MW)	57	99	100	-43	-42.8	Enel
	Photovoltaic	(MW)	1,132	402	442	730	-	Enel
	Total net electrical capacity	(MW)	**82,679**	**89,742**	**96,112**	-7,062	-7.9	Enel
	Net efficient generation capacity by geographic area							
	Italy	(MW)	27,760	30,715	36,823	-2,955	-9.6	Italy
	Iberia	(MW)	22,744	22,912	23,549	-168	-0.7	Iberia
	Latin America	(MW)	20,212	19,179	18,300	1,033	5.4	Latin America
	Russia	(MW)	8,944	8,944	9,107	-	-	Russia
	Slovakia [1]	(MW)	-	4,032	4,968	-4,032	-100.0	Slovakia
	North America	(MW)	1,495	2,506	2,083	-1,012	-40.4	North America
	Romania	(MW)	534	534	534	-	-	Romania
	Belgium [1]	(MW)	-	406	406	-406	-100.0	Belgium
	Greece	(MW)	290	290	290	-	-	Greece
	South Africa	(MW)	486	10	10	477	-	South Africa
	India	(MW)	172	172	-	-	-	India
	Bulgaria	(MW)	42	42	42	-	-	Bulgaria
	Total net electrical capacity	(MW)	**82,679**	**89,742**	**96,112**	-7,062	-7.9	Enel
	No. of power generation plants							
	Total thermoelectric units	(no.)	**366**	**404**	**407**	-38	-9.4	Enel
	Steam units (condensation and back pressure)	(no.)	112	139	146	-27	-19.4	Enel
	CCGT units	(no.)	45	48	44	-3	-6.3	Enel
	GT units	(no.)	70	70	70	-	-	Enel
	Units with alternative engines	(no.)	139	147	147	-8	-5.4	Enel
	No. of renewable energy plants [2]	(no.)	1,032	1,148	1,142	-116	-10.1	Enel
	Hydroelectric plant	(no.)	722	803	793	-81	-10.1	Enel
	- of which mini-hydro plants (<10 MW)	(no.)	452	466	466	-14	-3.0	Enel
	Wind plants	(no.)	185	207	199	-22	-10.6	Enel
	Photovoltaic plants	(no.)	83	96	98	-13	-13.5	Enel
	Geothermal plants	(no.)	34	37	39	-3	-8.1	Enel
	Biomass plants	(no.)	8	5	13	3	60.0	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	OPERATING RESULTS							
G4-EU2	**GENERATION**							
	Net production by primary energy source							
	Net thermal production:	(GWh)	**142,394**	**154,901**	**149,040**	-12,506	-8.1	Enel
	Coal	(GWh)	72,342	85,677	81,991	-13,335	-15.6	Enel
	CCGT	(GWh)	40,303	40,542	37,395	-239	-0.6	Enel
	Oil/natural gas	(GWh)	29,749	28,682	29,654	1,067	3.7	Enel
	Net nuclear production	(GWh)	**33,444**	**39,837**	**39,182**	-6,393	-16.0	Enel
	Net renewable production:	(GWh)	**85,974**	**89,274**	**94,879**	-3,300	-3.7	Enel
	Hydroelectric	(GWh)	60,031	65,939	74,315	-5,908	-9.0	Enel
	Wind	(GWh)	18,294	16,204	14,054	2,090	12.9	Enel
	Geothermal	(GWh)	6,194	6,205	5,954	-11	-0.2	Enel
	Biomass and cogeneration	(GWh)	226	241	166	-15	-6.4	Enel
	Photovoltaic	(GWh)	1,229	685	390	544	79.5	Enel
	Total net production	(GWh)	**261,812**	**284,012**	**283,101**	-22,200	-7.8	Enel
	Net production by geographic area							
	Italy	(GWh)	60,912	68,519	71,824	-7,607	-11.1	Italy
	Iberia	(GWh)	72,323	77,444	74,040	-5,121	-6.6	Iberia
	Latin America	(GWh)	65,805	67,114	64,753	-1,309	-2.0	Latin America
	Russia	(GWh)	41,062	42,090	42,376	-1,028	-2.4	Russia
	Slovakia [1]	(GWh)	9,684	18,292	20,550	-8,609	-47.1	Slovakia
	North America	(GWh)	8,628	7,368	6,674	1,260	17.1	North America
	Romania	(GWh)	1,235	1,330	1,268	-95	-7.2	Romania
	Belgium [1]	(GWh)	977	1,150	690	-174	-15.1	Belgium
	Greece	(GWh)	559	549	488	11	1.9	Greece
	France [1]	(GWh)	-	-	347	-	-	France
	South Africa	(GWh)	203	18	8	185	-	South Africa
	India	(GWh)	328	48	-	279	-	India
	Bulgaria	(GWh)	96	90	83	6	7.1	Bulgaria
	Total net production	(GWh)	**261,812**	**284,012**	**283,101**	-22,200	-7.8	Enel
	Development of renewables							
	New renewable power: [3]	(MW)	1,999	1,948	1,174	51	2.6	Enel
	Hydroelectric	(MW)	250	402	175	-152	-37.8	Enel
	Wind	(MW)	970	1,472	815	-502	-34.1	Enel
	Geothermal	(MW)	-	-	38	-	-	Enel
	Biomass and generation	(MW)	16	5	-	11	-	Enel
	Photovoltaic	(MW)	763	69	146	694	-	Enel
	NETWORKS							
G4-EU4	Total electricity distribution networks	(km)	**1,875,107**	**1,865,671**	**1,854,079**	9,436	0.5	Enel
	Total high-voltage lines	(km)	38,396	38,249	38,278	147	0.4	Enel
	- of which underground cable	(km)	1,716	1,616	1,681	100	6.2	Enel
	Total medium-voltage lines	(km)	665,215	662,049	658,000	3,166	0.5	Enel
	- of which underground cable	(km)	211,312	210,933	208,289	379	0.2	Enel
	Total low-voltage lines	(km)	1,171,496	1,165,373	1,157,801	6,123	0.5	Enel
	- of which underground cable	(km)	398,334	397,553	393,286	782	0.2	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU4	**Electricity distribution networks by geographic area**							
	Total electricity distribution networks Italy	(km)	**1,144,987**	**1,140,215**	**1,136,667**	4,772	0.4	Italy
	High-voltage lines	(km)	13	13	20	-	-	Italy
	- of which underground cable	(km)	-	-	-	-	-	Italy
	Medium-voltage lines	(km)	352,607	351,493	350,358	1,114	0.3	Italy
	- of which underground cable	(km)	145,880	145,699	144,468	180	0.1	Italy
	Low-voltage lines	(km)	792,367	788,709	786,289	3,658	0.5	Italy
	- of which underground cable	(km)	270,678	270,241	268,366	437	0.2	Italy
	Total electricity distribution networks Romania	(km)	**91,412**	**91,285**	**91,132**	127	0.1	Romania
	High-voltage lines	(km)	6,505	6,584	6,572	-79	-1.2	Romania
	- of which underground cable	(km)	288	283	268	5	1.8	Romania
	Medium-voltage lines	(km)	35,015	35,043	34,998	-28	-0.1	Romania
	- of which underground cable	(km)	12,844	12,825	12,664	19	0.1	Romania
	Low-voltage lines	(km)	49,892	49,658	49,562	234	0.5	Romania
	- of which underground cable	(km)	20,353	20,329	20,253	24	0.1	Romania
	Total electricity distribution networks Iberia	(km)	**316,562**	**317,675**	**314,528**	-1,113	-0.4	Iberia
	High-voltage lines	(km)	19,539	19,479	19,597	60	0.3	Iberia
	- of which underground cable	(km)	779	751	746	28	3.7	Iberia
	Medium-voltage lines	(km)	117,632	118,436	117,877	-804	-0.7	Iberia
	- of which underground cable	(km)	40,979	40,869	40,321	110	0.3	Iberia
	Low-voltage lines	(km)	179,391	179,760	177,054	-369	-0.2	Iberia
	- of which underground cable	(km)	84,128	83,997	81,811	131	0.2	Iberia
	Total electricity distribution networks Latin America	(km)	**322,146**	**316,496**	**311,752**	5,650	1.8	Latin America
	High-voltage lines	(km)	12,339	12,173	12,089	166	1.4	Latin America
	- of which underground cable	(km)	674	582	667	92	15.7	Latin America
	Medium-voltage lines	(km)	159,961	157,077	154,767	2,884	1.8	Latin America
	- of which underground cable	(km)	11,610	11,540	10,836	70	0.6	Latin America
	Low-voltage lines	(km)	149,846	147,246	144,896	2,600	1.8	Latin America
	- of which underground cable	(km)	23,176	22,986	22,856	190	0.8	Latin America
	Energy transported and local coverage							
	Energy transported [4]	(TWh)	**426.0**	**427.4**	**411.1**	-1.4	-0.3	Enel
	Municipalities served by electric grid	(no.)	**13,368**	**12,785**	**12,600**	583	4.6	Enel
	SALES							
	Electricity volumes sold by market							
	Volumes sold free market:	(GWh)	**155,387**	**148,024**	**148,067**	7,363	5.0	Enel
	Italy	(GWh)	48,302	38,656	37,839	9,646	25.0	Italy
	Iberia	(GWh)	93,490	92,899	93,928	591	0.6	Iberia
	Romania	(GWh)	2,855	2,338	2,230	517	22.1	Romania
	France	(GWh)	2,218	3,966	3,442	-1,748	-44.1	France
	Slovakia	(GWh)	2,398	4,103	4,737	-1,705	-41.6	Slovakia
	Latin America	(GWh)	6,124	6,062	5,891	62	1.0	Latin America

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	Volumes sold regulated market:	(GWh)	**107,667**	**112,092**	**112,878**	-4,425	-3.9	Enel
	Italy	(GWh)	45,837	49,369	49,734	-3,532	-7.2	Italy
	Romania	(GWh)	4,864	5,353	5,926	-489	-9.1	Romania
	Latin America	(GWh)	56,966	57,370	57,217	-404	-0.7	Latin America
	Total volumes sold	(GWh)	**263,054**	**260,116**	**260,945**	2,938	1.1	Enel
	Electricity volumes sold by geographic area							
	Italy	(GWh)	94,139	88,025	87,573	6,114	6.9	Italy
	Iberia	(GWh)	93,490	92,899	93,928	591	0.6	Iberia
	Romania	(GWh)	7,719	7,691	8,156	28	0.4	Romania
	France	(GWh)	2,218	3,966	3,442	-1,748	-44.1	France
	Slovakia	(GWh)	2,398	4,103	4,737	-1,705	-41.6	Slovakia
	Latin America	(GWh)	63,090	63,432	63,108	-342	-0.5	Latin America
	Volumes sold gas	(Billions of m^3)	**10.6**	**9.4**	**7.8**	1.2	12.3	Enel
	Italy	(Billions of m^3)	4.6	4.1	3.5	0.5	12.2	Italy
	Iberia [5]	(Billions of m^3)	6.0	5.3	4.3	0.7	12.3	Iberia
G4-EC1, G4-9	**ECONOMIC RESULTS**							
	Revenues [6]	(m. euro)	**70,592**	**75,658**	**75,791**	-5,066	-6.7	Enel
	Italy	(m. euro)	36,957	40,727	n.a.	-3,770	-9.3	Italy
	Iberia	(m. euro)	18,953	20,484	n.a.	-1,531	-7.5	Iberia
	Latin America	(m. euro)	10,768	10,828	n.a.	-60	-0.6	Latin America
	Europe and North Africa	(m. euro)	3,798	4,990	n.a.	-1,192	-23.9	Europe and North Africa
	North and Central America	(m. euro)	1,125	882	n.a.	243	27.6	North and Central America
	Sub-Saharan Africa and Asia	(m. euro)	29	18	n.a.	11	61.1	Sub-Saharan Africa and Asia
	Other, eliminations and adjustments	(m. euro)	-1,038	-2,271	n.a.	1,233	54.3	Enel
	EBITDA [6]	(m. euro)	**15,276**	**15,297**	**15,757**	-21	-0.1	Enel
	Italy	(m. euro)	6,679	6,916	n.a.	-237	-3.4	Italy
	Iberia	(m. euro)	3,562	3,353	n.a.	209	6.2	Iberia
	Latin America	(m. euro)	3,556	3,306	n.a.	250	7.6	Latin America
	Europe and North Africa	(m. euro)	762	1,451	n.a.	-689	-47.5	Europe and North Africa
	North and Central America	(m. euro)	833	575	n.a.	258	44.9	North and Central America
	Sub-Saharan Africa and Asia	(m. euro)	14	7	n.a.	7	100.0	Sub-Saharan Africa and Asia
	Other, eliminations and adjustments	(m. euro)	-130	-311	n.a.	181	58.2	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EC1, G4-9	Italy	(%)	43.7	45.2	n.a.	-1.5	-	Italy
	Iberia	(%)	23.3	21.9	n.a.	1.4	-	Iberia
	Latin America	(%)	23.3	21.6	n.a.	1.7	-	Latin America
	Europe and North Africa	(%)	5.0	9.5	n.a.	-4.5	-	Europe and North Africa
	North and Central America	(%)	5.5	3.8	n.a.	1.7	-	North and Central America
	Sub-Saharan Africa and Asia	(%)	0.1	-	n.a.	-	-	Sub-Saharan Africa and Asia
	Other, eliminations and adjustments	(%)	-0.9	-2.0	n.a.	1.2	-	Enel
	EBIT	(m. euro)	**8,921**	**7,685**	**3,087**	1,236	16.1	Enel
	EBT	(m. euro)	**5,780**	**5,281**	**-78**	499	9.4	Enel
	Group net income	(m. euro)	**2,570**	**2,196**	**517**	374	17.0	Enel
	Creating value for stakeholders							
	Revenues	(m. euro)	70,592	75,658	75,791	-5,066	-6.7	Enel
	External costs	(m. euro)	49,257	53,323	53,390	-4,066	-7.6	Enel
	Net income/(expenses) from commodity risk	(m. euro)	-133	168	-225	-301	-	Enel
	Gross global added value continuing operations	(m. euro)	**21,202**	**22,503**	**22,176**	-1,301	-5.8	Enel
	Gross global added value	(m. euro)	**21,202**	**22,503**	**22,176**	-1,301	-5.8	Enel
	Shareholders	(m. euro)	2,542	1,316	1,222	1,226	93.2	Enel
	Lenders	(m. euro)	2,698	2,848	3,007	-150	-5.3	Enel
	Employees	(m. euro)	4,637	5,314	4,864	-677	-12.7	Enel
	State	(m. euro)	3,244	3,369	654	-125	-3.7	Enel
	Business system	(m. euro)	8,081	9,656	12,429	-1,575	-16.3	Enel
	Economic value generated							
	Economic value generated directly:							
	Revenues	(m. euro)	70,592	75,658	75,791	-5,066	-6.7	Enel
	Economic value distributed:	(m. euro)	**59,969**	**64,686**	**62,140**	-4,717	-7.3	Enel
	Operating costs	(m. euro)	49,390	53,155	53,615	-3,765	-7.1	Enel
	Personnel and benefit cost	(m. euro)	4,637	5,314	4,864	-677	-12.7	Enel
	Payment to lenders of capital	(m. euro)	2,698	2,848	3,007	-150	-5.3	Enel
	Payments to governments	(m. euro)	3,244	3,369	654	-125	-3.7	Enel
	Economic value retained	(m. euro)	**10,623**	**10,972**	**13,651**	-349	-3.2	Enel
	Investments							
	Investments [7]	(m. euro)	**8,552.3**	**7,113.5**	**6,701.5**	1,438.9	20.2	Enel
	Piedmont	(m. euro)	103.0	101.0	88.1	2.0	2.0	Italy
	Lombardy	(m. euro)	165.2	174.2	159.8	-9.0	-5.2	Italy
	Trentino Alto Adige	(m. euro)	-	0.2	6.7	-0.2	-93.7	Italy
	Veneto	(m. euro)	124.1	121.5	116.4	2.6	2.1	Italy
	Friuli Venezia Giulia	(m. euro)	14.6	14.1	12.6	0.5	3.5	Italy
	Liguria	(m. euro)	38.0	49.6	41.5	-11.6	-23.4	Italy
	Emilia Romagna	(m. euro)	98.1	100.3	95.0	-2.1	-2.1	Italy
	Tuscany	(m. euro)	187.0	213.5	227.3	-26.5	-12.4	Italy

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EC1, G4-9	Marche	(m. euro)	33.5	29.2	32.2	4.3	14.6	Italy
	Umbria	(m. euro)	25.9	16.3	14.7	9.6	58.9	Italy
	Lazio	(m. euro)	402.1	355.3	355.5	46.9	13.2	Italy
	Abruzzo	(m. euro)	56.5	44.4	36.1	12.1	27.3	Italy
	Molise	(m. euro)	8.7	9.7	10.0	-1.0	-10.2	Italy
	Campania	(m. euro)	129.2	124.6	110.2	4.5	3.6	Italy
	Puglia	(m. euro)	178.2	167.1	173.0	11.1	6.7	Italy
	Basilicata	(m. euro)	25.0	24.1	15.3	0.9	3.7	Italy
	Calabria	(m. euro)	81.0	70.0	68.7	11.0	15.7	Italy
	Sicily	(m. euro)	169.8	186.4	177.5	-16.6	-8.9	Italy
	Sardinia	(m. euro)	67.9	57.8	53.6	10.1	17.5	Italy
	Total Italy [8]	(m. euro)	**1,907.7**	**1,859.2**	**1,794.2**	48.4	2.6	Italy
	Slovakia	(m. euro)	-	-	664.4	-	-	Slovakia
	Romania	(m. euro)	136.3	121.2	93.2	15.2	12.5	Romania
	Bulgaria	(m. euro)	0.2	0.3	0.3	-0.1	-29.3	Bulgaria
	Greece	(m. euro)	3.6	11.6	8.2	-8.0	-68.7	Greece
	France and Belgium [10]	(m. euro)	6.2	0.8	27.2	5.4	-	France and Belgium
	EGP Germany	(m. euro)	12.0	-	-	12.0	-	EGP Germany
	Russia	(m. euro)	105.1	111.8	187.8	-6.7	-6.0	Russia
	EGP North America [11]	(m. euro)	1,466.2	289.3	331.9	1,176.9		EGP North America
	EGP Latin America	(m. euro)	2,151.1	1,548.1	927.2	602.9	38.9	EGP Latin America
	Algeria	(m. euro)	10.0	19.5	-	-9.5	-48.8	Algeria
	South Africa	(m. euro)	301.4	311.2	26.0	-9.8	-3.2	South Africa
	Turkey	(m. euro)	0.8	1.6	-	-0.8	-48.3	Turkey
	Egypt	(m. euro)	0.9	1.2	-	-0.2	-17.9	Egypt
	India	(m. euro)	2.6	0.5	-	2.0	-	India
	EGP Iberia [9]	(m. euro)	78.0	16.7	18.7	61.3	-	EGP Iberia
	Spain (Enel Iberoamerica formerly Enel Energy Europe)	(m. euro)	17.2	16.9	20.7	0.3	1.8	Spain
	Endesa Iberia [9]	(m. euro)	**1,068.6**	**984.7**	**992.8**	83.9	8.5	Endesa Iberia
	Endesa Latam	(m. euro)	**1,284.4**	**1,819.1**	**1,609.0**	-534.7	-29.4	Endesa Latam
	Total Abroad	(m. euro)	**6,644.7**	**5,254.5**	**4,907.3**	1,390.2	26.5	Total Abroad
	Adjustments	(m. euro)	-	-0.2	-	0.2	-100.0	Enel
	Weight of foreign investments	(%)	77.7	73.9	73.2	3.8	-	Enel
	CASH COST [12] **net of non-recurring items**	(m. euro)	**11,428**	**12,397**	-	-969	-7.8	Enel
	of which fixed costs	(m. euro)	8,494	9,081	-	-587	-6.5	Enel
	Investments in maintenance	(m. euro)	2,934	3,316	-	-382	-11.5	Enel
	CORPORATE IMAGE							
	Presence index	(no.)	**n.a.**	**16,702**	**15,522**	-	-	Italy
	Global visibility index	(,000)	**n.a.**	**22,225**	**22,200**	-	-	Italy
	Qualitative visibility index (from -1 to +1)	(i)	**n.a.**	**0.70**	**0.71**	-	-	Italy
	Customer relationship [13.1]	(%)	40.3	n.a.	n.a.	-	-	Italy
	Price transparency [13.2]	(%)	38.5	n.a.	n.a.	-	-	Italy
	Institutional Dimension [13.3]	(%)	62.5	n.a.	n.a.	-	-	Italy

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	Ethics [13.4]	(%)	41.3	n.a.	n.a.	-	-	Italy
	Brand Equity Index [13]	(i)	70.5	n.a.	n.a.	-	-	Italy
	Presence index	(no.)	8,102	8,223	9,905	-121	-1.5	Iberia
	Global visibility index	(,000)	2.8	3.4	3.1	-0.6	-17.2	Iberia
	Qualitative visibility index (from -1 to +1)	(i)	0.52	0.62	0.58	-0.1	-16.1	Iberia

(1) Slovakia was removed from the consolidation on July 28, 2016, Belgium was removed on December 30, 2016 and France on November 30, 2016.
(2) The data for 2016 referring to plants reflect the removal from the scope of the Slovak company SE and the impact of the BSO (Build, Sell and Operate) strategy.
(3) New renewable power, excluding disposals and changes in the scope.
(4) The figure for 2015 was restated to take account of a more precise determination of the quantities transported.
(5) The figure for 2015 relating to gas sold was restated following the change in the calculation methodology.
(6) Following the company reorganization the geographic breakdown in 2015 was restated, while it was not possible to recalculate the geographic breakdown of the values for 2014 on the basis of the new arrangements.
(7) The data refer only to continuing operations, and so do not include the values of assets classified as "held for sale". In 2016 the investments for discontinued operations referring to companies classified as "held for sale" totaled 290 million euro, of which Country ENA (Slovakia) for 283 million euro and Global Central for 7 million euro, divided into Italian regions and other countries.
Compared to 2015 the new country Germany was included for the investments of Enel Green Power.
(8) The scope includes Enel Green Power Italy.
(9) In 2016 Endesa Iberia had greater environmental interventions and maintenance work in Thermal generation and for EGP Iberia the tech Large Hydro moved under the Global Line EGP.
(10) France and Belgium: in 2016, 6 million euro was invested in maintenance relating to the CCGT plant at Marcinelle (Belgium) vs 1 million euro in 2015. In France no investments were made in 2015 or 2016.
(11) US (+1,177 million euro) for the construction of new wind and solar plants - new capacity which in part came into operation in 2016 and in part in future years.
(12) The cash cost for 2016 was 11,428 million euro, net of the significant changes in the scope which took place in 2016. There were efficiency gains recorded of around 827 million euro and a 7% reduction compared to the previous year.
The cash cost consists of the sum total of investments in maintenance (so-called "Maintenance Capex") and operating costs (so-called "Opex"), net of non-recurring items.
The figure for 2015 was restated and the non-recurring items updated mainly for Capex.
(13) The figure is not comparable with the prior years and it was considered opportune to define a new methodological approach.
The index includes: reputational asset, value of the image and propensity to the brand.
(13.1) % of attribution to Enel+Enel Energia of the "commercial relationship" and "empathy" areas of the image profile tracking 2016.
(13.2) % of attribution to Enel+Enel Energia items: "proposes clear and transparent offers" and "communicates clearly and transparently" of the image profile tracking 2016.
(13.3) % of attribution to Enel+Enel Energia "institutional factor area" of the image profile tracking 2016.
(13.4) % of attribution to Enel+Enel Energia "sustainability" of the image profile tracking 2016.

