Sustainability Report 2018

enel

Sustainability Report 2018

"Shapers and leaders": creators and guides of the energy transition

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Energy is a fundamental enabler of progress and growth. Without clean and accessible energy for all, our societies will face a future without inclusive, long lasting well-being and progress. For progress to be sustainable, we believe that it should be achieved without jeopardizing the future of coming generations. Sustainability therefore implies the need to always combine growth with a balance of the resources employed in the present, without ever compromising future opportunities. Understanding the implications of this definition over time is essential to apply the concept of sustainability in a multitude of contexts. Sustainability cannot be limited to a simple choice between energy sources, since it encompasses many other areas and requires broad collaboration between different actors.

This is why it is so important to be "shapers and leaders" of the energy transition currently under way, guiding it towards an ever-more sustainable model. In the meantime, we need to be aware of the complexity of the reference framework, characterised by increasingly blurred boundaries between different industries, by new approaches to interaction and collaboration, as well as new ways of using available resources and unstoppable technological progress. At Enel we are actively engaged in creating sustainable long-term value for all stakeholders every day, thinking globally and acting locally, respecting and enhancing diversity. **For us, sustainability is a key value and represents, together with innovation, the engine of inclusive growth in conditions of dynamic balance**. It is increasingly integrated into our industrial and financial strategies, creating value and synergies with the external world and accelerating the achievement of the United Nations Sustainable Development Goals (SDGs). A commitment that Enel has strengthened and expanded, revitalising the targets for reducing specific CO_2 emissions (SDG 13), increasing interaction with communities, facilitating their access to education, energy and employment as well as inclusive and sustainable economic growth (SDG 4, 7, 8) and introducing specific additional targets for SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities). These challenging goals can be achieved only thanks to the key role played by people inside and outside the company, with their aspirations, expectations, enthusiasm and above all **curiosity**. The latter fosters the development of more trusting and collaborative relationships, acting as a multiplier of diversity, stimulating the generation of alternative approaches and unleashing creativity. Brilliant ideas and innovative thoughts that make the difference. Together, collaborating and dialoguing with each other, we can achieve long-term sustainability, maintaining our traditions while at the same time facing our future challenges. There is a long way to go, but by adopting an integrated vision of social, environmental and economic development, in which ethics and profit are not at odds with each other and a commitment to safety is the basis of every action, we can reshape the future of business, of work and the entire planet, significantly increasing the well-being of current and future generations. An issue of primary importance in which Enel wants to play a leading role is undoubtedly the fight against **climate change: a challenge** that presents not only risks, but also offers the opportunity to rethink our energy system. Consistent with this vision and with the objectives of the Paris Climate Conference, we will continue to promote **a balanced and flexible system along the entire value chain**, starting with the continuing growth of renewable energy generation, combined with an expansion of the use of electricity and highly energy-efficient products and services, leveraging new digital solutions and smart infrastructures. A key role in the transition is being played by **cities**, where most of the world population lives, the majority of our resources are consumed and environmental management is an especially urgent need. Envisioning a sustainable and circular development model for cities means, therefore, envisioning it for the entire planet. In this rapidly changing context, **customers** are increasingly the protagonists of the entire value chain with new needs that have to be matched with new and more effective methods of consumption and sales. Aware of all this, Enel works every day to provide its customers with all the energy they need to achieve their dreams and their ambitions. It does so in a sustainable way and respecting the environment, so that the progress of each person is an invaluable part of the progress of humanity as a whole.

Patrizia Grieco
Chairman of the Board of Directors

Francesco Starace
Chief Executive Officer and General Manager

Long-term sustainable growth

Sustainability, along with innovation, drives inclusive growth. 6

Sustainable value created

A daily commitment to create value for all stakeholders.