Getting to know Enel - Governance

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-7	**SHAREHOLDERS**							
	Composition of shareholdings							
	Investors [1]							
	Ministry of Economy and Finance	(%)	23.6	25.5	31.2	-1.9	-	Enel SpA
	Institutional investors	(%)	54.0	51.5	44.7	2.5	-	Enel SpA
	Retail shareholders	(%)	22.4	23.0	24.1	-0.6	-	Enel SpA
	Location institutional investors							
	Italy	(%)	10.2	10.0	12.4	0.2	-	Enel SpA
	UK	(%)	17.9	15.3	12.9	2.6	-	Enel SpA
	Rest of Europe	(%)	26.9	28.4	29.9	-1.5	-	Enel SpA
	North America	(%)	36.3	37.3	34.7	-1	-	Enel SpA
	Rest of the World	(%)	8.7	9.0	10.1	-0.3	-	Enel SpA
	Concentration index (Top 50)	(%)	34.2	32.3	28.8	1.9	-	Enel SpA
	Investment style of institutional investors							
	Long Only	(%)	67.9	67.3	62.1	0.6	-	Enel SpA
	Index	(%)	13.2	14.0	15.2	-0.8	-	Enel SpA
	Hedge	(%)	1.3	1.2	1.7	0.1	-	Enel SpA
	Other	(%)	17.6	17.5	21.0	0.1	-	Enel SpA
	Socially responsible investors							
	Presence of SRI funds	(no.)	150	132	134	18	13.6	Enel SpA
	Enel shares held by SRI funds	(million)	813.6	720.0	553.8	93.6	13.0	Enel SpA
	Weight of SRI funds in institutional shareholdings [2]	(%)	17.0	17.0	14.6	0.1	-	Enel SpA
	Location of SRI investors [3]							
	Italy	(%)	1.6	4.6	3.1	-3.0	-	Enel SpA
	UK	(%)	11.9	11.8	7.9	0.1	-	Enel SpA
	Rest of Europe	(%)	50.3	51.2	60.1	-0.9	-	Enel SpA
	North America	(%)	34.3	31.5	28.0	2.8	-	Enel SpA
	Rest of the world	(%)	1.9	0.9	0.9	1.0	-	Enel SpA
	Share price performance							
	Financial performance of the share [4]							
	Enel	(%)	7.6	5.3	17.9	2.3	-	Enel SpA
	FTSEMib	(%)	-10.2	12.7	0.4	-22.9	-	Enel SpA
	Acea	(%)	-18.7	58.8	7.8	-77.5	-	Enel SpA
	A2A	(%)	-1.9	49.7	0.2	-51.6	-	Enel SpA
	Centrica	(%)	7.3	-21.8	-18.8	29.1	-	Enel SpA
	Endesa	(%)	8.6	11.9	-21.8	-3.3	-	Enel SpA
	Iberdrola	(%)	-4.8	17.0	21.9	-21.8	-	Enel SpA
	RWE	(%)	0.9	-54.3	-0.3	55.2	-	Enel SpA
	E.ON	(%)	-14.8	-37.1	8.4	22.3	-	Enel SpA
	Cez	(%)	-3.2	-24.8	12.6	21.6	-	Enel SpA
	GDF-Suez	(%)	-25.8	-16.0	16.2	-9.8	-	Enel SpA
	EdF	(%)	-28.7	-40.5	-10.0	11.8	-	Enel SpA
	EdP	(%)	-12.9	3.2	21.8	-16.1	-	Enel SpA
	Dividend Yield [5]							
	Enel	(%)	4.3	4.1	3.8	0.2	-	Enel SpA
	A2A	(%)	3.3	3.3	4.3	0.1	-	Enel SpA
	Centrica	(%)	5.1	5.5	4.8	-0.4	-	Enel SpA
	Iberdrola	(%)	4.6	4.2	4.8	0.4	-	Enel SpA
	RWE	(%)	1.1	-	3.9	1.1	-	Enel SpA
	E.ON	(%)	3.1	5.6	3.5	-2.5	-	Enel SpA

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	ENGIE (formerly GDF-Suez)	(%)	8.3	6.1	5.1	2.2	-	Enel SpA
	EdF	(%)	5.6	8.1	5.5	-2.5	-	Enel SpA
	EdP	(%)	6.6	5.6	5.7	1.0	-	Enel SpA
	Enel on the main stock markets worldwide							
	FTSE Italy All Share	(%)	10.0	7.8	8.3	2.1	-	Enel SpA
	BEELECT	(%)	13.4	12.0	10.2	1.4	-	Enel SpA
	Enel in the FTSE4GOOD sustainability index	(i)	**Yes**	**Yes**	**Yes**	-	-	Enel SpA
	Presence of Enel in the DJSI	(i)	**Yes**	**Yes**	**Yes**	-	-	Enel SpA
	Return for the shareholder							
	EPS	(cent euro)	**26**	**23**	**6**	2.4	10.3	Enel SpA
	TSR from IPO (accumulated)	(%)	**61.6**	**44.4**	**32.7**	17.3	-	Enel SpA
	TSR from IPO (annualized)	(%)	**2.8**	**2.3**	**1.9**	0.5	-	Enel SpA
	TSR last 2 years (accumulated)	(%)	21.8	30.5	29.0	-8.7	-	Enel SpA
	TSR last 2 years (annualized)	(%)	10.3	14.3	13.6	-3.9	-	Enel SpA
	Communication to shareholders							
	Meetings with investors [6]	(no.)	**615**	**479**	**336**	136	28.4	Enel SpA
	Meetings with ESG investors	(no.)	**30**	-	-	30	-	Enel SpA
G4-26	**Information requests from retail shareholders** [7]	(no.)	**148**	**153**	**378**	-5	-3.3	Enel SpA
	LENDERS							
	Debt							
	Total debt	(m. euro)	**37,553**	**37,545**	**37,383**	8	-	Enel
	Debt to Equity	(i)	**0.7**	**0.7**	**0.7**	-	-1.5	Enel
	Rating							
	S&P	(i)	**BBB**	**BBB**	**BBB**	-	-	Enel
	Outlook [8]	(i)	**Stable Outlook**	**Positive Outlook**	**Stable Outlook**	-	-	Enel
	Moody's	(i)	**Baa2**	**Baa2**	**Baa2**	-	-	Enel
	Outlook [9]	(i)	Stable Outlook	Stable Outlook**	Negative Outlook	-	-	Enel
	Fitch	(i)	BBB+	BBB+	BBB+	-	-	Enel
	Outlook	(i)	**Stable Outlook**	**Stable Outlook**	**Stable Outlook**	-	-	Enel
G4-LA12	**CORPORATE GOVERNANCE**							
	Board of Directors							
	Members of BoD by type	(no.)	**9**	**9**	**8**	-	-	Enel SpA
	Executive members	(no.)	1	1	1	-	-	Enel SpA
	Non-executive members	(no.)	8	8	7	-	-	Enel SpA
	- of whom independent [10]	(no.)	7	7	6	-	-	Enel SpA
	Directors nominated by minority shareholders	(no.)	3	3	3	-	-	Enel SpA
	Women on BoDs of the Group:							
	Women on the BoD of Enel SpA	(no.)	3	3	3	-	-	Enel SpA
	Women on the BoD of Group companies	(no.)	157	176	175	-19	-10.8	Enel
	Members of the BoD by age range:							
	Under 30	(%)	-	-	-	-	-	Enel SpA
	From 30 to 50	(%)	11	11	11	-	-	Enel SpA
	Over 50	(%)	89	89	89	-	-	Enel SpA
	BoD meetings	(no.)	13	15	18	-2	-13.3	Enel SpA

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	ETHICAL AUDITING							
G4-DMA HR, G4-SO11	**Implementation of the Code of Ethics**							
	Notifications received by type of stakeholder:	(no.)	**85**	**124**	**151**	-39	-31.5	Enel
	Internal stakeholders	(no.)	15	36	53	-21	-58.3	Enel
	External stakeholders	(no.)	**19**	**33**	**24**	-14	-42.4	Enel
	Anonymous	(no.)	51	55	74	-4	-7.3	Enel
	Notifications received for stakeholders harmed or potentially harmed:	(no.)	**85**	**124**	**151**	-39	-31.5	Enel
	Shareholder	(no.)	44	43	63	1	2.3	Enel
	Customer	(no.)	11	16	12	-5	-31.3	Enel
	Employee	(no.)	18	34	48	-16	-47.1	Enel
	General public	(no.)	3	6	14	-3	-50	Enel
	Suppliers	(no.)	9	25	14	-16	-64	Enel
	Notifications received by status:	(no.)	**85**	**124**	**151**	-39	-31.5	Enel
	Notifications being assessed [11]	(no.)	10	-	-	10	-	Enel
	Notifications for which a violation has not been confirmed	(no.)	57	90	120	-33	-36.7	Enel
	Notifications for which a violation has been confirmed	(no.)	18	34	31	-16	-47.1	Enel
	Violations confirmed, classified by harmed stakeholder:	(no.)	**18**	**34**	**31**	-16	-47.1	Enel
	Shareholder	(no.)	11	16	18	-5	-31.3	Enel
	Customer	(no.)	1	3	1	-2	-66.7	Enel
	Employee	(no.)	4	8	10	-4	-50	Enel
	General public	(no.)	**1**	-	-	1	-	Enel
	Suppliers	(no.)	1	7	2	-6	-85.7	Enel
G4-HR3, G4-HR12	**Violations relating to episodes of:** [12]	(no.)	**18**	**34**	**31**	-16.0	-47.1	Enel
G4-SO5	Conflict of interest/Corruption [13]	(no.)	5	10	9	-5	-50	Enel
	Undue appropriation	(no.)	7	10	9	-3	-30	Enel
	Work practices	(no.)	4	7	9	-3	-42	Enel
	Community and society	(no.)	-	-	-	-	-	Enel
	Human rights	(no.)	-	-	-	-	-	Enel
	Other reasons	(no.)	2	7	4	-5	-71	Enel
	Violations confirmed for conflict of interest/ corruption, by country:	(no.)	**5**	**10**	**9**	-5	-50	Enel
	Argentina	(no.)	-	1	1	-1	-100	Argentina
	Brazil	(no.)	1	-	1	1	-	Brazil
	Chile	(no.)	1	1	2	-	-	Chile
	Colombia	(no.)	-	2	1	-2	-100	Colombia
	Enel Green Power [14]	(no.)	2	2	-	-	-	EGP
	Italy	(no.)	-	-	-	-	-	Italy
	Peru	(no.)	-	-	-	-	-	Peru
	Portugal	(no.)	-	-	-	-	-	Portugal
	Romania	(no.)	-	3	-	-3	-100	Romania
	Russia	(no.)	-	-	3	-	-	Russia
	Slovakia	(no.)	-	1	-	-1	-100	Slovakia

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-SO5	Spain	(no.)	1	-	1	1	-	Spain
	Actions taken in response to episodes of conflict of interest/ corruption	(no.)	5	10	9	-5	-50.0	Enel
G4-HR1	Significant investment agreements which include clauses on human rights	(no.)	10	6	1	4	66.7	Enel
G4-HR1	Percentage of significant investment agreements which include clauses on human rights	(%)	100	100	100	-	-	Enel
	INSTITUTIONAL RELATIONS							
G4-EC4	**Grants**							
	Grants supplied in the period by geographic area [15]	(m. euro)	41.0	8.7	82.9	32.3	-	Enel
	Italy	(m. euro)	38.3	4.6	56.9	33.7	-	Italy
	Spain	(m. euro)	1.5	4.0	25.7	-2.5	-62.3	Spain
	Slovakia	(m. euro)	-	0.1	0.3	-0.1	-100	Slovakia
	Brazil	(m. euro)	0.4	-	-	0.4	-	Brazil
	Chile	(m. euro)	0.8	-	-	0.8	-	Chile
	Grants received by destination							
	Energy networks [16]	(%)	73.6	15.5	71.6	58.1	-	Enel
	R&D [17]	(%)	12.0	28.1	23.6	-16.1	-	Enel
	Renewable	(%)	11.2	39.8	2.2	-28.6	-	Enel
	Training	(%)	-	11.8	-	-11.8	-	Enel
	Other	(%)	3.2	4.8	2.6	-1.6	-	Enel
	Number of projects which received grants	(no.)	41	34	80	7	20.6	Enel
	Loans granted by the EIB and others							
	Remaining debt on loans from EIB and others by geographic area	(m. euro)	5,130.0	5,504.9	5,762.9	-374.9	-6.8	Enel
	- Italy	(m. euro)	3,755.0	3,909.9	4,281.4	-154.9	-4	Italy
	- Abroad (Latin America, Spain, Slovakia, Russia, Romania) [18]	(m. euro)	1,375.0	1,595.0	1,481.6	-220	-13.8	Enel
	Remaining debt on loans from EIB and others by destination							
	Energy networks	(%)	64.7	62.8	61.8	1.9	-	Enel
	R&D	(%)	-	0.01	0.01	-	-	Enel
	Renewable	(%)	25.8	26.9	26.9	-1.1	-	Enel
	Training	(%)	-	-	-	-	-	Enel
	Other	(%)	9.5	10.3	11.3	-0.8	-	Enel
	Number of projects in progress approved with loans from EIB and others	(no.)	99	91	78	8	8.8	Enel
	Taxes	(m. euro)	3,244	3,369	654	-125	-3.7	Enel
	IRES, IRAP and other taxes	(m. euro)	1,052	1,157	1,157	-105	-9.1	Enel
	Taxes abroad	(m. euro)	941	751	-1,992	190	25.3	Enel
	Other taxes and duties	(m. euro)	1,085	1,292	1,294	-207	-16	Enel
	Fees net of contributions received	(m. euro)	166	169	195	-3	-1.8	Enel

(1) The institutional investor is a subject who, under a specific mandate or on their own account, undertakes equity and/or property investment on a continuous and professional basis. The category includes: mutual funds, pension funds, hedge funds, investment and merchant banks, insurance companies.

(2) Calculated as the ratio between the number of shares held by identified Socially Responsible Investors and the number of shares held by identified institutional investors.

(3) SRIs are investors who state that they include environmental, social and governance (ESG) factors in traditional financial analysis in order to direct their investment decisions (the inclusion of at least one ESG criterion and adhesion to the main international principles approved by organizations such as UNPRI, UKSIF, EUROSIF are among the key factors in order to be able to classify an investor as an SRI).

(4) Calculated as the difference between the valuation on the last open market day of the year and the valuation of the previous year.

(5) Source: Bloomberg and Company filings.

(6) As from 2015 only certified meetings are considered (meetings held during the different road shows). The historic data has been reformulated in accordance with this methodology.

(7) Only requests received have been considered and not the responses provided also.

(8) Outlook updated 26/02/2016.
The revision of the outlook is mainly due to the reduction in electricity prices in Europe which has been ongoing since the start of 2016. On the basis of current market conditions we believe that Enel will find it difficult to achieve and maintain the targets of the main indicators of the rating, including the value of the index "adjusted funds from operations to debt" at a level above 20% in 2016-2018.
Outlook updated 05/05/2015: Standard & Poor's Rating Services has today updated its outlook from stable to positive on Enel SpA and Endesa (vertically integrated Spanish subsidiary of Enel SpA).

(9) 2015 figure updated.
Outlook updated 27/03/2015: Moody's changes its outlook on Enel from negative to stable; confirms rating.

(10) The number of independent directors pursuant to the Consolidated Law on Finance (TUF) is 8 (including the Chairman). The number of independent directors pursuant to the Code of Self Discipline is 7 because the Code does not allow the Chairman to be considered independent since she is a "senior representative" of the company.

(11) During 2016 the analysis was completed of the notifications received in 2015, for this reason the number of confirmed violations for 2015 was restated from 32 to 34. The violations for 2016 concern the notifications received in 2016 and confirmed in 2016.

(12) During 2016 the analysis of the notifications received in 2015 was completed, of the 16 notifications 2 concluded with violations (misappropriation and other reasons) and the remaining 14 concluded without violation.

(13) Corruption consists of the abuse of power conferred with the goal of private gain and can be instigated by individuals in the public or private sector. It is interpreted here as including corrupt practices such as bribes, fraud, extortion, collusion, conflict of interest and money laundering.

(14) The two cases for EGP in 2016 happened in Italy.

(15) Italy 2016 - delta 2016 vs 2015 for 28 million euro income for e-distribuzione NER 300 smart grid Puglia, for 2 million euro income Enel SpA INCENSe R&D 7th Framework programme EC 2015 - delta 2015 vs 2014 Difference due to Networks (Primary cabin) projects which received income in 2014 and then completed, then they were eliminated. Spain 2015 - delta 2015 vs 2014 Difference due for 15 million euro to completed Oxycombustion project and 7 million euro to completed smart city Malaga.

(16) In 2016 28 million euro income e-distribuzione NER 300 smart grid Puglia.

(17) In 2016 for 2 million euro income Enel SpA INCENSe R&D 7th Framework programme EC.

(18) In 2016 in Italy we had a loan repayment as per the repayment plan. Slovakia left the scope and we had an early loan repayment in Iberia.

Responsible relationship with communities

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EC7	**INITIATIVES IN FAVOR OF THE COMMUNITY**							
	Contributions to communities - LBG method							
	Charitable donations [1]	(m. euro)	9.2	8.6	4.5	0.6	7.4	Enel
	Investments in communities	(m. euro)	23.5	23.4	35.0	0.1	0.6	Enel
	Commercial initiatives with a social impact	(m. euro)	27.1	35.8	31.1	-8.7	-24.3	Enel
	Socially sustainable business initiatives	(m. euro)	-	-	-	-		Enel
	Total (expense + investments)	(m. euro)	59.9	67.8	70.7	-7.9	-11.7	Enel
	Enel Cuore Onlus							
	Solidarity projects supported by Enel Cuore	(no.)	32	50	54	-18	-36.0	Italy
	Sums provided to Enel Cuore Onlus by Enel Group companies	(m. euro)	5.7	5.3	0.5	0.4	6.6	Italy
	Subscription fees	(m. euro)	0.3	0.3	0.3	-	-	Italy
	Extraordinary contribution from associates [2]	(m. euro)	5.0	5.0	-	-	-	Italy
	Tied donations [3]	(m. euro)	0.3	-	0.2	0.3	-	Italy
G4-EU25	**SAFETY FOR COMMUNITIES**							
	Third-party injuries							
	Severe and fatal third-party injuries	(no.)	109	107	142	2	1.9	Enel
	- fatal	(no.)	58	60	81	-2	-3.3	Enel
	- severe	(no.)	51	47	61	4	8.5	Enel
	Third-party injuries by type							
	Electricity injuries	(%)	89.0	71.0	83.8	18.0	-	Enel
	Road accidents against Group infrastructure	(%)	8.0	19.6	12.0	-11.6	-	Enel
	Accidents for other reasons (slipping, falling from height, crash-crush-cut)	(%)	3.0	9.3	4.2	-6.3	-	Enel
	Causes of electricity accident							
	Construction activities near power lines	(%)	26.0	20.0	20.1	6.0	-	Enel
	Attempted theft	(%)	17.0	20.0	29.4	-3.0	-	Enel
	Other [4]	(%)	57.0	60.0	50.5	-3.0	-	Enel

(1) The item includes grants made to Enel Cuore over the years.

(2) As happened for 2015, the amount indicated in 2016 refers for 5 million euro to the total amount destined to Enel Cuore Onlus, by way of "Extraordinary contribution 2016", by some associate companies of the latter (e-distribuzione SpA, Enel Energia SpA, Enel Green Power SpA, Enel Trade SpA, Enel Sole Srl, Enel Italy Srl). At December 31, 2016, these companies had paid 40% of this contribution.

(3) Tied donations refer to the sum received from the associate Enel Energia SpA to support specific initiatives. In particular: (i) 200,000 euro to support the projects identified as part of the initiative "Nel Cuore del Punto Enel" edition 2015; (ii) 142,558 euro to support the project "Fare Scuola - Didattica digitale"; (iii) 6,000 euro to support the project "Il Brugo" which is being realized in the Municipality of San Felice sul Panaro (Modena).

(4) Mainly accidental contact with metal wires, agricultural work, plant-cutting, etc.

Open Innovability

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-DMA EC	**RESEARCH AND INNOVATION**							
	Technological innovation [1]	(m. euro)	**59**	**76**	**74**	-17	-22.4	Enel
	Research personnel	(no.)	**317**	**236**	**243**	81	34.3	Enel
G4-EN7	**PROMOTION OF ENERGY EFFICIENCY**							
	Energy efficiency certificates	(no.)	3,030,126	3,000,000	3,383,818	30,126	1.0	Italy
	Customers with smart meters [2]	(million)	**41.4**	**38.5**	**36.5**	2.9	7.4	Enel
	Smart meters installed	(,000)	**45,816**	**42,966**	**41,011**	2,851	6.6	Enel
	Smart meters installed Italy [3]	(,000)	35,612	35,372	35,325	240	0.7	Italy
	Smart meters installed abroad	(,000)	10,204	7,593	5,686	2,611	34.4	Abroad
	Dissemination of smart meters abroad	(,000)	2,679	2,437	932	242	9.9	Abroad

(1) Investments in Research and Development were about 36% in the Infrastructure and Networks Division and for around 25% the Renewables Division. The fall compared to 2015 was due to a process of refocusing the portfolio which led to a reduction in both the budget for and the overall number of projects (12 projects completed or cancelled) so as to focus activity on the scope of GTGx Innovation, for example transferring some less innovative activities to Technical Support; the hydro carve out with the consequent transfer not only of the activities previously undertaken on the hydro plants but also of the people directly or indirectly involved.
In Spain the reduction is essentially due to the end of digitalization projects.

(2) Customers with whom a currently active meter was installed.

(3) Following a methodological change, the figure for 2015 was recalculated in line with the request made by the AEEGSI; the number relates to the meters whether activated or not (it does not include connections which are not active and connections which are not active without a meter since it has been destroyed).

Quality for customers

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU3	**CUSTOMERS**							
G4-8	**Electricity market (average number of customers)**							
	Customers Italy	(no.)	**26,776,635**	**27,072,083**	**27,207,897**	-295,448	-1.1	Italy
	Free market	(no.)	6,732,570	6,105,541	5,473,322	627,029	10.3	Italy
	- mass market customers	(no.)	6,608,388	6,012,183	5,387,579	596,205	9.9	Italy
	- business customers [1]	(no.)	78,487	52,625	51,215	25,862	49.1	Italy
	- customers in protected categories	(no.)	45,695	40,733	34,528	4,962	12.2	Italy
	Regulated market	(no.)	20,044,065	20,966,542	21,734,575	-922,477	-4.4	Italy
	Customers Iberia	(no.)	**11,047,937**	**11,111,105**	**11,290,283**	-63,168	-0.6	Iberia
	Free market [2]	(no.)	11,047,937	11,111,105	11,290,283	-63,168	-0.6	Iberia
	Regulated market	(no.)	-	-	-	-	-	Iberia
	Customers Latin America	(no.)	**15,478,255**	**15,074,266**	**14,633,393**	403,989	2.7	Latin America
	Free market	(no.)	-	-	-	-	-	Latin America
	Regulated market	(no.)	15,478,255	15,074,266	14,633,393	403,989	2.7	Latin America
	Customers Latin America - Argentina	(no.)	**2,490,810**	**2,479,069**	**2,464,117**	11,742	0.5	Argentina
	Free market	(no.)	-	-	-	-	-	Argentina
	Regulated market	(no.)	2,490,810	2,479,069	2,464,117	11,742	0.5	Argentina
	Customers Latin America - Brazil	(no.)	**6,843,998**	**6,634,293**	**6,408,163**	209,705	3.2	Brazil
	Free market	(no.)	-	-	-	-	-	Brazil
	Regulated market	(no.)	6,843,998	6,634,293	6,408,163	209,705	3.2	Brazil
	Customers Latin America - Chile	(no.)	**1,803,598**	**1,760,047**	**1,714,660**	43,551	2.5	Chile
	Free market	(no.)	-	-	-	-	-	Chile
	Regulated market	(no.)	1,803,598	1,760,047	1,714,660	43,551	2.5	Chile
	Customers Latin America - Colombia	(no.)	**2,986,719**	**2,865,135**	**2,772,352**	121,584	4.2	Colombia
	Free market	(no.)	-	-	-	-	-	Colombia
	Regulated market	(no.)	2,986,719	2,865,135	2,772,352	121,584	4.2	Colombia
	Customers Latin America - Peru	(no.)	**1,353,130**	**1,335,723**	**1,274,102**	17,407	1.3	Peru
	Free market	(no.)	-	-	-	-	-	Peru
	Regulated market	(no.)	1,353,130	1,335,723	1,274,102	17,407	1.3	Peru
	Customers Romania	(no.)	**2,736,908**	**2,691,849**	**2,670,892**	45,059	1.7	Romania
	Free market	(no.)	285,969	61,233	39,073	224,736	-	Romania
	Regulated market	(no.)	2,450,939	2,630,616	2,631,819	-179,677	-6.8	Romania
	Customers France	(no.)	-	**1,162**	**526**	-	-	France
	Free market	(no.)	-	1,162	526	-	-	France
	Regulated market	(no.)	-	-	-	-	-	France

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-8	Customers Slovakia	(no.)	-	6,113	5,459	-	-	Slovakia
	Free market	(no.)	-	6,113	5,459	-	-	Slovakia
	Regulated market	(no.)	-	-	-	-	-	Slovakia
	Total Customers Enel	(no.)	56,039,735	55,956,577	55,808,450	83,157	0.1	Enel
	Total Free market	(no.)	18,066,643	17,285,339	16,808,840	781,303	4.5	Enel
	Total Regulated market	(no.)	37,973,092	38,671,238	38,999,610	-698,146	-1.8	Enel
	Gas market (average number of customers)							
	Customers Italy	(no.)	3,876,191	3,711,422	3,470,692	164,769	4.4	Italy
	Customers Endesa Spain [3]	(no.)	1,513,379	1,286,443	1,205,463	226,936	17.6	Endesa Spain
	Total customers gas market	(no.)	5,389,570	4,997,865	4,676,155	391,705	7.8	Enel
	Total customers Enel electricity and gas	(no.)	61,429,305	60,954,443	60,484,605	474,862	0.8	Enel
	PUBLIC LIGHTING							
	Customers public lighting	(no.)	3,490	3,592	3,690	-102	-2.8	Italy
	Light sources public lighting	(,000)	1,921	2,079	2,115	-158	-7.6	Italy
	VOLUMES SOLD							
	Electricity							
	Free market	(GWh)	155,387	148,024	148,067	7,363	5.0	Enel
	Regulated market	(GWh)	107,667	112,092	112,878	-4,425	-3.9	Enel
	Total volumes sold	(GWh)	263,054	260,116	260,945	2,938	1.1	Enel
	Sales "Green Energy" [4]	(GWh)	-	13,350	11,522	-13,350	-100.0	Italy
	Revenues "Green Energy" invoiced to end users	(m. euro)	1,611	1,646	-	-35	-2.1	Italy
	Gas							
	Italy	(Billions of m^3)	4.6	4.1	3.5	0.5	13.0	Italy
	- mass market customers	(Billions of m^3)	2.8	3.4	2.9	-0.6	-17.5	Italy
	- business customers [5]	(Billions of m^3)	1.8	0.7	0.6	1.1	-	Italy
	Endesa Spain	(Billions of m^3)	6.0	5.3	4.3	0.7	12.3	Spain
	Total volumes sold Enel	(Billions of m^3)	10.6	9.4	7.8	1.2	12.6	Enel
	ENERGY AVAILABILITY AND RELIABILITY							
G4-EU11	**Efficiency Thermoelectric generation**							
	Incidence of CCGT generation out of total thermoelectric power	(%)	34.7	33.8	29.7	0.9	-	Enel
	Average thermoelectric generation yield without heat component [6]	(%)	40.0	39.7	37.8	0.2	-	Enel
	Average thermoelectric generation yield with heat [6]	(%)	40.9	40.8	40.3	0.1	-	Enel
	Average yield by technology without heat component :							
	Yield coal plants	(%)	36.2	36.1	35.3	0.2	-	Enel
	Yield oil/gas plants	(%)	37.1	36.7	35.7	0.4	-	Enel
	Yield CCGT plants	(%)	53.0	53.8	47.8	-0.8	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU11	**Average yield by geographic area without heat component:**							
	Average thermoelectric generation yield Italy	(%)	40.2	39.0	37.4	1.2	-	Italy
	Average thermoelectric generation yield Slovakia [8]	(%)	-	-	27.7	-	-	Slovakia
	Average thermoelectric generation yield Russia	(%)	38.3	38.9	37.9	-0.7	-	Russia
	Average thermoelectric generation yield Iberia	(%)	39.3	39.5	36.9	-0.2	-	Iberia
	Average thermoelectric generation yield Endesa Chile	(%)	45.6	42.8	43.6	2.8	-	Chile
	Average thermoelectric generation yield Endesa Argentina	(%)	43.3	44.3	40.1	-1.0	-	Argentina
	Average thermoelectric generation yield Endesa Brazil	(%)	49.8	47.8	43.2	2.0	-	Brazil
	Average thermoelectric generation yield Endesa Peru	(%)	45.1	46.5	43.4	-1.4	-	Peru
	Average thermoelectric generation yield Endesa Colombia	(%)	26.2	26.6	26.8	-0.4	-	Colombia
	Average yield with heat component by technology							
	Yield lignite plants	(%)	n.a.	n.a.	n.a.	-	-	Enel
	Yield coal plants	(%)	36.2	36.4	35.4	-0.2	-	Enel
	Yield oil/gas plants	(%)	40.6	42.0	40.2	-1.4	-	Enel
	Yield natural gas plants	(%)	n.a.	n.a.	n.a.		-	Enel
	Yield CCGT plants	(%)	54.0	53.2	48.0	0.8	-	Enel
	Average yield with heat component by geographic area							
	Average thermoelectric generation yield Slovakia [8]	(%)	-	-	29.4	-	-	Slovakia
	Average thermoelectric generation yield Russia	(%)	41.5	42.8	41.5	-1.3	-	Russia
G4-EU30	**Availability of thermoelectric generation by geographic area**							
	Average availability thermoelectric generation Italy	(%)	86.3	90.8	87.8	-4.5	-	Italy
	Average availability thermoelectric generation Slovakia [8]	(%)	-	-	93.7	-	-	Slovakia
	Average availability thermoelectric generation Russia	(%)	81.5	81.7	75.3	-0.2	-	Russia
	Average availability thermoelectric generation Endesa Iberia	(%)	94.7	94.1	95.6	0.6	-	Iberia
	Average availability thermoelectric generation Endesa Chile	(%)	88.7	86.0	79.2	2.7	-	Chile
	Average availability thermoelectric generation Endesa Argentina	(%)	66.0	65.1	66.0	0.9	-	Argentina
	Average availability thermoelectric generation Endesa Brazil	(%)	85.6	91.9	93.6	-6.3	-	Brazil
	Average availability thermoelectric generation Endesa Peru	(%)	94.2	94.4	93.8	-0.2	-	Peru
	Average availability thermoelectric generation Endesa Colombia	(%)	72.2	82.1	71.5	-10.0	-	Colombia
G4-EU28	**Service interruptions - frequency (SAIFI)[9]**							
	Frequency of interruptions by customer (excluding external causes)	(no.)	1.4	1.7	3.3	-0.2	-14.5	Italy

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU28	Frequency of interruptions by customer (including external causes)	(no.)	1.5	1.7	3.4	-0.3	-14.5	Italy
	Frequency of interruptions by customer Romania	(no.)	4.7	5.1	4.9	-0.4	-7.2	Romania
	Frequency of interruptions by customer Iberia	(no.)	1.4	1.6	1.2	-0.2	-9.6	Iberia
	Frequency of interruptions by customer Peru	(no.)	2.6	2.9	2.3	-0.3	-11.3	Peru
	Frequency of interruptions by customer Chile	(no.)	1.4	1.5	1.3	-0.1	-8.8	Chile
	Frequency of interruptions by customer Argentina	(no.)	6.9	6.6	5.0	0.3	4.7	Argentina
	Frequency of interruptions by customer Brazil (Ampla)	(no.)	12.0	12.2	6.8	-0.2	-1.8	Brazil
	Frequency of interruptions by customer Brazil (Coelce)	(no.)	4.6	4.5	3.7	0.1	2.2	Brazil
	Frequency of interruptions by customer Colombia	(no.)	8.8	10.9	12.9	-2.1	-19.0	Colombia
G4-EU29	**Service interruptions - duration (SAIDI)**							
	Service continuity index Italy (excluding external causes)	(min)	35	42	37	-7	-16.1	Italy
	Service continuity index Italy (including external causes)	(min)	37	44	39	-7	-16.0	Italy
	Service continuity index Romania	(min)	210	238	263	-28	-11.6	Romania
	Service continuity index Iberia [9]	(min)	62	75	49	-14	-18.0	Iberia
	Service continuity index Peru	(min)	485	539	619	-54	-10.0	Peru
	Service continuity index Chile	(min)	207	225	242	-18	-8.2	Chile
	Service continuity index Argentina	(min)	2,046	1,928	2,112	118	6.1	Argentina
	Service continuity index Brazil (Ampla)	(min)	1,321	1,629	1,299	-308	-18.9	Brazil
	Service continuity index Brazil (Coelce)	(min)	499	596	532	-97	-16.3	Brazil
	Service continuity index Colombia	(min)	688	841	1,012	-154	-18.3	Colombia
G4-EU12	**Grid losses**							
	Grid losses Italy	(%)	4.8	5.0	4.9	-0.2	-	Italy
	Grid losses Romania	(%)	11.4	11.3	12.0	0.1	-	Romania
	Grid losses Iberia [9]	(%)	8.4	9.3	10.1	-0.9	-	Iberia
	Grid losses Peru	(%)	7.8	8.1	7.8	-0.3	-	Peru
	Grid losses Chile	(%)	5.3	5.0	5.5	0.3	-	Chile
	Grid losses Argentina	(%)	12.0	12.3	10.8	-0.3	-	Argentina
	Grid losses Brazil (Ampla)	(%)	19.4	19.6	20.1	-0.2	-	Brazil
	Grid losses Brazil (Coelce)	(%)	12.6	12.5	12.7	0.1	-	Brazil
	Grid losses Colombia	(%)	7.1	7.2	7.2	-0.1	-	Colombia
	SERVICE QUALITY							
	ELECTRICITY MARKET ITALY							
	Commercial structure							
	Enel retail outlets (electricity + gas)	(no.)	130	130	131	-	-	Italy
	Indirect physical network	(no.)	700	600	631	100	16.7	Italy
	Call Center							
	Regulated market - 800 900 800							
	Call Center service level	(%)	96.2	98.0	98.3	-1.8	-	Italy
	Average waiting time	(sec)	140	76	62	64	84.2	Italy
	Training for Call Center operator (IN Enel)	(h/pro-cap)	31	13	12	18	-	Italy
	Free market (electricity and gas) - 800 900 860							
	Call Center service level	(%)	97.1	98.0	97.8	-0.9	-	Italy
	Average waiting time	(sec)	92	70	68	22	31.4	Italy

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	Training for Call Center operator (IN Enel)	(h/pro-cap)	46	35	42	11	31.4	Italy
	Service speed							
	Execution of simple work	(d)	6.2	6.9	5.9	-0.7	-10.1	Italy
	Supply activation	(d)	0.8	0.8	0.6	-	-	Italy
G4-PR5	**Customer satisfaction**							
	Regulated market							
	Customer satisfaction index [10]	(i)	91.2	92.6	96.5	-1.4	-1.5	Italy
	Frequency of surveys	(no.)	2	2	2	-	-	Italy
	Written complaints and information requests	(,000)	130.0	99.1	98.8	30.9	31.2	Italy
	Response time to written complaints	(d)	25.6	16.5	18.1	9.1	55.2	Italy
	Free market							
	Customer satisfaction index recorded [10]	(i)	90.3	92.4	93.6	-2.1	-2.3	Italy
	Frequency of surveys	(no.)	2	2	2	-	-	Italy
	Written complaints and information requests	(,000)	77.3	74.1	80.3	3.2	4.3	Italy
	Response time to written complaints	(d)	13.2	12.6	15.7	0.6	4.8	Italy
	ELECTRICITY MARKET ROMANIA							
	Commercial structure							
	Agencies	(no.)	15	15	15	-	-	Romania
	Indirect channel	(no.)	44	39	34	5	12.8	Romania
	Call Center							
	Call Center service level Regulated market	(%)	75.2	93.7	90.4	-18.5	-	Romania
	Customer satisfaction							
	Regulated market							
	Customer satisfaction Index	(i)	79.1	77.4	76.3	1.7	2.2	Romania
	Written complaints and information requests	(,000)	23.6	21.1	27.9	2.5	11.9	Romania
	Response time to written complaints	(d)	6.0	7.0	7.0	-1.0	-14.3	Romania
	Free market							
	Customer satisfaction Index	(i)	84.9	84.8	84.3	-	0.1	Romania
	Written complaints and information requests	(,000)	7.1	2.0	1.0	5.1	-	Romania
	Response time to written complaints	(d)	8.0	8.0	14.0	-	-	Romania
	Free and regulated market							
	Written complaints and information requests commercial area	(,000)	30.6	23.1	28.9	7.6	32.9	Romania
	Response time to written complaints commercial area	(d)	6.0	7.0	7.0	-1.0	-7.7	Romania
	ELECTRICITY MARKET SPAIN							
	Commercial structure [11]							
	Agencies	(no.)	11	11	16	-	-	Spain
	Indirect channel	(no.)	288	299	296	-11	-3.7	Spain
	Call Center [11]							
	Call Center service level	(%)	96.5	96.1	94.0	0.4	-	Spain
	Service speed							
	Supply activation	(d)	6.8	6.9	5.9	-0.1	-1.6	Spain
	Customer satisfaction free mkt (former TUR market)[12]							
	Customer satisfaction Index	(i)	6.9	6.3	6.4	0.7	10.7	Spain
	Written complaints and information requests	(,000)	10.0	12.3	11.8	-2.3	-18.7	Spain
	Response time to written complaints	(d)	12.2	6.8	13.3	5.4	79.4	Spain