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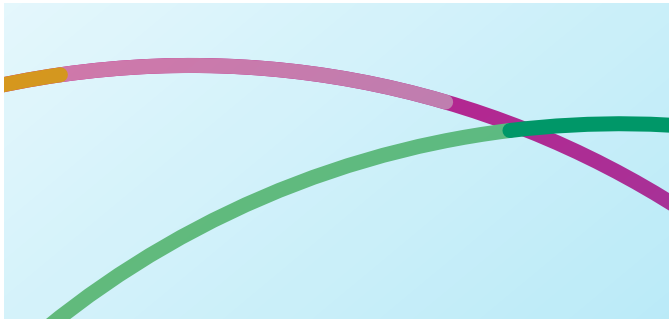
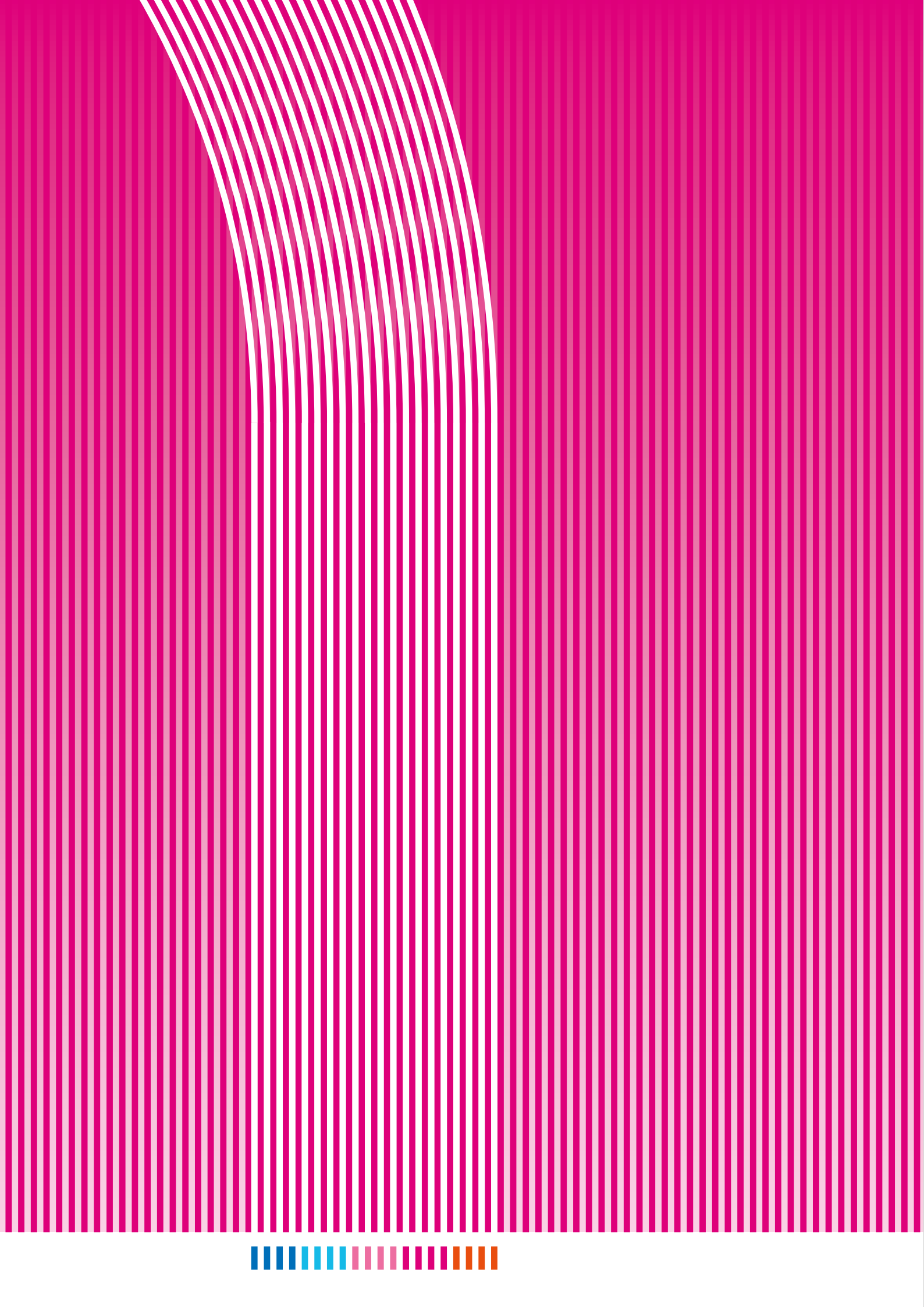
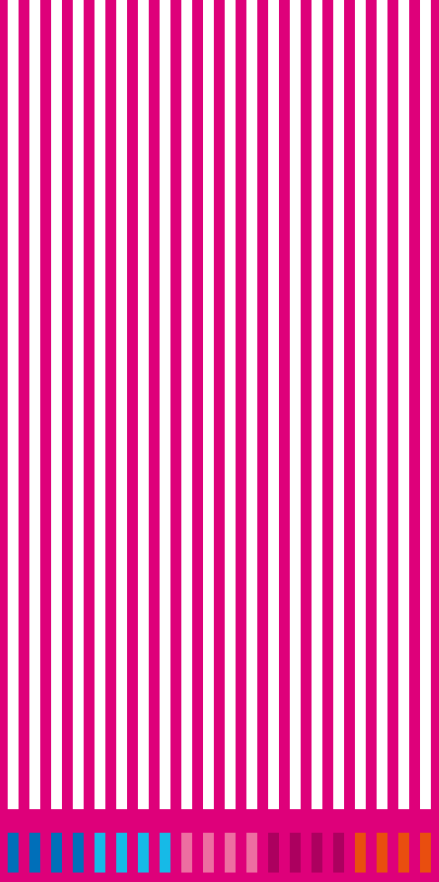






01

Long-term sustainable growth

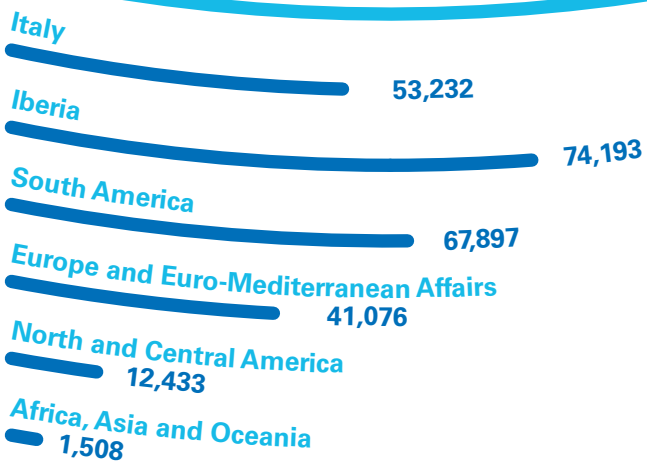
Sustainable business model

The Enel Group currently operates in over **30 countries on five continents**, with an installed capacity of around **86 GW**, over **2.2 million kilometers** of distribution lines, approximately **68 million customers** and **73 million end users**. The Company operates in Europe, North and Central America, South America, Africa, Asia and Oceania.

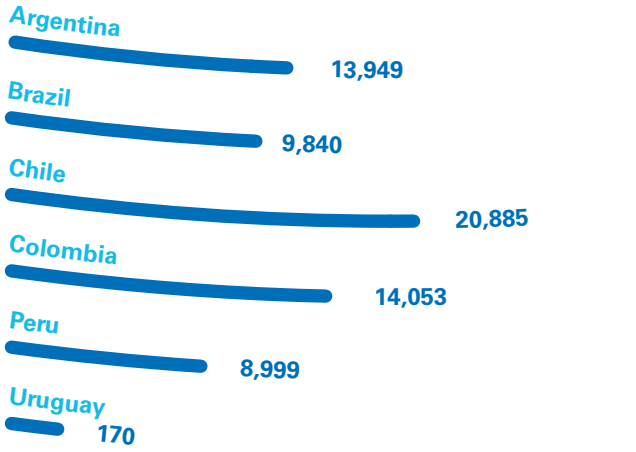
See the Appendix
Performance indicators

102-2 | 102-4 | 102-6
102-7 | EU1 | EU2
EU4

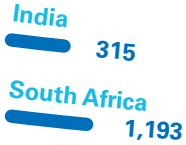
Energy generation 250,339 GWh



South America

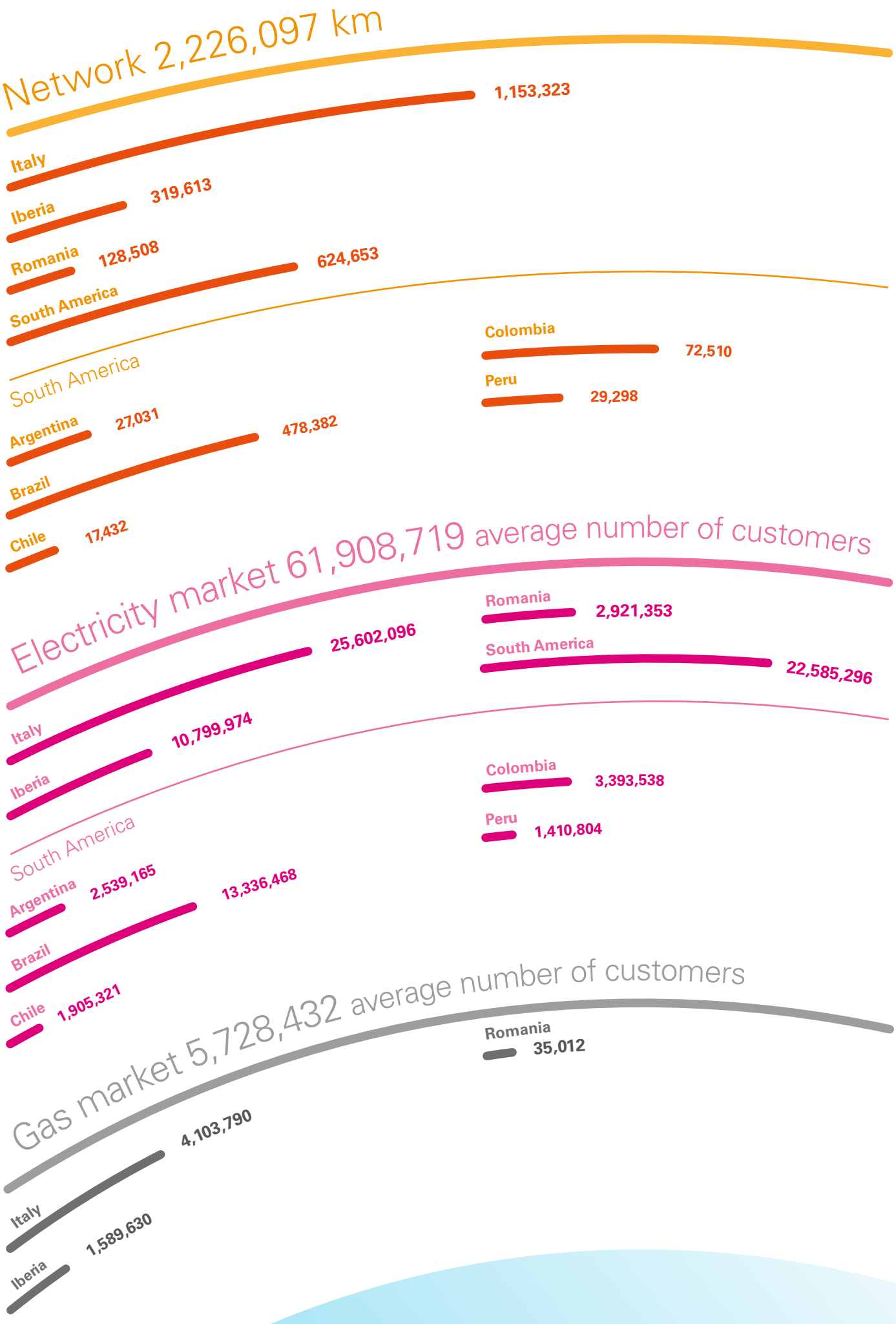


Africa, Asia and Oceania



North and Central America

Europe and Euro-Mediterranean Affairs


Network 2,226,097 km
Italy
1,153,323
Iberia
319,613
Romania
128,508
South America
624,653
South America
Argentina
27,031
Brazil
478,382
Chile
17,432
Colombia
72,510
Peru
29,298
Electricity market 61,908,719 average number of customers
Italy
25,602,096
Iberia
10,799,974
Romania
2,921,353
South America
22,585,296
South America
Argentina
2,539,165
Brazil
13,336,468
Chile
1,905,321
Colombia
3,393,538
Peru
1,410,804
Gas market 5,728,432 average number of customers
Italy
4,103,790
Iberia
1,589,630
Romania
35,012

Main organizational changes

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The main organizational changes that took place during the 2018 fiscal year are as follows:

- the acquisition, through a take-over bid, of the Brazilian electricity distribution company **Eletropaulo Metropolitana Eletricidade de São Paulo SA** ("Eletropaulo"), confirmed by the Brazilian authorities on June 5, 2018. Enel Sudeste held an overall stake of 95.88% in Eletropaulo;
- the acquisition of 100% of **Parques Eólicos Gestinver** on February 2, 2018. This company has five wind plants in Galicia and Catalonia, for a total capacity of around 132 MW;
- the finalization on September 28, 2018 of the sale of an 80% majority interest in the capital of eight special purpose vehicles ("**SPVs**"), that are owners of eight plants in Mexico which are operating and being built, for a total capacity of 1.8 GW, and that will retain operation.