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-PR5	**Customer satisfaction free mkt (former no TUR market)**							
	Customer satisfaction Index	(i)	6.9	6.4	6.6	0.5	7.6	Spain
	Written complaints and information requests	(,000)	18.7	17.5	13.3	1.2	6.7	Spain
	Response time to written complaints	(d)	13.3	8.5	19.5	4.8	56.5	Spain
	GAS MARKET ITALY							
	Customer satisfaction Gas							
	Written complaints and information requests	(,000)	35.3	38.7	43.8	-3.4	-8.8	Italy
	Response time to written complaints	(d)	14.7	14.0	18.4	0.7	5.0	Italy
	GAS MARKET SPAIN							
	Customer satisfaction Gas							
	Written complaints and information requests	(,000)	6.5	5.1	4.3	1.4	27.3	Spain
	Response time to written complaints	(d)	20.7	8.5	18.8	12.2	-	Spain
	ACCESSIBILITY OF ENERGY							
G4-EU27	**Customers disconnected for non-payment Italian market**							
	by time from disconnection to payment - Italy (Regulated market):	(no.)	**496,008**	**656,710**	**885,165**	-160,702	-24.5	Italy
	< 48 h	(no.)	259,847	343,029	449,024	-83,182	-24.2	Italy
	48 h - 1 week	(no.)	137,365	178,776	248,067	-41,411	-23.2	Italy
	1 week - 1 month	(no.)	98,307	134,132	187,163	-35,825	-26.7	Italy
	1 month - 1 year	(no.)	489	773	911	-284	-36.7	Italy
	> 1 year	(no.)	-	-	-	-		Italy
	by time from payment to reconnection - Italy (Regulated market):	(no.)	**496,008**	**656,710**	**885,165**	-160,702	-24.5	Italy
	< 24 h	(no.)	438,312	591,562	792,339	-153,250	-25.9	Italy
	24 h - 1 week	(no.)	56,611	64,453	91,759	-7,842	-12.2	Italy
	> 1 week	(no.)	1,085	695	1,067	390	56.1	Italy
	by time from disconnection to payment - Italy (Free market):	(no.)	**475,247**	**363,687**	**232,635**	111,560	30.7	Italy
	< 48 h	(no.)	237,665	287,312	212,316	-49,647	-17.3	Italy
	48 h - 1 week	(no.)	106,029	47,279	15,412	58,750	124.3	Italy
	1 week - 1 month	(no.)	120,996	21,823	3,928	99,173	-	Italy
	1 month - 1 year	(no.)	10,557	7,273	973	3,284	45.2	Italy
	> 1 year	(no.)	-	-	6	-		Italy
	by time from payment to reconnection - Italy (Free market):	(no.)	**442,078**	**338,228**	**232,635**	103,850	30.7	Italy
	< 24 h	(no.)	428,072	284,112	196,495	143,960	50.7	Italy
	24 h - 1 week	(no.)	13,629	50,734	31,228	-37,105	-73.1	Italy
	> 1 week	(no.)	377	3,382	4,912	-3,005	-88.9	Italy
	by time from disconnection to payment - Italy (Gas market):	(no.)	**87,510**	**87,240**	**39,534**	270	0.3	Italy
	< 48 h	(no.)	14,723	58,453	7,604	-43,730	-74.8	Italy
	48 h - 1 week	(no.)	29,780	14,830	19,634	14,950	100.8	Italy
	1 week - 1 month	(no.)	37,670	12,213	9,067	25,457	-	Italy
	1 month - 1 year	(no.)	5,337	1,744	3,225	3,593	-	Italy
	> 1 year	(no.)	-	-	4	-		Italy

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU27	by time from payment to reconnection - Italy (Gas market):	(no.)	**81,384**	**81,133**	**39,534**	251	0.3	Italy
	< 24 h	(no.)	67,716	13,794	2,758	53,922	-	Italy
	24 h - 1 week	(no.)	13,417	52,736	24,478	-39,319	-74.6	Italy
	> 1 week	(no.)	251	14,603	12,298	-14,352	-98.3	Italy
	Market Romania							
	by time from disconnection to payment - Romania:	(no.)	**21,500**	**21,107**	**18,063**	393	1.9	Romania
	< 48 h	(no.)	13,508	13,906	12,913	-398	-2.9	Romania
	48 h - 1 week	(no.)	3,540	2,076	1,670	1,464	70.5	Romania
	1 week - 1 month	(no.)	2,712	3,764	2,334	-1,052	-27.9	Romania
	1 month - 1 year	(no.)	1,740	1,361	1,146	379	27.8	Romania
	by time from payment to reconnection - Romania:	(no.)	**16,152**	**14,802**	**13,392**	1,350	9.1	Romania
	< 24 h	(no.)	3,293	11,944	10,165	-8,651	-72.4	Romania
	24 h - 1 week	(no.)	12,544	2,438	2,881	10,106		Romania
	> 1 week	(no.)	315	420	346	-105	-25.0	Romania
	Market Endesa							
	by time from disconnection to payment - Endesa Spain:	(no.)	**152,701**	**234,263**	**140,099**	-81,562	-34.8	Spain
	< 48 h	(no.)	115,455	135,722	76,789	-20,267	-14.9	Spain
	48 h - 1 week	(no.)	17,136	19,246	13,900	-2,110	-11.0	Spain
	1 week - 1 month	(no.)	13,045	31,634	18,442	-18,589	-58.8	Spain
	1 month - >1 year	(no.)	7,065	47,661	30,968	-40,596	-85.2	Spain
	by time from payment to reconnection - Endesa Spain:	(no.)	**152,509**	**207,145**	**119,553**	-54,636	-26.4	Spain
	< 24 h	(no.)	141,947	193,097	106,798	-51,150	-26.5	Spain
	24 h - 1 week	(no.)	9,831	12,816	12,358	-2,985	-23.3	Spain
	> 1 week	(no.)	731	1,232	397	-501	-40.7	Spain
	by time from disconnection to payment - Endesa Latin America:	(no.)	**2,281,638**	**1,924,830**	**2,002,612**	356,808	18.5	Latin America
	< 48 h	(no.)	1,372,215	1,158,458	1,281,136	213,757	18.5	Latin America
	48 h - 1 week	(no.)	362,244	292,724	280,818	69,520	23.7	Latin America
	1 week - 1 month	(no.)	315,329	281,338	254,334	33,991	12.1	Latin America
	1 month - >1 year	(no.)	231,794	192,269	186,303	39,525	20.6	Latin America
	>1 year	(no.)	56	41	21	15	36.6	Latin America
	by time from payment to reconnection - Endesa Latin America: [13]	(no.)	**2,511,632**	**2,110,181**	**2,237,559**	401,451	19.0	Latin America
	< 24 h	(no.)	2,400,998	1,997,340	2,180,885	403,658	20.2	Latin America
	24 h - 1 week	(no.)	107,872	109,360	49,145	-1,488	-1.4	Latin America
	> 1 week	(no.)	2,762	3,481	7,529	-719	-20.7	Latin America
	Disputes with customers							
	ELECTRICITY MARKET							
	Total proceedings [7]	(no.)	97,166	120,337	138,096	-23,171	-19.3	Enel
	Incidence of proceedings as defendant	(%)	74.1	79.6	80.8	-5.4	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	Gas market							
	Total proceedings	(no.)	2,456	2,380	1,360	76	3.2	Enel
	Incidence of proceedings as defendant	(%)	87.3	79.3	78.7	8.0	-	Enel
	Regulatory disputes							
	Total proceedings	(no.)	**1,264**	**1,376**	**1,301**	-118	-8.6	Enel
	Incidence of proceedings as defendant	(%)	**73.4**	**63.0**	**55.0**	10.4	-	Enel

(1) Supplies to major customers and heavy consumers (annual consumption over 1 GWh).
(2) Customers 2015 figure updated.
(3) Customers 2015 figure updated.
(4) The green energy declared in the Sustainability Report corresponds to the energy consumed in 2016 by the end users of Enel Energia who signed up for a green offer. Enel Energia is then required to acquire and subsequently cancel the "GOs" – certificates issued by GSE to producers which certify to the renewable origin of the energy sources used by their generation plants – to anw extent that corresponds to the energy underpinning this particular family of offers.
As from January 1, 2016, as envisaged by the Ministerial Decree of July 6, 2012, the mechanism of Green Certificates (GC) is replaced by a new form of incentive. The subjects who have accrued the right to the GCs keep the benefit for the remaining subsidized period, but in a different form. The new incentive is obtained by accessing GRIN, GSE's IT system which manages the recognition of tariffs.
(5) Includes residential customers and microbusiness.
(6) The figure 2015 was recalculcated due to the change in methodology
> efficiency of the power plants was calculated on the basis of the operation of the plants at the load level where there is the maximum efficiency for those plants for which the load curve is available. This approach was not applied to the heat component since it already has a high yield;
> availability was calculated by removing the internal causes of non-availability.
(7) In migrating to the Suite system 40,000 disputes were archived just for the scope of Italy. As part of the electricity market, 11,532 cases were archived relating to the mass dispute about the Free Payment of bills.
(8) The figure for 2015 was restated: the values for 2015 and 2016 do not take into consideration the contribution from Slovakia for either availability or efficiency; Slovakia was removed from the scope as from July 31, 2016.
(9) The figure for 2015 was restated.
(10) The index given is the CSI (Customer Satisfaction Index).
(11) The figure for 2014 was restated.
(12) As from July 1, 2009 all end users are formally on the free market. Nonetheless, for consumers with capacity under or equal to 10 kW, there is a tariff of last resort (initially called *Tarifa de Ultimo Recurso* or TUR, which has been replaced as from April 2014 by the *Precio Voluntario al Pequeño Consumidor* or PVPC), which is regulated and set by the Government, the energy component of which is determined on the basis of the hourly prices recorded on the day and infraday markets during the invoicing period.
(13) The data for 2015 and 2014 for Chile have been restated.

Our people

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	SIZE AND COMPOSITION OF WORKFORCE							
	Size of workforce							
	Total workforce	(no.)	62,080	67,914	68,961	-5,834	-8.6	Enel
	Hours worked	(m.h)	117.6	122.5	122.7	-4.8	-4.0	Enel
G4-LA1	**CHANGES TO SIZE** [1]							
	New recruits	(no.)	3,360	2,695	4,821	665	24.7	Enel
	Changes in scope	(no.)	-4,280	269	23	-4,549	-	Enel
	Terminations	(no.)	4,914	4,011	6,225	903	22.5	Enel
	Balance	(no.)	-5,834	-1,047	-1,381	-4,787	-	Enel
G4-10	**WORKFORCE BY GEOGRAPHIC AREA AND GENDER** [2]							
	Italy	(no.)	**31,956**	**33,040**	**33,405**	-1,084	-3.3	Italy
	- of whom men	(no.)	26,252	27,202	27,544	-950	-3.5	Italy
	- of whom women	(no.)	5,704	5,838	5,861	-134	-2.3	Italy
	Abroad	(no.)	**30,124**	**34,874**	**35,556**	-4,750	-13.6	Abroad
	- of whom men	(no.)	23,295	27,330	27,819	-4,035	-14.8	Abroad
	- of whom women	(no.)	6,829	7,544	7,737	-715	-9.5	Abroad
	Iberia	(no.)	**10,184**	**10,715**	**11,239**	-531	-5.0	Iberia
	- of whom men	(no.)	7,869	8,353	8,758	-484	-5.8	Iberia
	- of whom women	(no.)	2,315	2,362	2,481	-47	-2.0	Iberia
	Europe and North Africa	(no.)	**5,857**	**10,423**	**10,774**	-4,566	-43.8	Europe and North Africa
	- of whom men	(no.)	4,236	8,030	8,314	-3,794	-47.2	Europe and North Africa
	- of whom women	(no.)	1,621	2,393	2,460	-772	-32.3	Europe and North Africa
	Romania	(no.)	**3,113**	**3,133**	**3,144**	-20	-0.6	Romania
	- of whom men	(no.)	2,237	2,294	2,308	-57	-2.5	Romania
	- of whom women	(no.)	876	839	836	37	4.4	Romania
	Russia	(no.)	**2,639**	**2,781**	**2,932**	-142	-5.1	Russia
	- of whom men	(no.)	1,924	2,005	2,097	-81	-4.0	Russia
	- of whom women	(no.)	715	776	835	-61	-7.9	Russia
	Other (Europe and North Africa)	(no.)	**105**	**4,509**	**4,698**	-4,404	-97.7	Other (Europe and North Africa)
	- of whom men	(no.)	75	3,731	3,909	-3,656	-98.0	Other (Europe and North Africa)
	- of whom women	(no.)	30	778	789	-748	-96.1	Other (Europe and North Africa)
	North and Central America	(no.)	**900**	**820**	**760**	80	9.8	North and Central America
	- of whom men	(no.)	705	648	603	57	8.8	North and Central America
	- of whom women	(no.)	195	172	157	23	13.4	North and Central America

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-10	Latin America	(no.)	12,970	12,792	12,743	178	1.4	Latin America
	- of whom men	(no.)	10,352	10,230	10,120	122	1.2	Latin America
	- of whom women	(no.)	2,618	2,562	2,623	56	2.2	Latin America
	Sub Sah. Africa and Asia	(no.)	185	120	30	65	54.2	Sub Sah. Africa and Asia
	- of whom men	(no.)	119	67	20	52	77.6	Sub Sah. Africa and Asia
	- of whom women	(no.)	66	53	10	13	24.5	Sub Sah. Africa and Asia
	Other (branches)	(no.)	28	4	10	24	-	Other (branches)
	- of whom men	(no.)	14	2	4	12	-	Other (branches)
	- of whom women	(no.)	14	2	6	12	-	Other (branches)
	Total workforce	(no.)	62,080	67,914	68,961	-5,834	-8.6	Enel
	- of whom men	(no.)	49,547	54,532	55,364	-4,985	-9.1	Enel
	- of whom women	(no.)	12,533	13,382	13,598	-849	-6.3	Enel
G4-10	**WORKFORCE BY LEVEL AND GENDER** [2]							
	Managers	(no.)	1,284	1,271	1,538	13	1.0	Enel
	- of whom men	(no.)	1,064	1,058	1,318	6	0.6	Enel
	- of whom women	(no.)	220	213	220	7	3.2	Enel
	Middle managers	(no.)	9,796	10,581	14,399	-786	-7.4	Enel
	- of whom men	(no.)	7,176	7,875	10,558	-700	-8.9	Enel
	- of whom women	(no.)	2,620	2,706	3,841	-86	-3.2	Enel
	White-collar workers	(no.)	32,654	35,975	37,509	-3,321	-9.2	Enel
	- of whom men	(no.)	23,454	26,139	28,758	-2,685	-10.3	Enel
	- of whom women	(no.)	9,200	9,836	8,751	-636	-6.5	Enel
	Blue-collar workers	(no.)	18,346	20,087	15,516	-1,740	-8.7	Enel
	- of whom men	(no.)	17,853	19,460	14,730	-1,606	-8.3	Enel
	- of whom women	(no.)	493	627	786	-134	-21.3	Enel
	Total	(no.)	62,080	67,914	68,961	-5,834	-8.6	Enel
	Index of professional qualification							
	Managers	(%)	2.1	1.9	2.2	0.2	-	Enel
	Middle managers	(%)	15.8	15.6	20.9	0.2	-	Enel
	White-collar workers	(%)	52.6	53.0	54.4	-0.4	-	Enel
	Blue-collar workers	(%)	29.6	29.6	22.5	-	-	Enel
	Workforce by level of education							
	Total	(no.)	62,080	67,914	68,961	-5,834	-8.6	Enel
	Degree	(%)	35.3	35.1	32.4	0.2	-	Enel
	High-school diploma	(%)	47.4	47.5	50.2	-0.1	-	Enel
	Other	(%)	17.3	17.4	17.4	-0.1	-	Enel
G4-10	**Workforce by age range and level**							
	< 30	(%)	10.6	9.8	10.8	0.8	-	Enel
	- of whom Managers	(%)	-	-	-	-	-	Enel
	- of whom Middle managers	(%)	0.2	0.2	0.9	-	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-10	- of whom White-collar workers	(%)	3.7	3.5	4.3	0.2	-	Enel
	- of whom Blue-collar workers	(%)	6.7	6.1	5.6	0.6	-	Enel
	30 - 50	(%)	**51.9**	**52.0**	**52.0**	-	-	Enel
	- of whom Managers	(%)	1.0	0.9	1.1	0.1	-	Enel
	- of whom Middle managers	(%)	9.9	9.8	13.5	0.2	-	Enel
	- of whom White-collar workers	(%)	26.9	27.4	27.4	-0.4	-	Enel
	- of whom Blue-collar workers	(%)	14.1	13.9	10.0	0.2	-	Enel
	> 50	(%)	**37.5**	**38.3**	**37.2**	-0.8	-	Enel
	- of whom Managers	(%)	1.0	0.9	1.1	0.1	-	Enel
	- of whom Middle managers	(%)	5.7	5.7	6.4	-	-	Enel
	- of whom White-collar workers	(%)	21.9	22.1	22.8	-0.2	-	Enel
	- of whom Blue-collar workers	(%)	8.8	9.6	6.9	-0.8	-	Enel
	Average age	(years)	**44.4**	**44.7**	**44.4**	-0.3	-0.6	Enel
	Workforce by age range and gender							
	< 30	(%)	**10.6**	**9.8**	**10.8**	0.8	-	Enel
	- of whom men	(%)	9.4	8.5	9.4	0.8	-	Enel
	- of whom women	(%)	1.2	1.3	1.4	-	-	Enel
	30 - 50	(%)	**51.9**	**52.0**	**52.0**	-	-	Enel
	- of whom men	(%)	38.9	39.2	39.1	-0.3	-	Enel
	- of whom women	(%)	13.1	12.8	12.9	0.3	-	Enel
	> 50	(%)	**37.5**	**38.3**	**37.2**	-0.8	-	Enel
	- of whom men	(%)	31.6	32.6	31.6	-1.0	-	Enel
	- of whom women	(%)	5.9	5.6	5.6	0.2	-	Enel
	Workforce by years of service [3]							
	Average	(years)	17.5	17.9	19.0	-0.4	-2.3	Enel
	< 10	(no.)	22,040	22,798	22,837	-758	-3.3	Enel
	10 - 19	(no.)	12,656	13,711	14,321	-1,055	-7.7	Enel
	20 - 29	(no.)	15,768	18,378	19,311	-2,610	-14.2	Enel
	30 - 34	(no.)	6,795	7,583	7,977	-788	-10.4	Enel
	> 35	(no.)	4,822	5,445	4,515	-623	-11.4	Enel
	Total	(no.)	62,080	67,914	68,961	-5,834	-8.6	Enel
	Under 10	(%)	35.5	33.6	33.1	1.9	-	Enel
	10 to 19	(%)	20.4	20.2	20.8	0.2	-	Enel
	20 to 29	(%)	25.4	27.1	28.0	-1.7	-	Enel
	30 to 34	(%)	10.9	11.2	11.6	-0.2	-	Enel
	Over 35	(%)	7.8	8.0	6.5	-0.3	-	Enel
	Workforce by type of contract and gender							
	Permanent contracts	(no.)	**60,921**	**66,981**	**67,575**	-6,059	-9.0	Enel
	- of whom men	(no.)	48,656	53,845	54,200	-5,189	-9.6	Enel
	- of whom women	(no.)	12,265	13,135	13,375	-870	-6.6	Enel
	Fixed-term contracts	(no.)	**1,081**	**846**	**1,004**	235	27.8	Enel
	- of whom men	(no.)	836	619	710	217	35.1	Enel
	- of whom women	(no.)	245	227	294	18	8.0	Enel
	Insertion/work experience contracts	(no.)	**78**	**88**	**382**	-10	-11.4	Enel
	- of whom men	(no.)	55	68	348	-13	-19.1	Enel
	- of whom women	(no.)	23	20	34	3	15.0	Enel
	Total contracts	(no.)	**62,080**	**67,914**	**68,961**	-5,834	-8.6	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-10	- of whom men	(no.)	49,547	54,532	55,258	-4,985	-9.1	Enel
	- of whom women	(no.)	12,533	13,382	13,704	-849	-6.3	Enel
	Fixed-term and insertion/work experience contracts as percentage of total	(%)	1.9	1.4	2.0	0.5	-	Enel
	Internships and traineeships	(no.)	3,347	946	3,149	2,401	-	Enel
	Full-time contracts	(no.)	61,156	66,939	67,958	-5,783	-8.6	Enel
	- of whom men	(no.)	49,303	54,284	55,720	-4,981	-9.2	Enel
	- of whom women	(no.)	11,853	12,655	12,238	-802	-6.3	Enel
	Part-time contracts	(no.)	924	975	1,004	-51	-5.2	Enel
	- of whom men	(no.)	244	248	265	-4	-1.6	Enel
	- of whom women	(no.)	680	727	738	-47	-6.5	Enel
	Part-time + Full-time	(no.)	62,080	67,914	68,961	-5,834	-8.6	Enel
	- of whom men	(no.)	49,547	54,532	55,986	-4,985	-9.1	Enel
	- of whom women	(no.)	12,533	13,382	12,976	-849	-6.3	Enel
	Percentage of part-time	(%)	1.5	1.4	1.5	0.1	-	Enel
G4-LA1	**CHANGES TO SIZE**							
	New recruits							
	New recruits by gender	(no.)	3,360	2,695	4,821	665	24.7	Enel
	- men	(no.)	2,618	2,074	4,054	544	26.2	Enel
		(%)	77.9	77.0	84.1	0.9	-	Enel
	- women	(no.)	742	620	767	122	19.6	Enel
		(%)	22.1	23.0	15.9	-0.9	-	Enel
	New recruits by age range	(no.)	3,360	2,695	4,821	665	24.7	Enel
	up to 30	(no.)	1,709	844	2,999	864	-	Enel
		(%)	50.9	31.3	62.2	19.4	-	Enel
	from 30 to 50	(no.)	1,406	1,622	1,550	-216	-13.3	Enel
		(%)	41.9	60.2	32.1	-18.3	-	Enel
	over 50	(no.)	245	228	272	17	7.5	Enel
		(%)	7.3	8.5	5.6	-1.2	-	Enel
	New recruits by geographic area [2]							
	Italy	(no.)	1,136	125	2,442	1,011	-	Italy
		(%)	33.8	4.6	50.7	29.2	-	Italy
	Iberia	(no.)	361	370	426	-9	-2.4	Iberia
		(%)	10.7	13.7	8.8	-3.0	-	Iberia
	Slovakia	(no.)	310	381	159	-71	-18.6	Slovakia
		(%)	9.2	14.1	3.3	-4.9	-	Slovakia
	Romania	(no.)	173	152	97	21	13.8	Romania
		(%)	5.1	5.6	2.0	-0.5	-	Romania
	Russia	(no.)	109	100	132	9	9.0	Russia
		(%)	3.2	3.7	2.7	-0.5	-	Russia
	France	(no.)	-	-	3	-	-	France
		(%)	-	-	0.1	-	-	France
	Belgium	(no.)	2	-	2	2	-	Belgium
		(%)	0.1	-	-	0.1	-	Belgium
	Morocco	(no.)	1	-	-	1	-	Morocco
		(%)	-	-	-	-	-	Morocco
	Turkey	(no.)	-	4	-	-4	-100.0	Turkey
		(%)	-	0.15	-	-0.1	-	Turkey
	Egypt	(no.)	2	-	-	2	-	Egypt
		(%)	0.1	-	-	0.1	-	Egypt
	Greece	(no.)	9	7	11	2	28.6	Greece
		(%)	0.3	0.3	0.2	-	-	Greece