For further details, see the Chapter "Significant events in 2018" of the 2018 Annual Report.

Organizational model

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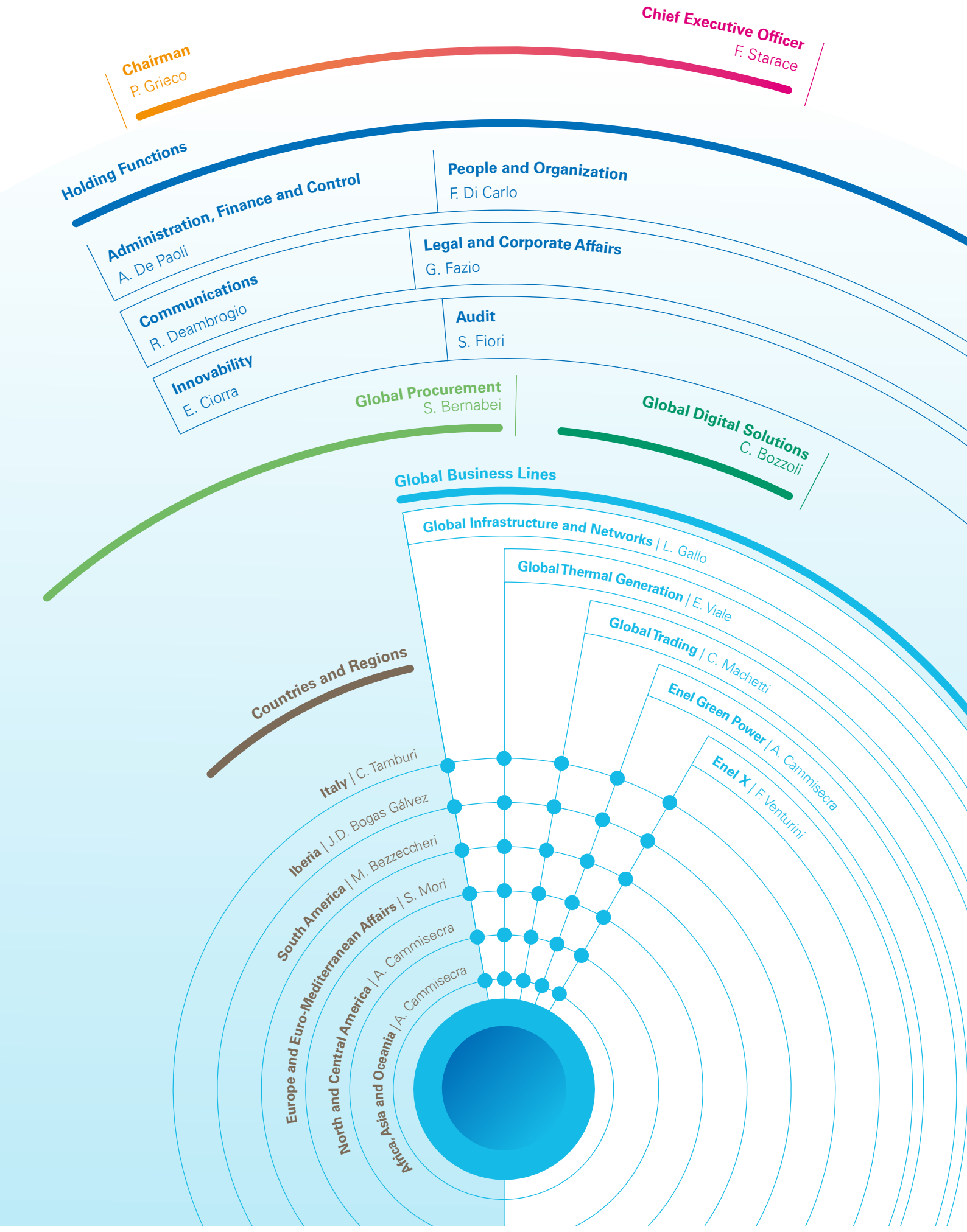
Enel's organizational model has a matrix of Business Lines/Countries and Regions, structured as follows:

- *Business Lines* (Global Thermal Generation, Global Trading, Global Infrastructure and Networks, Enel Green Power, Enel X), tasked with managing and developing assets, optimizing performance and return on invested capital, in the various geographic areas where the Group operates; the Business Lines are also entrusted with the task of improving the efficiency of managed processes and sharing best practices worldwide. The Group will benefit from a centralized industrial view of the projects in the various Business Lines. Each individual project will be evaluated not only according to financial returns, but also in relation to the best technologies available at the Group level;
- *Regions and Countries* (Italy, Iberia, South America, Europe and Euro-Mediterranean Affairs, North and Central America, Africa, Asia and Oceania), which, within each country where the Group operates, are entrusted with the task of managing relations with local institutional bodies and regulatory authorities, as well as electricity and gas sales, also providing support in terms of personnel activities and other services to the Business Lines.