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA1	**North and Central America**	**(no.)**	**183**	**188**	**145**	-5	-2.7	North and Central America
		(%)	5.4	7.0	3.0	-1.5	-	North and Central America
	North America	(no.)	102	85	63	17	20.0	North America
		(%)	3.0	3.2	1.3	-0.1	-	North America
	Costa Rica	(no.)	9	19	5	-10	-52.6	Costa Rica
		(%)	0.3	0.7	0.1	-0.4	-	Costa Rica
	Guatemala	(no.)	6	11	15	-5	-45.5	Guatemala
		(%)	0.2	0.4	0.3	-0.2	-	Guatemala
	Mexico	(no.)	44	56	44	-12	-21.4	Mexico
		(%)	1.3	2.1	0.9	-0.8	-	Mexico
	Panama	(no.)	21	11	13	10	90.9	Panama
		(%)	0.6	0.4	0.3	0.2	-	Panama
	Uruguay	(no.)	1	6	5	-5	-83.3	Uruguay
		(%)	-	0.2	0.1	-0.2	-	Uruguay
	Latin America	**(no.)**	**991**	**1,301**	**1,275**	-310	-23.8	Latin America
		(%)	29.5	48.3	26.4	-18.8	-	Latin America
	Argentina	(no.)	338	593	620	-255	-43.0	Argentina
		(%)	10.1	22.0	12.9	-11.9	-	Argentina
	Brazil	(no.)	233	316	281	-83	-26.3	Brazil
		(%)	6.9	11.7	5.8	-4.8	-	Brazil
	Chile	(no.)	116	168	231	-52	-31.0	Chile
		(%)	3.5	6.2	4.8	-2.8	-	Chile
	Colombia	(no.)	251	195	100	56	28.7	Colombia
		(%)	7.5	7.2	2.1	0.3	-	Colombia
	Peru	(no.)	53	29	43	24	82.8	Peru
		(%)	1.6	1.1	0.9	0.5	-	Peru
	Sub Sah. Africa and Asia	**(no.)**	**77**	**59**	**31**	18	30.5	Sub Sah. Africa and Asia
		(%)	2.3	2.2	0.6	0.1	-	Sub Sah. Africa and Asia
	South Africa	(no.)	51	59	31	-8	-13.6	South Africa
		(%)	1.5	2.2	0.6	-0.7	-	South Africa
	Kenya	(no.)	2	-	-	2	-	Kenya
		(%)	0.1	-	-	0.1	-	Kenya
	India	(no.)	24	-	-	24	-	India
		(%)	0.7	-	-	0.7	-	India
	Other (branches)	**(no.)**	**6**	**8**	**98**	-2	-25.0	Other (branches)
		(%)	0.2	0.3	2.0	-0.1	-	Other (branches)
G4-LA1	**Effect of the changes in scope**	(no.)	-4,280	269	23	-4,549		Enel
	Terminations							
	Causes							
	Voluntary terminations	(no.)	686	846	703	-160	-18.9	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA1	Incentive based terminations	(no.)	2,966	1,422	4,143	1,544	-	Enel
	Retirements and other	(no.)	1,262	1,743	1,378	-481	-27.6	Enel
	Terminations by gender	(no.)	**4,914**	**4,011**	**6,225**	903	22.5	Enel
	- men	(no.)	4,021	2,909	5,164	1,112	38.2	Enel
		(%)	81.8	72.5	83.0	9.3	-	Enel
	- women	(no.)	893	1,102	1,061	-209	-19.0	Enel
		(%)	18.2	27.5	17.0	-9.3	-	Enel
	Terminations by age range	(no.)	**4,914**	**4,011**	**6,225**	903	22.5	Enel
	up to 30	(no.)	257	626	252	-369	-58.9	Enel
		(%)	5.2	15.6	4.0	-10.4	-	Enel
	from 30 to 50	(no.)	1,119	1,694	1,256	-575	-34.0	Enel
		(%)	22.8	42.2	20.2	-19.5	-	Enel
	over 50	(no.)	3,538	1,691	4,717	1,847	-	Enel
		(%)	72.0	42.2	75.8	29.8	-	Enel
	Terminations by nationality [2]							
	Italy [4]	(no.)	2,141	754	3,232	1,387	-	Italy
		(%)	43.6	18.8	51.9	24.8	-	Italy
	Iberia	(no.)	911	856	783	55	6.4	Iberia
		(%)	18.5	21.3	12.6	-2.8	-	Iberia
	Slovakia	(no.)	185	454	615	-269	-59.3	Slovakia
		(%)	3.8	11.3	9.9	-7.6	-	Slovakia
	Bulgaria	(no.)	1	-	-	1	-	Bulgaria
		(%)	-	-	-	-	-	Bulgaria
	Holland	(no.)	1	1	-	-	-	Holland
		(%)	-	-	-	-	-	Holland
	Romania	(no.)	192	163	587	29	17.8	Romania
		(%)	3.9	4.1	9.4	-0.2		Romania
	Russia	(no.)	232	204	215	28	13.7	Russia
		(%)	4.7	5.1	3.5	-0.4	-	Russia
	France	(no.)	13	12	13	1	8.3	France
		(%)	0.3	0.3	0.2	-	-	France
	Belgium	(no.)	2	-	1	2	-	Belgium
		(%)	-	-	-	-	-	Belgium
	Greece	(no.)	5	7	2	-2	-28.6	Greece
		(%)	0.1	0.2	-	-0.1	-	Greece
	North and Central America	(no.)	**103**	**128**	**112**	-25	-19.5	North and Central America
		(%)	2.1	3.2	1.8	-1.1	-	North and Central America
	North America	(no.)	47	62	58	-15	-24.2	North America
		(%)	1.0	1.5	0.9	-0.6	-	North America
	Costa Rica	(no.)	23	22	7	1	4.5	Costa Rica
		(%)	0.5	0.5	0.1	-	-	Costa Rica
	Uruguay	(no.)	2	1	-	1	100.0	Uruguay
		(%)	-	-	-	-	-	Uruguay

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA1	Guatemala	(no.)	9	8	14	1	12.5	Guatemala
		(%)	0.2	0.2	0.2	-	-	Guatemala
	Mexico	(no.)	13	21	21	-8	-38.1	Mexico
		(%)	0.3	0.5	0.3	-0.2	-	Mexico
	Panama	(no.)	9	13	9	-4	-30.8	Panama
		(%)	0.2	0.3	0.1	-0.1	-	Panama
	El Salvador	(no.)	-	1	3	-1	-100.0	El Salvador
		(%)	-	-	-	-	-	El Salvador
	Latin America	(no.)	**1,071**	**1,252**	**616**	-181	-14.5	Latin America
		(%)	21.8	31.2	9.9	-9.4	-	Latin America
	Argentina	(no.)	210	225	128	-15	-6.7	Argentina
		(%)	4.3	5.6	2.1	-1.3	-	Argentina
	Brazil	(no.)	328	306	216	22	7.2	Brazil
		(%)	6.7	7.6	3.5	-0.9	-	Brazil
	Colombia	(no.)	163	280	67	-117	-41.8	Colombia
		(%)	3.3	7.0	1.1	-3.7	-	Colombia
	Chile	(no.)	323	394	177	-71	-18.0	Chile
		(%)	6.6	9.8	2.8	-3.2	-	Chile
	Peru	(no.)	47	47	28	-	-	Peru
		(%)	1.0	1.2	0.4	-0.2	-	Peru
	Sub Sah. Africa and Asia	(no.)	**12**	**4**	**1**	8	-	Sub Sah. Africa and Asia
		(%)	0.2	0.1	-	0.1	-	Sub Sah. Africa and Asia
	South Africa	(no.)	3	4	1.0	-1	-25.0	South Africa
		(%)	0.1	0.1	-	-	-	South Africa
	India	(no.)	9	-	-	9	-	India
		(%)	0.2	-	-	0.2	-	India
	Other (branches and Enel Co)	(no.)	**45**	**176**	**48**	-131	-74.4	Other
		(%)	0.9	4.4	0.8	-3.5	-	Other
	Turnover rate	(%)	**7.9**	**5.9**	**9.0**	2.0	-	Enel
	Average number of years of service of employees whose employment ended in the year	(no.)	**29**	**24**	**27**	5	20.3	Enel
	by gender:							
	- men	(no.)	30	25	28	5	20.4	Enel
	- women	(no.)	26	21	19	4	21.3	Enel
	by age:							
	- under 30	(no.)	3	2	2	1	36.1	Enel
	- 30 to 50	(no.)	12	10	10	2	18.8	Enel
	- over 50	(no.)	31	30	35	1	1.9	Enel
	VALORIZATION							
G4-LA11	**Assessment**							
	Dissemination of assessments [6]	(%)	**95.0**	**28.2**	**52.1**	66.8	-	Enel
	- men	(%)	78.9	80.3	75.1	-1.4	-	Enel
	- women	(%)	21.1	19.7	24.9	1.4	-	Enel
	People assessed by level	(no.)	**58,196**	**19,157**	**35,933**	39,039	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA11	Managers	(no.)	1,253	1,271	1,506	-18	-1.4	Enel
	Middle managers	(no.)	9,286	4,065	10,099	5,221	-	Enel
	White collar	(no.)	30,849	13,821	22,430	17,028	-	Enel
	Blue collar	(no.)	16,808	-	1,898	16,808	-	Enel
	Rewarding							
	Dissemination of incentives	(%)	**22.3**	**20.4**	**20.6**	2.0	-	Enel
	Employees with individual incentives	(no.)	13,874	13,836	14,236	38	0.3	Enel
	- of whom Managers	(no.)	1,259	1,287	1,427	-28	-2.2	Enel
	- of whom Middle managers	(no.)	5,705	5,662	8,602	43	0.8	Enel
	- of whom White-collar workers and Blue-collar workers	(no.)	6,910	6,887	4,207	23	0.3	Enel
	Incidence of variable rewarding	(%)	**10.5**	**9.5**	**9.2**	1.0	-	Enel
	- of whom Managers	(%)	41.6	37.4	33.3	4.2	-	Enel
	- of whom Middle managers	(%)	12.1	11.7	10.3	0.4	-	Enel
	- of whom White-collar workers	(%)	7.7	6.5	5.8	1.2	-	Enel
	- of whom Blue-collar workers	(%)	5.3	5.7	5.8	-0.4	-	Enel
	Italy	(%)	**10.4**	**10.5**	**8.0**	-0.1	-	Italy
	Iberia	(%)	**6.5**	**6.6**	**7.6**	-0.1	-	Iberia
	Latin America	(%)	**9.2**	**7.8**	**10.0**	1.4	-	Latin America
	Argentina	(%)	2.0	1.6	2.2	0.4	-	Argentina
	Brazil	(%)	9.8	13.1	21.7	-3.3	-	Brazil
	Chile	(%)	18.7	10.0	1.2	8.7	-	Chile
	Colombia	(%)	9.3	18.0	18.0	-8.7	-	Colombia
	Peru	(%)	2.0	2.0	2.9	-	-	Peru
	North and Central America	(%)	**81.0**	**17.7**	**13.0**	63.3	-	North and Central America
	North America	(%)	118.9	20.0	12.9	98.9	-	North America
	Costa Rica	(%)	9.8	12.5	10.9	-2.7	-	Costa Rica
	Guatemala	(%)	6.5	11.2	14.2	-4.7	-	Guatemala
	Mexico	(%)	10.1	14.4	12.3	-4.3	-	Mexico
	Panama	(%)	8.0	17.7	11.9	-9.7	-	Panama
	Uruguay	(%)	10.4	16.8	12.0	-6.4	-	Uruguay
	El Salvador	(%)	-	-	20.0	-	-	El Salvador
	Europe and North Africa	(%)	**12.4**	**15.2**	**19.3**	-2.8	-	Europe and North Africa
	Romania	(%)	4.0	3.1	14.4	0.9	-	Romania
	Belgium	(%)	-	2.4	-	-2.4	-	Belgium
	Slovakia	(%)	-	17.5	19.0	-17.5	-	Slovakia
	Russia	(%)	22.1	22.3	24.7	-0.2	-	Russia
	France	(%)	-	29.3	19.3	-29.3	-	France
	Bulgaria	(%)	18.2	19.6	12.5	-1.4	-	Bulgaria
	Greece	(%)	13.1	24.4	23.5	-11.3	-	Greece
	Turkey	(%)	-	14.4	-	-14.4	-	Turkey
	Holland	(%)	-	28.4	-	-28.4	-	Holland
	Sub Sah. Africa and Asia	(%)	**9.1**	**22.9**	-	-13.8	-	Sub Sah. Africa and Asia
	South Africa	(%)	5.0	16.1	-	-11.1	-	South Africa
	India	(%)	124.2	66.7	-	57.5	-	India

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA11	Kenya	(%)	-	-	-	-	-	Kenya
	Other (branches)	(%)	9.0	18.0	-	-9.0	-	Other (branches)
G4-LA9	**Training** [7]							
	Training hours by employee	(h/pro-cap)	29.6	37.3	42.3	-7.6	-20.5	Enel
	by gender: [3]							
	- men	(h/pro-cap)	32.1	36.4	43.0	-4.4	-12.0	Enel
	- women	(h/pro-cap)	27.1	40.7	39.3	-13.6	-33.4	Enel
	by level:							
	Managers	(h/pro-cap)	35.3	59.5	62.6	-24.2	-40.7	Enel
	Middle managers	(h/pro-cap)	38.4	47.0	41.2	-8.7	-18.4	Enel
	White-collar workers	(h/pro-cap)	24.8	27.0	33.6	-2.2	-8.1	Enel
	Blue-collar workers	(h/pro-cap)	33.2	49.4	61.5	-16.2	-32.7	Enel
	Total training hours (distance learning + classroom)	(,000 h)	1,934	2,548	2,985	-614	-24.1	Enel
	Training hours distance learning	(,000 h)	254	487	428	-233	-47.8	Enel
	- for managerial training	(,000 h)	64	80	216	-16	-20.0	Enel
	- for specialist training	(,000 h)	191	408	212	-217	-53.2	Enel
	Training hours in the classroom	(,000 h)	1,680	2,060	2,557	-381	-18.5	Enel
	- for managerial training	(,000 h)	439	555	426	-116	-20.9	Enel
	- for specialist training	(,000 h)	1,241	1,505	2,131	-264	-17.6	Enel
	Incidence of distance learning training	(%)	13.1	19.1	14.3	-6.0	-	Enel
	Total training hours by level	(,000 h)	1,934	2,548	2,985	-614	-24.1	Enel
	Managers	(,000 h)	47	69	97	-22	-31.9	Enel
	Middle managers	(,000 h)	390	507	585	-117	-23.0	Enel
	White-collar workers	(,000 h)	856	984	1,268	-128	-13.0	Enel
	Blue-collar workers	(,000 h)	641	988	1,035	-347	-35.1	Enel
	Dissemination of sustainability							
	Training *per capita* on sustainability	(h)	9.9	9.5	19.6	0.4	4.4	Enel
	Total training hours on sustainability	(,000 h)	647	647	1,380	-	--	Enel
G4-EC3	**CORPORATE WELFARE**							
	Employees covered by pension plan (Benefit Plan)	(no.)	41,749	47,832	38,773	-6,083	-12.7	Enel
	Employees covered by pension plan (Benefit Plan)	(%)	67.2	70.4	56.2	-3.2	-	Enel
G4-EU15	**Employees entitled to retire in next 5 to 10 years. by geographic area (main countries in which Enel operates are listed)** [2][9]							
	Pension within 5 years - Enel Group							
	Managers	(%)	4.9	8.3	2.1	-3.4	-	Enel
	Middle managers	(%)	4.0	5.7	3.9	-1.7	-	Enel
	White-collar workers	(%)	5.3	6.6	3.7	-1.3	-	Enel
	Blue-collar workers	(%)	3.3	5.5	2.6	-2.2	-	Enel
	Average	(%)	5.1	6.9	4.1	-1.8	-	Enel
	Pension within 10 years - Enel Group							
	Managers	(%)	16.4	18.5	10.6	-2.1	-	Enel
	Middle managers	(%)	16.7	17.9	11.5	-1.2	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU15	White-collar workers	(%)	21.3	22.9	16.4	-1.6	-	Enel
	Blue-collar workers	(%)	15.0	17.9	10.7	-2.9	-	Enel
	Average	(%)	20.1	21.7	14.9	-1.6	-	Enel
	Pension within 5 years - Italy							
	Managers	(%)	3.4	5.2	1.7	-1.7	-	Italy
	Middle managers	(%)	4.5	5.9	5.1	-1.4	-	Italy
	White-collar workers	(%)	5.8	7.3	5.4	-1.5	-	Italy
	Blue-collar workers	(%)	2.8	4.8	4.0	-2.0	-	Italy
	Average	(%)	4.7	6.4	4.9	-1.7	-	Italy
	Pension within 10 years - Italy							
	Managers	(%)	13.8	16.1	3.7	-2.3	-	Italy
	Middle managers	(%)	20.2	21.2	15.7	-1.0	-	Italy
	White-collar workers	(%)	25.0	26.6	21.1	-1.6	-	Italy
	Blue-collar workers	(%)	13.3	17.2	14.8	-3.9	-	Italy
	Average	(%)	20.8	23.1	18.2	-2.3	-	Italy
	Pension within 5 years - Iberia							
	Managers	(%)	5.1	4.4	4.7	0.7	-	Iberia
	Middle managers	(%)	2.6	1.0	1.3	1.6	-	Iberia
	White-collar workers	(%)	3.5	1.1	0.6	2.4	-	Iberia
	Blue-collar workers	(%)	3.9	0.9	1.4	3.0	-	Iberia
	Average	(%)	3.4	1.0	1.0	2.4	-	Iberia
	Pension within 10 years - Iberia							
	Managers	(%)	25.6	21.4	31.9	4.2	-	Iberia
	Middle managers	(%)	14.4	23.7	13.8	-9.3	-	Iberia
	White-collar workers	(%)	24.1	14.2	23.6	9.9	-	Iberia
	Blue-collar workers	(%)	25.9	26.5	18.0	-0.6	-	Iberia
	Average	(%)	21.8	24.5	20.5	-2.7	-	Iberia
	Europe and North Africa							
	Pension within 5 years - Russia							
	Managers	(%)	11.1	17.4	17.6	-6.3	-	Russia
	Middle managers	(%)	9.2	10.0	14.0	-0.8	-	Russia
	White-collar workers	(%)	10.4	11.1	12.1	-0.7	-	Russia
	Blue-collar workers	(%)	6.2	8.5	9.6	-2.3	-	Russia
	Average	(%)	8.3	9.8	11.3	-1.5	-	Russia
	Pension within 10 years - Russia							
	Managers	(%)	11.1	26.1	29.4	-15.0	-	Russia
	Middle managers	(%)	21.5	24.8	28.7	-3.3	-	Russia
	White-collar workers	(%)	24.7	26.5	26.8	-1.8	-	Russia
	Blue-collar workers	(%)	19.5	23.1	23.7	-3.6	-	Russia
	Average	(%)	21.8	24.7	25.7	-2.9	-	Russia
	Pension within 5 years - Romania							
	Managers	(%)	0.1	17.6	10.5	-17.5	-	Romania
	Middle managers	(%)	0.3	4.0	3.5	-3.7	-	Romania
	White-collar workers	(%)	2.0	3.8	3.3	-1.8	-	Romania
	Blue-collar workers	(%)	0.6	1.4	1.4	-0.8	-	Romania

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU15	Average	(%)	3.0	2.8	2.5	0.2	-	Romania
	Pension within 10 years - Romania							
	Managers	(%)	0.1	21.1	21.1	-21.0	-	Romania
	Middle managers	(%)	1.4	14.4	18.0	-13.0	-	Romania
	White-collar workers	(%)	7.7	15.1	17.3	-7.5	-	Romania
	Blue-collar workers	(%)	5.6	11.6	14.1	-6.0	-	Romania
	Average	(%)	14.5	13.5	15.9	1.0	-	Romania
	Latin America							
	Pension within 5 years - Latin America							
	Managers	(%)	5.0	9.9	0.2	-4.9	-	Latin America
	Middle managers	(%)	4.4	6.2	5.8	-1.8	-	Latin America
	White-collar workers	(%)	5.5	9.0	4.6	-3.5	-	Latin America
	Blue-collar workers	(%)	5.5	9.2	-	-3.7	-	Latin America
	Average	(%)	7.2	12.0	6.2	-4.8	-	Latin America
	Pension within 10 years - Latin America							
	Managers	(%)	14.6	16.3	0.1	-1.7	-	Latin America
	Middle managers	(%)	15.1	12.1	10.8	3.0	-	Latin America
	White-collar workers	(%)	14.5	15.8	9.5	-1.3	-	Latin America
	Blue-collar workers	(%)	16.5	13.1	1.0	3.4	-	Latin America
	Average	(%)	19.1	21.3	15.5	-2.2	-	Latin America
	North and Central America							
	Pension within 5 years - North America							
	Managers	(%)	51.8	50.0	57.1	1.8	-	EGP North America
	Middle managers	(%)	6.8	6.6	6.8	0.2	-	EGP North America
	White-collar workers	(%)	6.3	6.1	7.9	0.2	-	EGP North America
	Blue-collar workers	(%)	10.5	10.2	12.6	0.3	-	EGP North America
	Average	(%)	8.8	8.5	10.5	0.3	-	EGP North America
	Pension within 10 years - North America							
	Managers	(%)	51.8	50.0	57.1	1.8	-	EGP North America
	Middle managers	(%)	17.1	16.5	14.9	0.6	-	EGP North America
	White-collar workers	(%)	12.6	12.2	12.7	0.4	-	EGP North America
	Blue-collar workers	(%)	28.1	27.1	29.6	1.0	-	EGP North America

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EU15	Average	(%)	19.6	18.9	20.8	0.7	-	EGP North America
	Pension within 5 years - Central America							
	Managers	(%)	-	-	-	-	-	Central America
	Middle managers	(%)	4.6	5.5	10.0	-0.9	-	Central America
	White-collar workers	(%)	0.1	-	-	0.1	-	Central America
	Blue-collar workers	(%)	3.8	2.4	2.7	1.4	-	Central America
	Average	(%)	2.1	1.5	1.7	0.6	-	Central America
	Pension within 10 years - Central America							
	Managers	(%)	100.0	33.3	100.0	66.7	-	Central America
	Middle managers	(%)	14.3	16.4	18.4	-2.1	-	Central America
	White-collar workers	(%)	0.9	0.9	1.9	-	-	Central America
	Blue-collar workers	(%)	13.3	15.1	15.5	-1.8	-	Central America
	Average	(%)	7.1	8.1	8.0	-1.0	-	Central America
	MATERNITY - Parental leave							
	Parental leave by gender	(no.)	**2,171**	**2,090**	**2,067**	81	3.9	Enel
	Men	(no.)	1,048	968	920	80	8.3	Enel
	Women	(no.)	1,123	1,122	1,147	1	0.1	Enel
	EQUAL OPPORTUNITIES							
G4-LA12	**Gender**							
	Workforce by gender and level							
	Women:	(no.)	**12,533**	**13,382**	**13,598**	-848	-6.3	Enel
	Managers	(no.)	220	213	220	7	3.2	Enel
	Middle managers	(no.)	2,620	2,706	3,841	-86	-3.2	Enel
	White-collar workers	(no.)	9,200	9,836	8,751	-636	-6.5	Enel
	Blue-collar workers	(no.)	493	627	786	-133	-21.3	Enel
	Men:	(no.)	**49,547**	**54,532**	**55,364**	-4,985	-9.1	Enel
	Managers	(no.)	1,064	1,058	1,318	6	0.6	Enel
	Middle managers	(no.)	7,176	7,875	10,558	-700	-8.9	Enel
	White-collar workers	(no.)	23,454	26,139	28,758	-2,685	-10.3	Enel
	Blue-collar workers	(no.)	17,853	19,460	14,730	-1,606	-8.3	Enel
	Staff gender							
	Women:	(%)	**20.2**	**19.7**	**19.7**	0.5	-	Enel
	Managers	(%)	0.4	0.3	0.3	0.1	-	Enel
	Middle managers	(%)	4.2	4.0	5.6	0.2	-	Enel
	White-collar workers	(%)	14.8	14.5	12.7	0.3	-	Enel
	Blue-collar workers	(%)	0.8	0.9	1.1	-0.1	-	Enel
	Men:	(%)	**79.8**	**80.3**	**80.3**	-0.5	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA12	Managers	(%)	1.7	1.6	1.9	0.1	-	Enel
	Middle managers	(%)	11.6	11.6	15.3	-	-	Enel
	White-collar workers	(%)	37.8	38.5	41.7	-0.7	-	Enel
	Blue-collar workers	(%)	28.8	28.7	21.4	0.1	-	Enel
	Level of female staff [5]	(%)	25.6	24.6	25.5	1.0	-	Enel
	Rewarding of female staff [8]	(%)	94.0	91.5	86.0	2.5	-	Enel
G4-LA13	**Ratio of gross salary Women/Men**							
	Average	(%)	101.7	103.3	97.1	-1.6	-	Enel
	Managers	(%)	89.0	90.5	79.6	-1.5	-	Enel
	Middle managers	(%)	96.3	93.4	88.6	2.9	-	Enel
	White-collar workers	(%)	93.9	97.9	90.4	-4.0	-	Enel
	Blue-collar workers	(%)	82.2	85.4	100.2	-3.2	-	Enel
G4-LA12	**Disability**							
	Disabled or belonging to protected categories by gender	(no.)	2,014	2,114	2,060	-100	-4.7	Enel
	- of whom men	(no.)	1,396	1,484	1,371	-88	-5.9	Enel
	- of whom women	(no.)	618	630	688	-12	-1.8	Enel
	Incidence of the disabled or belonging to protected categories by gender	(%)	3.2	3.1	3.0	0.1	-	Enel
	- of whom men	(%)	2.2	2.2	2.0	-	-	Enel
	- of whom women	(%)	1.0	0.9	1.0	0.1	-	Enel
	Disabled or belonging to protected categories by level							
	Managers	(no.)	1	1	2	-	-	Enel
	Middle managers	(no.)	84	86	73	-2	-2.3	Enel
	White-collar workers	(no.)	1,815	1,832	1,888	-17	-0.9	Enel
	Blue-collar workers	(no.)	114	195	97	-81	-41.5	Enel
	Incidence of the disabled or belonging to protected categories by level							
	Managers	(%)	-	-	-	-	-	Enel
	Middle managers	(%)	0.1	0.1	0.1	-	-	Enel
	White-collar workers	(%)	2.9	2.7	2.7	0.2	-	Enel
	Blue-collar workers	(%)	0.2	0.3	0.1	-0.1	-	Enel
	WORKING FROM HOME							
	Telecommuting license							
	Employees with Telecommuting license by gender	(no.)	1,038	956	-	82	8.6	Enel
	- of whom men	(no.)	427	387	-	40	10.3	Enel
	- of whom women	(no.)	611	569	-	42	7.4	Enel
	Employees with Telecommuting license by gender	(%)	1.7	1.4	-	0.3	-	Enel
	- of whom men	(%)	0.7	0.6	-	0.1	-	Enel
	- of whom women	(%)	1.0	0.8	-	0.2	-	Enel
G4-11	**RELATIONS WITH UNIONS**							
	Union membership in the electricity sector	(%)	49.4	50.7	49.5	-1.3	-	Enel
	Employees covered by collective agreements. by geographic area: [2]							
	Total Enel	(no.)	57,755	63,227	64,445	-5,472	-8.7	Enel
		(%)	93.0	93.1	93.5	-0.1	-	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-11	Italy	(no.)	31,956	33,040	33,405	-1,084	-3.3	Italy
		(%)	100.0	100.0	100.0	-	-	Italy
	Iberia	(no.)	9,658	9,881	10,341	-223	-2.3	Iberia
		(%)	94.9	92.4	92.1	2.6	-	Iberia
	Romania	(no.)	3,111.00	3,131.00	3,142.00	-20	-0.6	Romania
		(%)	100.00	100.00	100.00	-	-	Romania
	Russia	(no.)	2,447	2,586	2,690	-139	-5.4	Russia
		(%)	92.7	93.6	93.9	-0.9	-	Russia
	Latin America	(no.)	10,499	10,384	10,351	115	1.1	Latin America
		(%)	80.9	81.2	81.2	-0.3	-	Latin America
	North and Central America	(no.)	33	34	99	-1	-2.9	North and Central America
		(%)	3.7	4.1	13.0	-0.4	-	North and Central America
	Sub Sah. Africa and Asia	(no.)	50	-	-	50	-	Sub Sah. Africa and Asia
		(%)	27.0	-	-	27.0	-	Sub Sah. Africa and Asia
	Other (branches)	(no.)	1	1	5	-	-	Other (branches)
		(%)	2.6	1 .2	2.1	1.4	-	Other (branches)
	Dispute with employees							
	Total proceedings	(no.)	3,205	3,300	3,192	-95	-2.9	Enel
	Incidence of proceedings as defendant	(%)	96.2	96.3	96.0	-0.1	-	Enel

(1) Slovakia was removed from the consolidation on July 28, 2016, Belgium was removed on December 30, 2016 and France on November 30, 2016.
(2) Following the company reorganization the data divided by country was recalculated over 3 years.
(3) The figure for 2015 restated.
(4) The change between 2014 and 2016 is due to article 4 which was first applied in 2013-2014 and was reproposed for 2016-2020.
(5) Female Managers and Middle Managers out of the total of Managers and Middle Managers.
(6) In 2016 the new performance assessment process was launched, a global campaign.
The data was calculated for all employees at December 31. If only eligible and reachable people are considered (i.e. those who, in September 2016, were part of the workforce and had been working for at least three months in 2016. In addition, people were not considered who, for personal or professional reasons, could not access the print or online questionnaire) the % of performance assessment in 2016 was 99%.
(7) Reduction compared to previous years following the conclusion of some campaigns and the refocusing of the training offer as well as Slovakia leaving the scope which made a difference compared to 2015 with around 250,000 fewer training hours.
(8) Calculated as the ratio between the average salary of Female Managers and Middle Managers and the average salary (men + women) of Managers and Middle Managers.
(9) Calculated as a percentage of the total for the category.

Occupational health and safety

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	SAFETY							
	Safety expense							
	Safety expense by employee	(euro)	**4,239**	**3,564**	**3,381**	675	18.9	Enel
	Total safety expense	(m. euro)	**263.1**	**242.0**	**238.5**	21.1	8.7	Enel
	Training and information	(m. euro)	35.3	22.7	33.3	12.6	55.2	Enel
	Medical supervision	(m. euro)	7.1	6.9	7.6	0.3	4.1	Enel
	Personal Protection Devices (PPD)	(m. euro)	13.8	16.1	15.7	-2.4	-14.8	Enel
	Personnel cost	(m. euro)	48.6	51.3	50.9	-2.7	-5.3	Enel
	Maintenance, fire protection and other [1]	(m. euro)	23.1	29.4	24.8	-6.2	-21.2	Enel
	Infrastructure investments on safety	(m. euro)	135.2	115.6	106.2	19.6	16.9	Enel
	Medical checks	(no.)	**136,352**	**120,315**	**120,694**	16,037	13.3	Enel
G4-LA6	**Number and frequency of injuries**							
	Number of injuries at work to employees							
	- fatal	(no.)	**-**	**4**	**3**	-4	-100.0	Enel
	- men	(no.)	-	3	3	-3	-100.0	Enel
	- women	(no.)	-	1	-	-1	-100.0	Enel
	- severe [3]	(no.)	**6**	**3**	**1**	3	100.0	Enel
	- men	(no.)	4	2	-	2	100.0	Enel
	- women	(no.)	2	1	1	1	100.0	Enel
	Injuries at work to employees, severe and fatal:	(no.)	**6**	**7**	**4**	-1	-14.3	Enel
	- men	(no.)	4	5	3	-1	-20.0	Enel
	- women	(no.)	2	2	1	-	-	Enel
	- other injuries not severe	(no.)	**142**	**149**	**164**	-7	-4.7	Enel
	- men	(no.)	133	135	146	-2	-1.5	Enel
	- women	(no.)	9	14	18	-5	-35.7	Enel
	Total injuries at work to employees:	(no.)	**148**	**156**	**168**	-8	-5.1	Enel
	- men	(no.)	137	140	149	-3	-2.1	Enel
	- women	(no.)	11	16	19	-5	-31.3	Enel
	Frequency rate [4]	(no.)	**1.26**	**1.27**	**1.32**	-0.01	-0.79	Enel
	Lost-Time Injuries Frequency Rate [5]	(i)	**0.25**	**0.25**	**0.26**	-	-0.56	Enel
	- men	(i)	0.28	0.28	0.29	-	-	Enel
	- women	(i)	0.10	0.15	0.16	-0.05	-33.33	Enel
	Italy [6]	(i)	**0.26**	**0.27**	**0.28**	-0.01	-2.76	Italy
	- men	(i)	0.27	0.27	0.27	-	1.13	Italy
	- women	(i)	0.19	0.26	0.31	-0.07	-25.97	Italy
	Iberia [7]	(i)	**0.06**	**0.13**	**0.14**	-0.07	-56.56	Iberia
	- men	(i)	0.06	0.15	0.16	-0.09	-61.96	Iberia
	- women	(i)	0.06	0.05	0.05	-	2.87	Iberia
	Latin America	(i)	**0.47**	**0.46**	**0.48**	0.01	2.99	Latin America
	- men	(i)	0.58	0.55	0.57	0.03	4.55	Latin America
	- women	(i)	0.04	0.08	0.08	-0.04	-48.89	Latin America

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA6	Argentina	(i)	1.21	1.25	1.27	-0.04	-3.11	Argentina
	- men	(i)	1.37	1.36	1.45	0.01	0.54	Argentina
	- women	(i)	-	0.39	-	-0.39	-100.00	Argentina
	Brazil [8]	(i)	0.07	0.06	0.07	-	6.06	Brazil
	- men	(i)	0.09	0.08	0.04	-	4.01	Brazil
	- women	(i)	-	-	0.14	-	-	Brazil
	Chile	(i)	0.04	0.04	0.10	-	5.48	Chile
	- men	(i)	-	0.04	0.08	-0.04	-100.00	Chile
	- women	(i)	0.19	-	0.18	0.19	-	Chile
	Colombia	(i)	-	-	-	-	-	Colombia
	- men	(i)	-	-	-	-	-	Colombia
	- women	(i)	-	-	-	-	-	Colombia
	Peru	(i)	0.32	0.10	0.20	0.22	-	Peru
	- men	(i)	0.42	0.14	0.27	0.29	-	Peru
	- women	(i)	-	-	-	-	-	Peru
	North and Central America	(i)	0.12	0.36	-	-0.24	-67.09	North and Central America
	- men	(i)	0.15	0.45	-	-0.30	-66.81	North and Central America
	- women	(i)	-	-	-	-	-	North and Central America
	Costa Rica	(i)	1.18	2.00	-	-0.82	-40.92	Costa Rica
	- men	(i)	1.44	2.43	-	-0.99	-40.82	Costa Rica
	- women	(i)	-	-	-	-	-	Costa Rica
	North America	(i)	-	0.30	-	-0.30	-100.00	North America
	- men	(i)	-	0.37	-	-0.37	-100.00	North America
	- women	(i)	-	-	-	-	-	North America
	Europe and North Africa	(i)	0.09	0.04	0.08	0.08	0.08	Europe and North Africa
	- men	(i)	0.10	0.03	0.09	0.09	0.09	Europe and North Africa
	- women	(i)	0.06	0.10	0.05	0.05	0.05	Europe and North Africa
	Romania	(i)	-	0.03	0.03	-0.03	-100.00	Romania
	- men	(i)	-	0.05	0.04	-0.05	-100.00	Romania
	- women	(i)	-	-	-	-	-	Romania
	Slovakia [9]	(i)	0.17	0.03	0.08	0.15	-	Slovakia
	- men	(i)	0.21	-	0.09	0.21	-	Slovakia
	- women	(i)	-	0.18	-	-0.18	-100.00	Slovakia
	Russia	(i)	0.13	0.08	0.16	0.05	57.09	Russia
	- men	(i)	0.11	0.05	0.16	0.06	-	Russia
	- women	(i)	0.16	0.15	0.15	0.01	5.39	Russia
	Severity of injuries							
	Lost Day Rate [10] [11]	(i)	10.10	9.44	14.18	0.66	7.00	Enel
	- men	(i)	11.28	10.81	15.66	0.47	4.36	Enel
	- women	(i)	4.69	3.16	7.52	1.53	48.51	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA6	**Italy** [6]	(i)	**10.52**	**10.27**	**19.17**	0.25	2.41	Italy
	- men	(i)	10.82	10.95	19.52	-0.13	-1.15	Italy
	- women	(i)	8.78	6.44	17.34	2.35	36.47	Italy
	Iberia [7]	(i)	**4.62**	**6.78**	**7.68**	**-2.16**	-31.92	Iberia
	- men	(i)	5.11	8.50	9.56	-3.39	-39.86	Iberia
	- women	(i)	2.70	-	0.31	2.70	-	Iberia
	Latin America	(i)	**16.35**	**14.75**	**14.65**	1.60	10.83	Latin America
	- men	(i)	20.26	18.34	18.11	1.92	10.45	Latin America
	- women	(i)	0.12	-	0.36	0.12	-	Latin America
	Argentina	(i)	**45.30**	**37.50**	**41.76**	7.80	20.80	Argentina
	- men	(i)	51.17	42.31	47.76	8.86	20.95	Argentina
	- women	(i)	-	-	-	-	-	Argentina
	Brazil [8]	(i)	**0.51**	**3.81**	**0.57**	-3.30	-86.63	Brazil
	- men	(i)	0.66	5.06	0.66	-4.39	-86.89	Brazil
	- women	(i)	-	-	0.28	-	-	Brazil
	Chile	(i)	**0.11**	**0.21**	**2.09**	-0.10	-47.26	Chile
	- men	(i)	-	0.26	2.29	-0.26	-100.00	Chile
	- women	(i)	0.56	-	1.24	0.56	-	Chile
	Colombia [12]	(i)	**-**	**5.04**	**-**	-5.04	-100.00	Colombia
	- men	(i)	-	7.08	-	-7.08	-100.00	Colombia
	- women	(i)	-	-	-	-	-	Colombia
	Peru	(i)	**3.39**	**3.48**	**0.92**	-0.08	-2.41	Peru
	- men	(i)	4.52	4.62	1.23	-0.11	-2.31	Peru
	- women	(i)	-	-	-	-	-	Peru
	North and Central America	(i)	**1.18**	**2.98**	**-**	-1.81	-60.51	North and Central America
	- men	(i)	1.48	3.72	-	-2.24	-60.17	North and Central America
	- women	(i)	-	-	-	-	-	North and Central America
	Costa Rica	(i)	**11.80**	**8.99**	**-**	2.81	31.29	Costa Rica
	- men	(i)	14.39	10.94	-	3.45	31.51	Costa Rica
	- women	(i)	-	-	-	-	-	Costa Rica
	North America	(i)	**-**	**4.74**	**-**	-4.74	-100.00	North America
	- men	(i)	-	5.98	-	-5.98	-100.00	North America
	- women	(i)	-	-	-	-	-	North America
	Europe and North Africa	(i)	**5.34**	**2.61**	**5.48**	2.73	-	Europe and North Africa
	- men	(i)	5.69	2.64	6.70	3.05	-	Europe and North Africa
	- women	(i)	4.16	2.49	0.27	1.67	67.11	Europe and North Africa