The following are associated with this matrix in terms of business support:

- *Global Service Functions* (Procurement and Digital Solutions), which are entrusted with the task of Information and Communication Technology activities and managing purchases at a Group level;
- *Holding Functions* (Administration, Finance and Control, People and Organization, Communications, Legal and Corporate Affairs, Audit, Innovability), entrusted with the task of managing governance processes at a Group level.


Chairman
P. Grieco
Chief Executive Officer
F. Starace
Holding Functions
Administration, Finance and Control
A. De Paoli
People and Organization
F. Di Carlo
Communications
R. Deambrogio
Legal and Corporate Affairs
G. Fazio
Innovability
E. Ciorra
Audit
S. Fiori
Global Procurement
S. Bernabei
Global Digital Solutions
C. Bozzoli
Global Business Lines
Global Infrastructure and Networks | L. Gallo
Global Thermal Generation | E. Viale
Global Trading | C. Machetti
Enel Green Power | A. Cammisecra
Enel X | F. Venturini
Countries and Regions
Italy | C. Tamburi
Iberia | J.D. Bogas Gálvez
South America | M. Bezzeccheri
Europe and Euro-Mediterranean Affairs | S. Mori
North and Central America | A. Cammisecra
Africa, Asia and Oceania | A. Cammisecra

Enhancing synergies and promoting growth

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In recent years, numerous industrial sectors have undergone structural change, creating new markets, business and employment opportunities, but also the need to innovate consolidated business models and rethink how available resources are used. The energy sector is also experiencing constant, relentless change: the competitiveness of renewable sources and digitalization of assets are paving the way for new uses of electricity, making it possible to decarbonize the economy.

Energy has become vital for the development of technology, industry and society. Making energy accessible to everyone means giving local populations new possibilities in education, healthcare, gender equality and employment. Providing clean energy means facilitating development while respecting the environment and the local area. Providing clean, competitive energy means building a winning model in which all sustainability aspects have been achieved, creating shared value in the long term for the Company and parties involved.

In this context, Enel's sustainable business model enhances the synergies between the various business areas and the outside world in order to find solutions to reduce environmental impacts, meet the needs of local communities and improve the safety of people working in the Company and its suppliers. It is thanks to this sustainable business model that Enel is able to meet the new challenges of the energy transition, not only by reacting to risks, but by seizing all opportunities without ignoring their social and environmental implications. In order to pursue this goal, a clear, defined and long-term strategic vision is needed to strengthen the confidence

with which people look to the future and the role of Enel, today as in the years to come. It is necessary to study trends in order to anticipate them. A strategic and operational approach based on the concept of openness, "Open Power", where sustainability and innovation are an indispensable combination. Developing and promoting innovative solutions that contribute to achieving the UN's Sustainable Development Goals (SDGs) for 2030, through a structured Hub/Lab network, partnerships and startups and the activation of virtuous ecosystems with the aim of changing the world, contributing to creating more sustainable cities and levering access to new technologies and circular economy approaches.

Knowledge of the context in which Enel operates and engagement with all stakeholders are essential factors for combining economic with social growth in the long term. Community needs are analyzed, through a Creating Shared Value (CSV) model, starting from new business development phases: assessing social and environmental factors in the development of sustainable sites, managing assets and plants to make them platforms for sustainable development in the areas where they are located.

The principles of ethics, transparency, anti-corruption, respect for human rights and promotion of safety are all framing elements that have always characterized Enel's method of working and which are based on policies and criteria of conduct that apply to the entire Group. It is a model that promotes sustainable development fully in line with the guidelines of the United Nations Global Compact, of which Enel has been an active member since 2004. These guidelines reaffirm the importance of increasingly greater sustainability in the company's strategic choices.

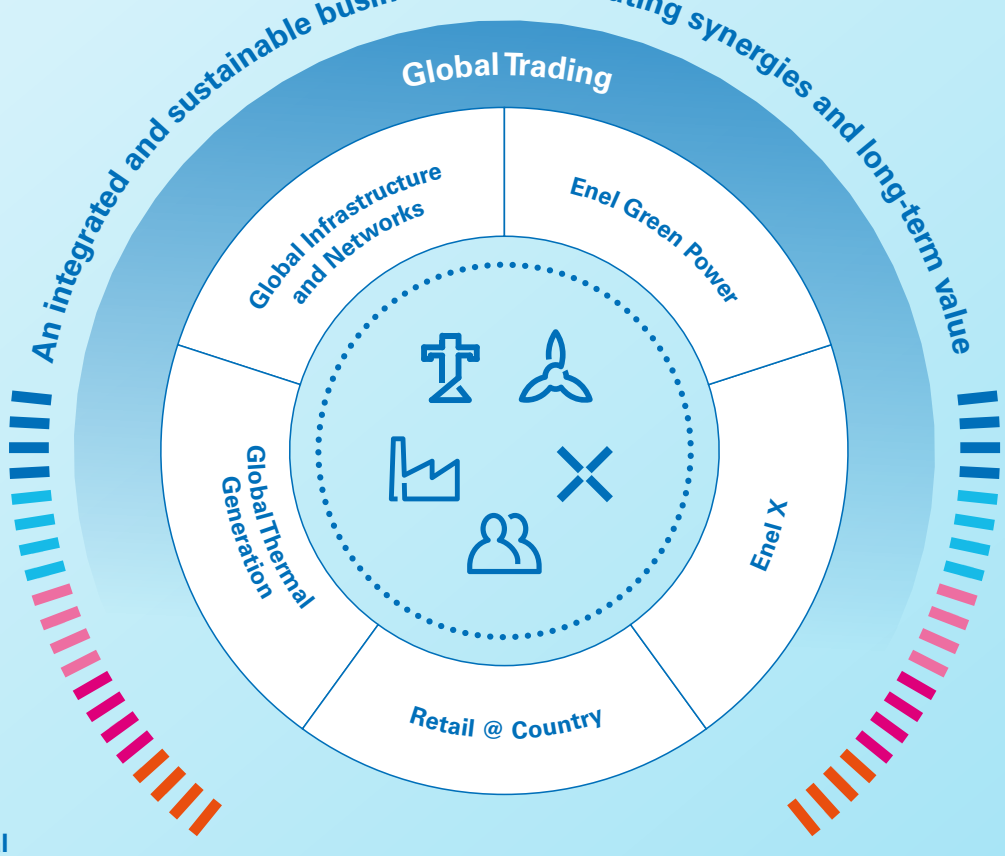
Confirming the importance of this approach, the Enel's CEO has been a member of the Board of Directors of the Global Compact since June 2015. A key element to this approach is the adoption of ESG (Environmental, Social and Governance) sustainability indicators within the whole value chain, not only to reflect the results achieved, but above all to anticipate decisions and develop a proactive attitude in line with the United Nations' 2030 SDGs. Enel constantly strives to manage and measure its overall performance, taking into consideration economic, business and ESG topics in reporting its activities and defining the objectives underlying its strategy.