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA6	Romania	(i)	-	5.68	0.82	-5.68	-100.00	Romania
	- men	(i)	-	7.60	1.10	-7.60	-100.00	Romania
	- women	(i)	-	-	-	-	-	Romania
	Slovakia [9]	(i)	5.80	0.66	11.58	5.14	-	Slovakia
	- men	(i)	6.88	-	12.55	6.88	-	Slovakia
	- women	(i)	-	4.39	-	-4.39	-100.00	Slovakia
	Russia	(i)	11.73	2.17	2.89	9.56	-	Russia
	- men	(i)	11.68	1.58	3.66	10.10	-	Russia
	- women	(i)	11.85	3.80	0.74	8.05	-	Russia
	Injury severity index [10]	(no.)	0.051	0.047	0.071	0.004	8.51	Enel
	- men	(no.)	0.06	0.05	0.08	-	4.35	Enel
	- women	(no.)	0.02	0.02	0.04	0.01	48.64	Enel
	Absence due to injuries	(d)	5,942	5,783	9,024	159	2.75	Enel
	- men	(d)	5,447	5,438	8,154	9	0.17	Enel
	- women	(d)	495	345	870	150	43.48	Enel
	Work-related illnesses							
	Occupational disease rate Enel (ODR) [13][14]	(i)	0.01	0.01	0.07	-	-16.72	Enel
	Absenteeism							
	Absentee Rate [15]	(i)	5,428	5,827	4,640	-399	-6.84	Enel
	CONTRACTORS							
	Injuries to contractors							
	- fatal	(no.)	5	9	16	-4	-44.44	Enel
	- men	(no.)	5	9	16	-4	-44.44	Enel
	- women	(no.)	-	-	-	-	-	Enel
	- severe	(no.)	7	24	22	-17	-70.83	Enel
	- men	(no.)	7	22	21	-15	-68.18	Enel
	- women	(no.)	-	2	1	-2	-100.00	Enel
	Severe and fatal injuries to contractors	(no.)	12	33	38	-21	-63.64	Enel
	- men	(no.)	12	31	37	-19	-61.29	Enel
	- women	(no.)	-	2	1	-2	-100.00	Enel
	- other injuries non severe	(no.)	216	318	404	-102	-32.08	Enel
	- men	(no.)	200	298	404	-98	-32.89	Enel
	- women	(no.)	16	20	-	-4	-20.00	Enel
	Total injuries to contractors	(no.)	228	351	442	-123	-35.04	Enel
	- men	(no.)	212	329	441	-117	-35.56	Enel
	- women	(no.)	16	22	1	-6	-27.27	Enel
	Frequency rate [4]	(no.)	1.00	1.51	2.10	-0.51	-33.77	Enel
	Lost Time Injuries Frequency Rate (LTIFR) for contractors	(i)	0.20	0.30	0.42	-0.10	-33.77	Enel
	Italy [6]	(i)	0.29	0.47	0.65	-0.18	-37.84	Italy
	Iberia [7]	(i)	0.29	0.31	0.42	-0.02	-5.09	Iberia

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA6	**Latin America**	(i)	**0.20**	**0.31**	**0.43**	-0.11	-35.09	Latin America
	Argentina	(i)	0.19	0.43	0.55	-0.24	-55.77	Argentina
	Brazil [8]	(i)	0.13	0.20	0.25	-0.06	-31.69	Brazil
	Chile	(i)	0.32	0.54	0.64	-0.22	-40.99	Chile
	Colombia	(i)	0.17	0.32	0.53	-0.15	-45.73	Colombia
	Peru	(i)	0.21	0.13	0.20	0.09	71.45	Peru
	North and Central America	(i)	**0.09**	**0.08**	**0.04**	0.01	6.88	North and Central America
	Costa Rica	(i)	0.25	0.05	-	0.21	-	Costa Rica
	Guatemala	(i)	-	0.39	-	-0.39	-100.00	Guatemala
	Panama	(i)	0.19	-	-	0.19		Panama
	North America	(i)	0.08	0.19	0.25	-0.11	-57.20	North America
	Europe and North Africa	(i)	**0.03**	**0.13**	**0.17**	-0.09	-75.16	Europe and North Africa
	Romania	(i)	-	0.03	0.09	-0.03	-100.00	Romania
	Slovakia [9]	(i)	0.03	0.14	0.11	-0.12	-80.78	Slovakia
	Russia	(i)	0.08	0.20	0.37	-0.11	-56.89	Russia
	Sub Sah. Africa e Asia	(i)	-	**0.17**	-	-0.17	-100.00	Sub Sah. Africa and Asia
	South Africa	(i)	-	0.17	-	-0.17	-100.00	South Africa
	Open Fiber [2]	(i)	**2.56**	-	-	2.56	-	Open Fiber
	Lost Day Rate (LDR) for contractors	(i)	**8.28**	**10.89**	**13.82**	-2.60	-23.92	Enel
	Italy [6]	(i)	**14.82**	**25.01**	**17.59**	-10.19	-40.75	Italy
	Iberia [7]	(i)	**20.21**	**18.11**	**20.03**	2.09	11.56	Iberia
	Latin America	(i)	**4.97**	**7.32**	**12.89**	-2.35	-32.07	Latin America
	Argentina	(i)	6.69	28.52	30.47	-21.83	-76.55	Argentina
	Brazil [8]	(i)	1.86	2.20	18.26	-0.33	-15.24	Brazil
	Chile	(i)	11.21	15.23	15.97	-4.02	-26.39	Chile
	Colombia	(i)	4.35	3.28	4.73	1.07	32.54	Colombia
	Peru	(i)	2.79	2.38	3.11	0.41	17.31	Peru
	North and Central America	(i)	**1.23**	**1.09**	**0.12**	0.14	12.58	North and Central America
	Costa Rica	(i)	2.77	0.32	-	2.45	-	Costa Rica
	Guatemala	(i)	-	9.71	-	-9.71	-100.00	Guatemala
	Panama	(i)	5.62	-	-	5.62	-	Panama
	North America	(i)	0.24	1.32	0.74	-1.08	-81.66	North America
	Europe and North Africa	(i)	**2.46**	**3.66**	**6.71**	-1.20	-32.69	Europe and North Africa
	Romania	(i)	-	0.84	1.69	-0.84	-100.00	Romania
	Slovakia [9]	(i)	1.93	3.57	3.06	-1.63	-45.78	Slovakia
	Russia	(i)	7.47	7.68	19.45	-0.21	-2.73	Russia

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-LA6	Sub Sah. Africa e Asia	(i)	-	3.14	-	-3.14	-100.00	Sub Sah. Africa and Asia
	South Africa	(i)	-	3.14	-	-3.14	-100.00	South Africa
	Open Fiber [2]	(i)	56.25	-	-	56.25	-	Open Fiber
G4-EU18	**Health and safety training**							
	Contractors and subcontractors who have followed health and safety training courses	(%)	100	100	100	-	-	Enel

(1) It includes studies, research and hygiene, medical controls, communication expenses and other costs.
(2) Open Fiber was removed from the scope on December 31, 2016
(3) Accident that has caused the permanent or temporary disability with absence from work, falling into one of the following categories:
> first prognosis, reported on the first medical certificate issued, of over 30 (calendar) days;
> guarded prognosis, until the injured employee is removed from the hospital/emergency room danger list;
> unknown prognosis estimated to be over 30 (calendar) days.
(4) This index is calculated as the ratio between the total number of injuries and the hours worked expressed in millions, while the LTIFR is calculated by comparing the same number of injuries to the standard of 200,000 work hours, as established by the GRI guidelines.
(5) The calculation of the indices by country considers the total number of injuries to men and women in proportion to the total hours worked by men and women; the calculation of the indices by gender considers the number of injuries in proportion to the hours worked by the gender under consideration (only men or only women).
(6) Up Stream Gas included in Italy.
(7) Morocco and Portugal calculated in Iberia.
(8) Uruguay calculated in Brazil.
(9) Removed from the scope on July 28, 2016.
(10) This index is calculated as the ratio between the number of days absent due to injury and the hours worked in thousands, while the Lost Day Rate is calculated by comparing the number of days of absence due to injury to the standard of 200,000 work hours.
(11) Includes the days lost in 2016 following injuries sustained in 2015, which totaled 2,891, of which 1,122 at Enel and 1,769 at contractors.
(12) Value for 2015 total other than zero for days lost in 2015 following injuries sustained in previous years.
(13) Adjustment for 2015: number of cases of work-related illness equal to 5, ODR rate of 0.1.
(14) Calculated by comparing the number of cases of work-related illness during the year to the total hours worked x 200,000.
(15) This index is calculated as the ratio between the number of days absent (due to work-related and other illness, injury, etc.) and the days worked x 200,000. Excluding holidays, personal reasons, maternity leave, study leave, extended leave, strikes, military service, paid leave.

Sustainable supply chain

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	NATURE OF SUPPLIERS							
	Number of suppliers with which a new contract was signed in the year	(no.)	**35,860**	**37,347**	**38,972**	-1,487	-4.0	Enel
G4-10	Workforce of contracting and subcontracting companies	(no.)	**129,158**	**132,272**	**100,336**	-3,114	-2.4	Enel
G4-EU17	Days worked by employees of contractors and subcontractors: (1)	(,000 d)	**28,415**	**29,100**	**26,271**	-685	-2.4	Enel
	construction	(,000 d)	13,731	10,970	7,531	2,761	25.2	Enel
	operations and maintenance	(,000 d)	14,684	18,130	18,740	-3,446	-19.0	Enel
	Concentration of material and service suppliers (top 15)	(%)	45.1	37.8	45.8	7.3	-	Enel
G4-EC9	**Local suppliers of materials and services** (2)							
	Local suppliers with contracts >1 m. euro	(no.)	1,041	1,036	1,138	5	0.5	Enel
	Foreign suppliers with contracts >1 m. euro	(no.)	188	143	153	45	31.5	Enel
	Spending on local suppliers with contracts >1 m. euro	(m. euro)	9,271	6,821	7,055	2,450	35.9	Enel
	Spending on foreign suppliers with contracts >1 m. euro	(m. euro)	1,938	1,166	985	772	66.2	Enel
	Concentration of spending on local suppliers	(%)	82.7	85.0	87.7	-2.3	-	Enel
	Concentration of spending on foreign suppliers	(%)	17.3	15.0	12.3	2.3	-	Enel
	Purchases and fuel							
	Purchases of materials and services	(m. euro)	**12,867**	**10,021**	**10,185**	2,846	28.4	Enel
	Supplies	(m. euro)	4,081	2,949	2,540	1,132	38.4	Enel
	Works	(m. euro)	2,977	2,140	2,455	837	39.1	Enel
	Services	(m. euro)	5,809	4,932	5,190	877	17.8	Enel
	Fuel purchases (3)	(m. euro)	**4,187**	**4,916**	**6,087**	-728	-14.8	Enel
	Gas	(m. euro)	1,571	1,767	3,103	-196	-11.1	Enel
	Oil	(m. euro)	803	996	1,384	-192	-19.3	Enel
	Coal/lignite/biomass	(m. euro)	1,813	2,153	1,348	-340	-15.8	Enel
	Services	(m. euro)	-	-	252	-	-	Enel
	Management instruments							
	Active qualified companies	(no.)	7,248	6,780	5,339	468	6.9	Enel
	Online tenders as percentage of all tenders	(%)	63.2	65.0	37.4	-1.8	-	Enel
	Online purchases as percentage of all purchases	(%)	56.4	36.0	35.8	20.4	-	Enel
	Use of prescription	(%)	18.3	26.0	34.9	-7.7	-	Enel
G4-SO11	**Disputes involving suppliers**							
	Total proceedings	(no.)	**496**	**592**	**675**	-96	-16.2	Enel
	Incidence of proceedings as defendant	(%)	**82.9**	**70.4**	**68.4**	12.4	-	Enel

(1) Calculated in FTE (Full-Time Equivalent).

(2) "Local suppliers" means those suppliers with their registered office in the country in which the supply contract was issued.

(3) The figure for 2015 was restated due to the new information systems and the new calculation method applied. The costs relating to the purchase of fuel used only for generation are taken into consideration, and services are included in the related costs.

Environmental sustainability

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
	EMISSIONS							
G4-EN19	Emissions saved [1]	(m. t)	**83.8**	**92.5**	**89.0**	-8.7	-9.4	Enel
G4-EN15	**Direct emissions of greenhouse gases (Scope 1)**							
	Emissions of CO_2 from electricity production and heat	(m. t)	106.29	119.25	115.18	-13.0	-10.9	Enel
	Direct emissions due to other activities	(m. t eq)	0.44	0.26	0.30	0.18	69.2	Enel
	Total direct emissions (Scope 1)	(m. t eq)	**106.72**	**119.51**	**115.48**	-12.8	-10.7	Enel
	Specific emissions							
	Specific emissions of CO_2 of total net production [2]	(kg/MWh)	**395**	**409**	**395**	-13.9	-3.4	Enel
	Specific emissions of CO_2 of net production from fossil fuels							
	- simple	(kg/MWh)	738	768	777	-30.3	-3.9	Enel
	- cogeneration	(kg/MWh)	659	668	647	-9.5	-1.4	Enel
G4-EN16	**Indirect emissions of greenhouse gases (Scope 2)** [3]							
	Fuel deposit and movement	(m. t eq)	0.002	0.002	0.002	-	-6.5	Enel
	Electricity distribution	(m. t eq)	0.176	0.164	0.172	0.01	7.3	Enel
	Property management	(m. t eq)	0.066	0.069	0.116	-	-4.7	Enel
	Mining	(m. t eq)	0.001	0.001	0.001	-	-17.4	Enel
	From electricity acquired from the grid (hydroelectric plant)	(m. t eq)	0.370	0.418	0.345	-0.05	-11.5	Enel
	Total indirect emissions (Scope 2)	(m. t eq)	**0.615**	**0.654**	**0.636**	-0.04	-6.0	Enel
G4-EN17	**Other indirect emissions of greenhouse gases (Scope 3)** [3]							
	Coal mining	(m. t eq)	6.004	6.740	6.287	-0.74	-10.9	Enel
	Transport of coal by sea	(m. t eq)	0.835	0.980	0.906	-0.15	-14.8	Enel
	Transport of coal by train	(m. t eq)	0.371	0.377	0.349	-0.01	-1.6	Enel
	Transport of fuel (gas oil, biomass, WDF)	(m. t eq)	0.011	0.010	0.009	-	7.3	Enel
	Transport raw materials and waste	(m. t eq)	0.027	0.032	0.030	-	-14.6	Enel
	Total indirect emissions (Scope 3)	(m. t eq)	**7.248**	**8.139**	**7.581**	-0.89	-10.9	Enel
G4-EN21	**Other atmospheric emissions**							
	Emissions SO_2	(t)	220,746	312,121	282,432	-91,375	-29.3	Enel
	Emissions NO_x	(t)	200,660	227,520	226,856	-26,860	-11.8	Enel
	Emissions H_2S	(t)	5,227	5,606	7,366	-379	-6.8	Enel
	Emissions of particulate matter	(t)	59,627	75,443	107,101	-15,816	-21.0	Enel
	Specific emissions compared to total net production [2]							
	Emissions SO_2	(g/KWheq)	0.82	1.07	0.97	-0.25	-23.4	Enel
	Emissions NO_x	(g/KWheq)	0.75	0.78	0.78	-0.03	-4.2	Enel
	Emissions of particulate matter	(g/KWheq)	0.22	0.26	0.37	-0.04	-14.6	Enel
	Specific emissions compared to net thermoelectric production [2]							
	Emissions SO_2	(g/KWheq)	1.48	1.93	1.80	-0.45	-23.4	Enel
	Emissions NO_x	(g/KWheq)	1.34	1.41	1.45	-0.06	-4.3	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EN21	Emissions of particulate matter	(g/kWh eq)	0.40	0.47	0.68	-0.07	-14.4	Enel
	Specific emissions compared to net geo-thermoelectric production							
	Emissions H_2S	(g/kWh eq)	0.84	0.90	1.24	-0.06	-6.5	Enel
	Nuclear emissions into atmosphere							
	Noble gases	(GBq per Unit)	4.71	11.03	26.10	-6.33	-57.3	Enel
	Iodine	(MBq per Unit)	32.29	4.43	5.64	27.86	-	Enel
	Aerosol [4]	(GBq per Unit)	0.05	0.06	0.04	-0.02	-24.9	Enel
	Other radioactive	(MBq per Unit)	0.20	0.38	0.15	-0.18	-47.1	Enel
G4-EN20	**Emissions of ozone depleting substances**							
	CFC	(kgCFC-11eq)	131	1,495	122	-1,364	-91.2	Enel
	HCFC	(kgCFC-11eq)	23	85	73	-62	-72.6	Enel
	Halon	(kgCFC-11eq)	-	-	97	-	-	Enel
	Methyl bromide	(kgCFC-11eq)	-	-	-	-	-	Enel
	R22	(kgCFC-11eq)	65	47	75	17	37.0	Enel
	Freon 113	(kgCFC-11eq)	1,162	643	366	519	80.8	Enel
	Total	(kgCFC-11eq)	1,381	2,270	733	-889	-39.2	Enel
	Environmental expenditures							
G4-EN31	Environmental expenditures - GRI criterion EN30 [5]	(m. euro)	1,049	808	835	241	29.9	Enel
	Current expenditures (costs):	(m. euro)	680	495	634	185	37.4	Enel
	- for waste disposal, emission treatment and environmental restoration	(m. euro)	506	326	456	180	55.3	Enel
	- for environmental prevention and management	(m. euro)	174	169	178	5	3.1	Enel
	Investments:	(m. euro)	369	313	201	56	17.8	Enel
	- for waste disposal, emission treatment and environmental restoration	(m. euro)	225	196	141	29	14.8	Enel
	- for environmental prevention and management	(m. euro)	144	117	60	27	22.7	Enel
	Environmental expenditures - EUROSTAT criterion	(m. euro)	690	640	507	50	7.8	Enel
	Total current expenditures	(m. euro)	321	327	306	-6	-1.8	Enel
	Total environmental investments	(m. euro)	369	313	201	56	17.8	Enel
	Staff for environmental issues	(no.)	371	511	489	-140	-27.4	Enel
G4-EN29	**Environmental disputes**							
	Environmental proceedings as defendant	(no.)	569	567	379	2	0.4	Enel
	Monetary value of environmental fines [6]	(m. euro)	2.10	0.14	0.22	2	-	Enel
	Violations of environmental obligations/ regulations	(no.)	108	250	393	-142	-56.8	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EN29	Specific environmental taxes due to exceeding polluting limits [7]	(m. euro)	**0.55**	**0.60**	**0.01**	-	-8.2	Russia
G4-DMA EN	**Environmental certifications**							
	Extent of EMAS registration coverage [8]	(%)	**34.6**	**45.6**	**42.8**	-11.0	-	Enel
	Extent of ISO 14001:2004 coverage							
	Net maximum capacity	(%)	97.9	97.6	94.3	0.3	-	Enel
	km of grid	(%)	94.7	95.1	94.9	-0.4	-	Enel
	Activities undertaken by Enel Servizi Italy	(%)	100	100	100	-	-	Italy
	Activities undertaken by Market Division Italy and Romania	(%)	100	100	100	-	-	Italy and Romania
	ENERGY CONSUMPTION							
G4-EN3	**Fuel consumption by primary source in TJ**							
	from non-renewable sources	(TJ)	**1,649,723**	**1,934,930**	**1,822,263**	-285,207	-14.7	Enel
	Coal	(TJ)	708,322	813,118	775,521	-104,796	-12.9	Enel
	Lignite	(TJ)	27,674	52,670	49,195	-24,996	-47.5	Enel
	Oil	(TJ)	84,782	80,931	76,576	3,851	4.8	Enel
	Natural gas	(TJ)	500,825	495,089	444,973	5,736	1.2	Enel
	Gas oil	(TJ)	52,461	56,229	47,060	-3,768	-6.7	Enel
	Uranium	(TJ)	275,659	436,893	428,938	-161,234	-36.9	Enel
	Other (orimulsion, coke oven gas, coke, etc.)	(TJ)	-	-	-	-	-	Enel
	from renewable sources	(TJ)	**61,672**	**92,612**	**91,984**	-30,940	-33.4	Enel
	Biomass, biogas and waste	(TJ)	7,829	6,657	6,783	1,172	17.6	Enel
	Geothermal fluid	(TJ)	53,842	85,955	85,201	-32,113	-37.4	Enel
	Total direct consumption	(TJ)	**1,711,395**	**2,027,542**	**1,914,247**	-316,147	-15.6	Enel
	Fuel consumption by primary source in m. toe							
	from non-renewable sources	(m. toe)	**39.4**	**46.2**	**43.5**	-6.8	-14.7	Enel
	Coal	(m. toe)	16.9	19.4	18.5	-2.5	-12.9	Enel
	Lignite	(m. toe)	0.7	1.3	1.2	-0.6	-47.5	Enel
	Oil	(m. toe)	2.0	1.9	1.8	0.1	4.8	Enel
	Natural gas	(m. toe)	12.0	11.8	10.7	0.2	1.4	Enel
	Gas oil	(m. toe)	1.3	1.4	1.1	-0.1	-10.5	Enel
	Uranium	(m. toe)	6.6	10.4	10.2	-3.9	-36.9	Enel
	Other (Orimulsion, coke oven gas, coke, etc.)	(m. toe)	-	-	-	-	-	Enel
	from renewable sources	(m. toe)	**1.5**	**2.3**	**2.2**	-0.8	-34.8	Enel
	Biomass, biogas and waste	(m. toe)	0.2	0.2	0.2	-	17.6	Enel
	Geothermal fluid	(m. toe)	1.3	2.1	2.0	-0.8	-37.4	Enel
	Total direct consumption	(m. toe)	**40.6**	**48.5**	**45.7**	-7.9	-16.3	Enel
	Incidence of fuel consumption from non-renewable sources							
	Coal	(%)	43.2	42.0	42.6	1.2	-	Enel
	Lignite	(%)	1.7	2.8	2.7	-1.1	-	Enel
	Oil	(%)	5.2	4.1	4.2	1.1	-	Enel
	Natural gas	(%)	29.9	25.5	24.4	4.4	-	Enel
	Gas oil	(%)	3.2	2.8	2.6	0.4	-	Enel
	Uranium	(%)	16.9	22.5	23.5	-5.6	-	Enel
	Other (orimulsion, coke oven gas, coke, etc.)	(%)	-	-	-	-	-	Enel
G4-EN3	**Indirect electricity consumption by destination**							
	Fuel deposit and movement	(TJ)	27	30	25	-3	-8.8	Enel
	Electricity distribution	(TJ)	1,765	1,876	1,775	-111	-5.9	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EN3	Property management	(TJ)	894	780	1,306	114	14.6	Enel
	Mining	(TJ)	6	16	21	-10	-62.5	Enel
	Total electricity consumption	(TJ)	**2,692**	**2,702**	**3,127**	-10	-0.4	Enel
	Internal consumption							
	Electricity consumption for civilian uses	(MWh)	248,407	216,895	362,709	31,512	14.5	Enel
	Fuel consumption	(Toe)	84,153	25,290	31,039	58,863	-	Enel
	Water requirement for civilian uses [8]	(,000 m^3)	6,901	5,987	80,326	914.1	15.3	Enel
G4-EN1	Paper bought for printers/photocopiers	(m. A4 eq)	184.5	144.4	145.4	40.1	27.8	Enel
	RAW MATERIALS							
	Resources used in the production process							
G4-EN1	Fuel consumption for thermoelectric consumption							
	from non-renewable sources							
	Coal	(,000 t)	33,337	37,563	35,813	-4,226	-11.3	Enel
	Lignite	(,000 t)	2,333	4,305	4,057	-1,972	-45.8	Enel
	Oil	(,000 t)	2,095	1,996	1,886	99	5.0	Enel
	Natural gas	(m. m^3)	13,883	13,888	13,917	-5	-	Enel
	Gas oil	(,000 t)	1,276	1,331	1,119	-55	-4.2	Enel
	Other (orimulsion, coke, etc.)	(,000 t)	-	-	-	-	-	Enel
	from renewable sources							
	Biomass and waste for thermoelectric consumption	(,000 t)	642	411	412	231	56.1	Enel
	Biogas	(m. m^3)	1	20	24	-19	-94.1	Enel
	Geothermal steam used for electricity production	(,000 t)	47,668	106,874	108,206	-59,206	-55.4	Enel
	Fuel consumption for nuclear consumption							
	Uranium	(t)	110	106	111	4	3.7	Enel
G4-EN1	Consumables							
	Lime	(,000 t)	675.1	938.2	875.1	-263.1	-28.0	Enel
	Ammonia	(,000 t)	38.6	53.7	45.2	-15.1	-28.2	Enel
	Caustic soda	(,000 t)	84.2	86.0	120.4	-1.8	-2.1	Enel
	Slaked lime	(,000 t)	33.4	16.4	18.7	17.0	-	Enel
	Sulfuric/chloride acid	(,000 t)	12.9	20.2	34.5	-7.3	-36.3	Enel
	Other	(,000 t)	64.6	45.7	49.2	18.9	41.3	Enel
	Total	(,000 t)	**908.7**	**1,160.2**	**1,143.1**	-251.5	-21.7	Enel
	Percentage of materials used that derive from recycled material compared to total consumption of each resource							
	Lime for smoke desulfurization	(%)	-	0.1	0.1	-0.1	-	Enel
	Lubricant	(%)	1.8	5.0	3.4	-3.2	-	Enel
	Dielectric oil	(%)	68.5	99.6	99.7	-31.1	-	Enel
	Ferric chloride	(%)	1.6	-	2.9	1.6	-	Enel
	Sulfuric acid	(%)	-	0.08	0.04	-0.1	-	Enel
G4-EN2	Paper for printing	(%)	0.2	0.5	43.7	-0.2	-	Enel
	Equipment with PCB	(%)	**1.4**	**1.2**	**1.1**	0.2	-	Enel
	PCB quantity contained in equipment with PCB >500 ppm	(t)	**2.4**	**1.5**	**32.2**	0.9	58.6	Enel
	PCB quantity contained in equipment with 50<PCB<500 ppm	(t)	**6,784.5**	**5,553.0**	**4,490.5**	1,231.5	22.2	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EN2	**WATER CONSUMPTION**							
	Volumes of water drawn by production process [9]							
	Consumption for thermoelectric consumption	(m. m³)	110.4	112.6	122.8	-2.2	-1.9	Enel
	Consumption for nuclear consumption [10]	(m. m³)	38.1	61.2	62.2	-23.1	-37.7	Enel
	Consumption for geothermoelectric production and for fuel deposit and movement	(m. m³)	0.032	0.028	0.034	0.004	14.3	Enel
	Total consumption for production processes	(m. m³)	**148.6**	**173.8**	**185.0**	-25.3	-14.5	Enel
	Consumption for other industrial uses	(m. m³)	-	0.9	1.0	-0.6	-68.0	Enel
	Total water consumption	(m. m³)	**148.9**	**174.7**	**186.0**	-25.9	-14.8	Enel
	Specific consumption by production process [9]							
	Specific consumption for thermal production	(l/kWheq)	0.74	0.70	0.78	-	6.5	Enel
	Specific consumption for nuclear production [10]	(l/kWheq)	1.13	1.52	1.57	-0.4	-25.5	Enel
	Total specific consumption for production processes	(l/kWheq)	**0.55**	**0.60**	**0.64**	-	-7.4	Enel
G4-EN8	**Volumes of water drawn by source** [9]							
	Consumption from scarce sources	(m. m³)	**134.8**	**158.2**	**168.3**	-23.4	-14.8	Enel
	Surface water (wet zones, lakes, rivers)	(m. m³)	116.6	146.1	150.6	-29.5	-20.2	Enel
	Underground water (from well)	(m. m³)	11.1	4.5	10.4	6.6	-	Enel
	Water from aqueduct	(m. m³)	7.0	7.6	7.3	-0.6	-7.4	Enel
	Consumption from non-scarce sources	(m. m³)	**14.1**	**16.5**	**17.7**	-2.4	-14.8	Enel
	Seawater (used as such and desalinated)	(m. m³)	0.1	9.7	10.7	-9.6	-98.7	Enel
	Effluents (amount used inside plants)	(m. m³)	6.3	6.8	7.0	-0.5	-7.7	Enel
	Total	(m. m³)	**148.9**	**174.7**	**186.0**	-25.8	-14.8	Enel
G4-EN10	**Percentage of recycled and reused water**	(%)	4.2	3.9	3.8	0.3	-	Enel
	Water used for open-cycle cooling							
	in thermoelectric power plants	(m. m³)	18,873	19,810	19,176	-937	-4.7	Enel
	in nuclear plants	(m. m³)	2,508	2,407	2,681	101	4.2	Enel
G4-EN22	**WASTE WATER**							
	Waste water (quantity discharged)	(m. m³)	**111.5**	**106.4**	**101.0**	5.1	4.8	Enel
	from thermoelectric production	(m. m³)	104.5	96.3	89.7	8.3	8.6	Enel
	from nuclear production	(m. m³)	6.9	10.1	11.2	-3.2	-31.7	Enel
	for oil deposit and movement	(m. m³)	0.06	0.04	0.68	0.02	48.7	Enel
	Quality of discharged water [10]							
	COD (Chemical Oxygen Demand)	(kg)	460,555	553,574	538,371	-93,019	-16.8	Enel
	BOD (Biochemical Oxygen Demand)	(kg)	118,649	113,824	127,641	4,825	4.2	Enel
	Nitrogen	(kg)	342,251	77,300	131,731	264,951	-	Enel
	Heavy metals	(kg)	148,761	141,625	138,136	7,136	5.0	Enel
	Phosphor	(kg)	11,100	7,615	6,708	3,485	45.8	Enel
	Nuclear emissions into water							
	Tritium	(TBq per Unit)	**85.8**	**60.8**	**78.3**	24.9	41.0	Enel
	Fission and corrosion products	(GBq per Unit)	**12.4**	**11.8**	**16.1**	0.6	5.1	Enel
G4-EN23	**WASTE**							
	Waste products							
	Non-hazardous waste	(t)	9,074,122	10,239,845	10,126,284	-1,165,722	-11.4	Enel
	Hazardous waste	(t)	70,060	402,854	83,822	-332,794	-82.6	Enel