A SUSTAINABLE BUSINESS MODEL

Global Trading
Global portfolio optimization and integrated margin management.

Global Infrastructure and Networks
Digital infrastructure platform, operational excellence, distributed generation and quality of service.

Enel Green Power
Zero-emission generation growth engine and driver of social development through access to energy.



Global Thermal Generation
Key role in the low-carbon transition of the energy mix, optimization of assets through digitalization and responsible relations with communities.

Retail @ Country
Focus on the customer as energy user: promotion of responsible and conscious consumer-oriented products.

Enel X
Key role in energy transformation and focus on the customer as an actor in the development of new solutions in which energy becomes a service.

The energy of the circular economy

The circular economy offers huge potential, capable of generating competitiveness, bringing together innovation and sustainability. However, to implement this model, the traditional approach to the market, to customers and natural resources must change, promoting initiatives that target a responsible use of natural resources, harmonizing ecological, economic and environmental aspects in a context that is not linear, but circular. Enel has made the circular economy a driver of its strategy, setting out a global vision and developing concrete actions for its Business Lines in various countries. Below are some examples:

- the **Futur-e project**, the world's first example of large-scale requalification of industrial zones in a circular economy approach, concerns 23 thermal power stations that are no longer active and a former mining zone. To identify the best ideas for each area, an approach based on sharing with local communities, engaging with stakeholders and institutions and sourcing investors has been singled out. At the end of 2018, procedures began to identify redevelopment solutions for 19 sites. Processes have been completed for nine of these sites, with relative redevelopment solutions identified and activities started. For further details see https://corporate.enel.it/en/futur-e;
- **Enel X**, in its role as an accelerator of supplier/customer circularity and in the context of circular cities, launched two macro-areas of activities – one targeting a continual improvement in the circularity of its portfolio of products and services, and the second targeting the measurement of the energy circularity of its industrial customers and cities (see the chapter "Operational improvement for a better service");
- Enel's **Global Procurement** Function has evolved towards a circular approach, adopting innovative methods to monitor and gain complete knowledge of material flows, in terms of components, environmental impact and product recyclability, forging partnerships with suppliers that become fundamental allies;
- **Enel Green Power** has combined the Group's approach to the circular economy with its own activities, focusing on the re-use, recovery and recycling of materials, during work site, plant and office management phases;
- **Global Infrastructure and Networks** has developed a number of initiatives in the countries where it operates, including the E-Distribuzione project to recover the plastic of first-generation meters which are to be replaced by the Open Meter. Non-plastic materials are also fully recycled: components of the electronic board, for example, are re-used in the goldsmithing sector, copper is used to manufacture brass, iron is used for building. A similar project has been started in Brazil for the sustainable replacement of smart meters. Analysis is also ongoing to optimize the design of components to use on the network, to streamline end-of-life management.

In 2018, Enel consolidated its positioning in the circular economy in Europe and worldwide, also thanks to strategic partnerships and collaborations. Together with companies participating in the Alliance for the Circular Economy, an initiative launched together with leading Italian business groups to support the creation of circular systems and the closure of industrial cycles, a position paper with proposals for Italy was prepared (https://corporate.enel.it/content/dam/enel-it/media/documenti/position-paper-alleanza-economia-circolare.PDF). Enel is a founding member of the Italian Circular Economy Stakeholder Platform (ICESP) and has co-coordinated a working group for sustainable and circular systems for design, production, networks and consumption. During 2018, Enel was involved in international panels on the circular economy (including WBCSD - Factor10; Ellen MacArthur Foundation CE100) and a study on "100 Italian Circular Economy Stories" was produced together with Symbola.

CIRCULAR CITIES

The cities of tomorrow must adopt a circular vision and a circular model for all contexts, from buildings to infrastructures, mobility, energy systems and the waste cycle. During 2018, Enel produced the position paper "Cities of Tomorrow. Circular Cities". The document looks at some examples of Enel's circular projects to promote the sharing of goods practices and enable dialogue on the circular transition of the city ecosystem.
https://www.enel.com/content/dam/enel-com/media/document/cities-of-tomorrow_en.pdf

Measuring circularity: CirculAbility model

To adopt circular economy principles to the best extent possible and assess the results, a measuring system is necessary, with a set of parameters that can quantify the "circularity" of products and projects, based on the benefits generated in terms of a reduction in raw materials used. Enel has developed a model to measure circularity, that takes account of the five pillars of the circular economy[1] and defines a single circularity index, calculated starting from two components:

- flow circularity, which takes account of all material and energy components in the input phase (if renewable, from recycling, re-use, etc.) and output phase (recycling, re-use, landfill);
- use circularity, which takes account of the use of materials, through an extension of the useful life and considering the adoption of sharing and "product as a service" principles.

1 The five pillars of the circular economy: sustainable input, extending the useful life of products, sharing platforms, product as a service, end of life.

The governance of sustainability

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Creating long-term sustainable value for all stakeholders is a primary goal for Enel. Climate change, atmospheric emissions, water resource management, biodiversity, the circular economy, health and safety, diversity, personnel management and development, relations with communities and customers, the supply chain, ethical conduct and human rights are just some of the topics that make up sustainability. Enel has created a specific governance structure based on international best practices that covers the various company, decision-making and operational processes along the entire value chain.

- The **Board of Directors** reviews and approves strategic, industrial and financial plans, including the annual budget and Group Industrial Plan, that supplement the main guidelines to promote a sustainable business model and lay the foundations for creating value in the long term. The Board is responsible for approving the Sustainability Report and Consolidated Non-financial Statement (NFS) in accordance with Legislative Decree 254/16, after consulting with the Control and Risks Committee and Corporate Governance and Sustainability Committee respectively.
- The **Corporate Governance and Sustainability Committee** is entrusted, among others, with the task of monitoring sustainability topics related to business operations and the dynamics of interaction with all stakeholders. The Committee also: reviews the guidelines of the Sustainability Plan and procedures for implementing the sustainability policy; monitors the inclusion of Enel in main sustainability indexes; reviews the general configuration of the Sustainability Report and NFS and relative contents, as well as the completeness and transparency of information provided; reviews the main company rules and procedures that have an impact on stakeholders.
- The **Control and Risks Committee** is required, among others, to review the contents of the Sustainability Report and NFS which are significant for Internal Control and Risk Management System purposes, as well as the main company rules and procedures of this system and which may be significant for stakeholders.
- The **Chairman** of the Board of Directors, currently also the Chair of the Corporate Governance and Sustainability Committee, has a proactive role, as part of its function to steer and coordinate the activities of the Board, in the process to approve and supervise the sustainability strategy.
- The **Chief Executive Officer and General Manager** handles the definition and adoption of the sustainable business model, establishing guidelines to manage the energy transition, promoting the production of zero-carbon emission energy and company practices that take into consideration the expectations of various stakeholders.
- The **Innovability (Innovation and Sustainability) Function**, reporting directly to the Chief Executive Officer, manages all activities concerning sustainability: defining the Sustainability Plan and monitoring progress, preparing reporting, overseeing relations with international associations on sustainability and ESG indexes and rating agencies (coordinating with the Investor Relations unit), and managing projects to create shared value. There are also Holding units which are responsible for the various activities of Enel SpA and which guide and coordinate the various Sustainability units in different countries and Business Lines.

Each Country or Region identifies the expectations of its local stakeholders and consequently defines the sustainability strategy, adapting Group guidelines to requirements of the local context.

What people are saying about us

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Enel in the media

Enel constantly monitors how the Group is perceived in the local, national and international press, radio, TV and web, across both general and specialized publications, always maintaining an open and positive attitude in its relations with the national and international press. Some of the aspects most well received during the year by national and international media concern business topics related to the presentation of the 2019-2021 Strategic Plan, electric mobility (presentation of the national plan for electric mobility in Italy, Spain and Romania, Futur-e tenders), the construction of new renewable energy plants and innovation. From the media's point of view, "sustainability" is a topic that permeates Enel's entire business model, and was therefore contemplated in most media coverage of the Group in 2018. In the year, the Chief Executive Officer took part in a number of international events, including the World Economic Forum in Davos, the BNEF Energy Summit 2018, the Climate Week of New York, the Russian Energy Week, the Forum Ambrosetti 2018 in Cernobbio, the annual eurelectric summit in Ljubljana, and the general meeting of Global Compact. Local media attentively followed the process to privatize Eletropaulo in Brazil, announcements of coal plants being closed down in Spain, and extreme climate events in Italy, Chile and Romania. According to research conducted by Eikon, which analyzes Enel's media presence, Enel's visibility in 2018 in Italy was in line with that of previous years in quantitative terms, but had improved considerably in qualitative terms.

Enel monitors its brand equity in the various countries in which it operates in order to better know and understand its customers. The main site, www.enel.com, brings all of the Group's main activities and results together, allowing the various categories of stakeholders to remain continuously up-to-date. In particular, the main sustainability and innovation projects are included in the "Stories" section of www.enel.com, while non-financial information and the materiality assessment are present in the "Investors" section.

Prizes and awards

In 2018, Enel won several prizes and awards, including:

- the **Ethical Boardroom Corporate Governance Awards** (January 2018): Enel was awarded first prize in the category of European utilities excelling in corporate governance leadership;
- **Diversity Awards 2018** (July 2018): the Group was awarded in the "Corporate Social & Sustainable Management" category. This recognition comes from its commitment since 2013 to projects and initiatives that value diversity in all its forms and promote inclusion at Group level. These commitments include its Human Rights Policy, Diversity and Inclusion Policy and endorsement of Women's Empowerment Principles promoted by UN Global Compact and UN Women;
- **Fortune Change the World list** (August 2018): for the third time in four years, Enel was included in the "Change the World" list of the prestigious US economic publication Fortune. This classification ranks the main companies worldwide that have a positive social impact through activities that are a part of their corporate operations and strategies. Enel, the only Italian company among the 63 selected by Fortune, was ranked 28th and was recognized for its ongoing commitment to renewables, its Open Power strategy and approach to innovation;
- **The Real Innovation Awards - People Choice 2018** (October 2018): of the 28 companies selected for the final ranking awarding businesses capable of true innovation, Enel came first in the "Masters of reinvention award" category.