GRI/ EUSS	KPI	UM	December 2016	December 2015	December 2014	2016-2015	%	Scope
G4-EN23	- of which waste containing PCB	(t)	706	179	136	527	-	Enel
	Total waste produced	(t)	**9,144,182**	**10,642,698**	**10,210,106**	-1,498,516	-14.1	Enel
	Total waste sent to recycling	(%)	**25.7**	**27.6**	**30.9**	-1.9	-	Enel
	Hazardous waste by means of disposal (11)							
	Recycling (including recovery of energy)	(t)	29,240	20,509	42,928	8,731	42.6	Enel
	Landfill	(t)	40,820	382,345	40,893	-341,524	-89.3	Enel
	Total	(t)	**70,060**	**402,855**	**83,821**	-332,795	-82.6	Enel
	Non-hazardous waste by means of disposal							
	Recycling (including recovery of energy)	(t)	2,317,053	2,915,443	3,114,593	-598,390	-20.5	Enel
	Landfill	(t)	6,757,069	7,324,402	7,011,691	-567,333	-7.7	Enel
	Total	(t)	**9,074,122**	**10,239,845**	**10,126,284**	-1,165,722	-11.4	Enel
	Waste produced in nuclear plants							
	Liquid radioactive waste at low/medium activity level	(m^3)	43	50	46.1	-7.2	-14.2	Enel
	Solid radioactive waste at low/medium activity level (12)	(t)	31	33	27.7	-2.1	-6.5	Enel
	Solid radioactive waste at low/medium activity level (12)	(m^3)	264	276	256.2	-12.4	-4.5	Enel
	Liquid radioactive waste at high activity level	(m^3)	-	-	-	-	-	Enel
	Solid radioactive waste at high activity level	(t)	65	59	62.4	6.0	10.1	Enel
G4-DMA EC	**Provision for the decommissioning of nuclear power plants** (13)	(m. euro)	**567**	**528**	**567**	39.0	7.4	Enel
G4-DMA EN	**MITIGATION OF THE IMPACT ON THE LANDSCAPE/TERRITORY** (14)							
	LV/MV cabling ratio	(%)	**72.4**	**69.4**	**64.8**	3.0	-	Enel
	LV cabling ratio	(%)	**84.0**	**82.8**	**81.9**	1.2	-	Enel
	MV cabling ratio	(%)	**46.5**	**45.6**	**34.6**	0.9	-	Enel

(1) The emissions avoided are calculated as the sum of the emissions avoided in the various areas taking as a reference the specific emission of CO_2 in the average thermoelectric production of the individual country, taken from the Enerdata database in April 2017 (http://services.enerdata.eu).
The figure is the product of the electricity production obtained with each renewable or nuclear source by the average CO_2 emission from thermoelectric production in the country where Enel is present.

(2) Specific emissions are calculated considering the total emissions from simple thermoelectric production and the combined production of electricity and heat with respect to total renewable, simple thermal and nuclear production and the combined production of electricity and heat (including the contribution from heat in MWh). For "minor" pollutants (such as metals, including mercury), Enel has undertaken wide-scale measurement campaigns of the concentrations in rivers produced by thermoelectric power plants – in a range of situations by type of fuel and abatement system – obtaining results which comfortably respect the precise limits established by the laws in the various countries where Enel operates. In particular, for mercury emissions, which are typical of electricity produced from coal, in 2016 a total of around 0.396 tons was recorded only for Italy and Spain which currently represent 68% of thermoelectric production using coal throughout the Group.
The mercury emissions are communicated to the competent authorities for registration in the European Pollutant Release and Transfer Register (EPRTR) in application of EU Regulation no. 166/2006 and are subject to associated controls in terms of completeness, coherence and credibility (article 2 of Regulation no. 166/2006).

(3) "Scope 2" emissions: the estimate of the indirect emissions of CO_2 relating to 2016 due to the consumption of electricity for electricity distribution, moving fuel, extracting coal, property management and, since 2013, also the electricity purchased from the grid from hydroelectric plant, is the product of the electricity consumption, including grid losses, multiplied by the respective weighted specific emission coefficients of the whole generation mix of the countries where the Enel Group operates (source: Enerdata - http://services.enerdata.eu). "Scope 3": the estimate of indirect emissions of CO_2 relating to 2016 and arising from the transport of coal by sea is calculated starting from the quantity transported (equivalent to 68% of the total coal used), taking into consideration Panamax ships with a 67,600 ton capacity, which cover average distances of 700 nautical miles in 22 days, consuming 35 tons of oil a day, and an emission coefficient of 3.2 kg of CO_2 per liter of oil consumed, considering also three days stopover for unloading, to which consumption of 5 tons of oil is associated. The estimate of the indirect emissions of CO_2 from rail transport of coal is calculated starting from the quantity transported (equivalent to 32% of the coal used) and taking into consideration trains with a capacity of 1,100 tons, which cover average distances of 1,400 km with consumption of 6.9 kWh/t for each 100 km transported and an average emission coefficient of Enel worldwide. The estimate of the indirect emissions of CO_2 from the transport of consumable materials, oil, gas oil, solid biomass, WDF and waste is calculated, starting from the quantities of raw materials transported, taking into consideration trucks with capacity of 28 tons, which cover average (return) distances of 75 km with consumption of 1 liter of gas oil for each 3 km travelled and an emission coefficient of 3 kg of CO_2 for each liter of gas oil consumed. The figure is a rough estimate of the fugitive emissions of methane (CH_4) from the coal which is imported and used by the Enel Group for thermoelectric production. The figure does not take into account the emissions due to the transport of lignite.

(4) The figure for 2015 and 2014 was restated to better consolidate the value.

(5) The values relating to "current expenditures for waste disposal, emission treatment and environmental restoration" do not consider either insurance

or environmental liability or the amortization for environmental protection investments since the current accounting system does not allow a reliable attribution to specific environmental items of the insurance premiums and the investments are set out as such, since the related amortization has still not been uniquely coded.

(6) Slovakia is present in terms of operations in the Group scope until July 2016, even if in financial terms it left in 2014.

(7) Tax due for exceeding the limits of water discharge at the plants of Reftinskaya and Sredneuralskaya.

(8) The figure for 2016 confirms the gradual fall in this percentage owing to the progressive disposal in Italy and Spain of registered thermoelectric power plants. The EMAS regulation is an EU regulation which is applied almost exclusively in Europe and is not universally recognized internationally, as instead ISO 14001 is. For this reason for some years Enel has decided to certify its whole scope according to the criteria of the international standard ISO 14001, requiring double verification, also in accordance with the requirements of EMAS registration, only for some power plants (mainly thermoelectric) located in Italy. In some cases, when neither the certifications nor the registrations were widespread, EMAS registration was promoted locally, in regard to the communities, instead of ISO 14001 certification.

(9) In the calculation for absolute consumption and specific consumption of water, the consumption of water for open-cycle cooling is not included and nor is the plant's consumption of renewable sources.

(10) The analyses are carried out on different groups of plant from year to year, depending on the specific audit needs, and therefore relate to differing power plant levels.

(11) The figure for 2016 cannot be compared with previous years owing to the change in methodology in 2016 for the calculation of environmental fines.

(12) The values relating to "solid" nuclear waste (low/medium and high activity) are recorded in tons in Slovakia and in cubic meters in Spain. Both figures are given since they cannot be summed together.
The trend in the quantities of radioactive waste produced depends on the maintenance work and fuel movements, and therefore is subject to considerable fluctuations over the years.

(13) The provision for "nuclear decommissioning" fell compared to 2013 mainly due to the reclassification under assets held for sale of the subsidiary Slovenské elektrárne. In 2013 the latter held a provision of 2,175 million euro relating to the plants V1 and V2 at Bohunice and EMO 1 and 2 at Mochovce and included a provision for the disposal of nuclear waste for 114 million euro, a provision for the disposal of spent nuclear fuel for 1,296 million euro and a provision for the dismantling of nuclear power plants for 765 million euro. Therefore at December 31, 2014 the provision held solely the costs which will be incurred on disposal of the nuclear power plants by Enresa, a Spanish public company entrusted with this task. The figures for 2015 and 2014 refer to Endesa Generación. The 2013 figures include Endesa Generación and Slovenské elektrárne.

(14) The cabling ratio is calculated by proportioning the km of cabled lines (both underground and airborne insulated cables) to the total km of lines.
The increase in the cabling ratio over the years is due to a general increase, in terms of length, of air-borne and underground cable sections at the expense of bare conductors.
This results in not only the continuous and natural replacement of bare LV conductors with airborne/underground cables, but also the more decisive adoption of the MV air-borne cables, with considerable benefits in terms of the resilience of the network and limiting the cutting of plants. In particular, in the distribution companies in Latin America, the increase in the cabling ratio is mainly due to the systematic introduction of the air-borne LV cable, which was already familiar but not previously much used.

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G4-HR8	In 2016 there were no cases of violation of the rights of indigenous populations.				2.3
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G4-SO3	28-32				16.5
G4-SO4	30-32				16.5
G4-SO5	30-32; 214-215 Throughout the Group during 2016, there were 5 recorded episodes relating to corruption (GRI definition). In regard to these, Enel ordered disciplinary measures for the people involved in line with the relevant regulation.				16.5
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G4-DMA	30-32				

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G4-SO6	Enel does not have direct relations with political parties and does not provide financing of any kind, as explicitly established at point 2.2 of the Zero Tolerance of Corruption Plan and at point 3.26 of the Group's Code of Ethics. Some exceptions can be found in some countries following the local law and subject to analysis by the due bodies.				16.5
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR					
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G4-SO7	In Romania, the Competition Council opened proceedings regarding a possible abuse of a dominant position by Enel Distributie Muntenia on connection processes (no. 162/25.03.2015). In the worst case scenario, the company may offer commitments to resolve the anti-trust conduct before a decision is taken by the competent authority; the fine could amount to a maximum of 10% of total turnover. The proceedings have still not been closed. In Italy, on December 10, 2015, the Anti-trust Authority (AGCM) started proceedings (A/486) for alleged abuse of a dominant position by Enel Distribuzione SpA (ED) and Enel SpA. On September 8, 2016 the AGCM notified its acceptance of the commitments presented by ED and Enel SpA and the consequent closure of the proceedings without verifying any violation or imposing any fine. On October 6, 2016 the AGCM notified, at the same time as undertaking an investigation, the start of proceedings for alleged abuse of a dominant position on the market for dispatching services by Enel Produzione SpA (EP) and Enel SpA. On January 20, 2017 EP presented a preliminary version of commitments which, if accepted, will enable the proceedings to be closed without verification of infraction or imposition of any fine. The conclusion of the proceedings, subject to any extensions, is envisaged for May 30, 2017. In Spain, there are 3 proceedings regarding Endesa Distribución (Endesa *Informe de Sostenibilidad* 2016, 37-41).				16.3
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G4-PR3	132-134; all the Group sale companies comply with the transparency obligations envisaged by various national and supranational regulations regarding the source of the electricity sold. Energy bills must specify the mix of energy sources used and the source of the energy.				12.8
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G4-PR8	129-130; 134				16.3; 16.10
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	132; 134-135				
G4-PR9	In Argentina ENRE Resolution 31/2016 for cutting off of supply. In Brazil, Enel Distribución Rio – at December 30, 2016, there were 42 fines pending resolution imposed by the regulator (PROCON - *Autarquía de Defensa y Protección del Consumidor*) for service quality, undue payments, electrical damage and other cases for a total of 2,805,002 euro. In 2016, 6 infraction proceedings were closed without any payment being made. Enel Distribuição Ceará – at December 30, 2016, there was 18 fines pending resolution imposed by the regulator (PROCON/CE and DECON/CE) for service quality, tariffs, electrical damage and other issues for a total of 223,826 euro. In 2016, 5 proceedings were concluded with the total payment of 5,168 euro. Annual Report 2016 - Regulatory and tariff issues; Contingent liabilities and assets; Endesa *Informe de Sostenibilidad* 2016, 37-41.				16.3
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Concept design and realization
You&Web - HDRÀ Group

Copy editing
postScriptum

Printing
Tipografia Facciotti

Print run: 150 copies

Published in April 2017

INSIDE PAGES

Paper
Fedrigoni X-per

Weight
120 g/m²

Number of pages
264

COVER

Paper
Fedrigoni Splendorlux Mirror Argento

Weight
320 g/m²

This publication is printed on 100% certified FSC® paper
Publication not for sale

By
Comunicazione Italia

Enel
Società per azioni
Registered office 00198 Rome – Italy
Viale Regina Margherita, 137
Stock capital
Euro 10,166,679,946
(at April 1st, 2016) fully paid-in
Companies Register of Rome
and Tax I.D. 00811720580
R.E.A. of Rome 756032
VAT Code 00934061003

Seeding Energies
People are our best form of energy.
Energy which prospers and grows thanks to a network connecting all of us.
A network enabling us to share values, ideas, professional experiences and personal passions.
To generate, thanks to each person's contribution, value for all.
In Enel, sustainability also means this.

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