Enel's presence in the main energy and sustainability associations

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The Enel Group actively participates in national and international sustainability associations and organizations that aim to define long-term goals and commitments, to promote a sustainable way of doing business and to manage the challenges of climate change and socio-economic pressures that affect the macroeconomic scenario, the energy sector in particular. Below are some examples.

Sustainable Energy for All (SEforALL)

This international, non-profit organization works through a multi-stakeholder approach with the private sector, civil society, institutions and governments, to support the SDG 7 for affordable and clean energy. Enel has been supporting SEforALL since 2011, and in 2018 confirms its position as "Delivery Partner" of the Organization. The Company participates at the "Electrification Accelerator" initiative, launched by SEforALL in November 2018 with the aim of developing action plans to address the global challenge of the electrification and access to energy, mainly in Sub-Saharan Africa.

CSR Europe

CSR Europe is the leading European business network dedicated to sustainability. Enel has been a member of it since 2005, holding the position of Deputy Chair of the Board of Directors since 2016.
In 2018, Enel continued its work for the "Sustainable Business Exchange" campaign – the European hub promoted by CSR Europe and focused on Sustainable Development Goals.

eurelectric

The main association of the electrical industry at the European level. The CEO of Enel was Chairman of the association in the 2017-2019 period.

International Integrated Reporting Council (IIRC)

Since 2016, Enel has been a member of the IIRC, a global coalition of companies, investors, regulators, standard-setters and non-governmental organizations for the promotion of the integrated report. Such report is viewed as a tool with which companies communicate their values, decisions and actions to stakeholders clearly and comprehensively by presenting their financial performance and the social, environmental and economic context in which they operate. In 2018, following the launch of the new strategy of the IIRC, "Building global momentum towards integrated reporting", Enel took part in a number of work panels including the "Special Interest Group Integrated Thinking and Strategy", which aims to create a common framework for integrated thinking, that may be applied at global level to improve the resilience of businesses.

European Commission Multi-stakeholder Platform on SDGs

Enel's CEO, since late 2017, has been a member of the European Commission platform, the platform called for and created by the Commission for the adoption of the SDGs in Europe. The Group is also member of the Management Committee, aimed to support the platform activity. In 2018 the platform adopted the Reflection Paper to the Commission "Towards a sustainable Europe by 2030", to guarantee a sustainable future by 2030 in the EU based on the UN SDGs. The Reflection Paper was published in January 2019.

Global Reporting Initiative (GRI)

Enel has been a member since 2006, and since 2016 it has been part of the GRI Gold Community and the Stakeholder Council, the multi-stakeholder consulting body that supports the GRI Board of Directors on strategic topics. Besides participating in regular activities for Gold Community members, Enel joined the Corporate Leadership Group on Digital Reporting and the Human Rights Task Force on Tackling Modern Slavery through Transparency, in 2018.

World Business Council on Sustainable Development (WBCSD)

Since 2016, Enel has been a member of WBCSD, an international network which groups about 200 companies committed to the environmental protection and to the sustainable development and economic growth. Enel, a member of the Committee with the CEO, is also represented by a Liaison Delegate. The Company actively participates in the main working groups. In particular, in 2018, Enel has maintained its support to the Factor10 Project, on circular economy, the Transforming Urban Mobility Project, and to the Climate Action & Policy and REscale Projects, within the Climate & Energy Program. Enel has been also involved in the Redefining Value Program, becoming a member of the Task force on Climate-related Financial Disclosures (TCFD) Electric Utilities Preparer Forum.

United Nations Global Compact (UNGC)

Since 2004, Enel has been a member of the United Nations Global Compact, for which it is a signatory of the ten founding principles related to human rights, labor standards, environmental protection and anti-corruption. Thanks to its strong commitment, Enel has been recognized in 2018 as a LEAD company for the Global Compact: a group that represents the world's foremost sustainability leaders in the private sector. In June 2018, Enel's CEO has been re-appointed as member of the Global Compact Board, for a further three years (2018-2021). Furthermore, the Group is part of the UNGC Expert Network. During 2018, Enel maintained its support to the UNGC platforms "Reporting on the SDGs" and "Financial Innovation for SDGs", reinforcing its commitment thanks to participation in other two platforms focused on goals 13 (Climate action) and 16 (Peace, justice & strong institutions). Enel is also an endorsing company of the "Caring for Climate" initiative, created to promote the role of businesses in tackling climate change, and the "CEO Water Mandate", created to mobilize business to advance in sustainable water management. Since 2015, Enel has been a signatory company of the Women's Empowerment Principles (WEPs), to promote gender equality within the private sector, in the workplace, on markets and in communities.

Transparency in institutional processes

Enel constantly manages relations with institutions (local, national, European and international), in line with the Enel Compliance Program, providing complete and transparent information with the aim of placing institutional counterparts in the best conditions to make the decisions they are responsible for. Enel also contributes to the consultation processes regarding political and legislative dossiers on energy and environmental topics. In the context of relations with European institutions, Enel actively contributes to every phase of the consultation process on political and legislative dossiers of corporate interest through careful monitoring and analysis (see also the chapter "Growth across low-carbon technologies and services").

Within a dynamic positioning process aimed at assessing how companies are influencing environmental policies and legislation around the world, InfluenceMap, an independent British non-profit organization, has ranked Enel among the most supportive and strategically active utility companies. This result is an effect of Enel's strong leadership, its influence within leading European associations, and its positive interaction with InfluenceMap itself, which also encourages involved organizations to provide adequate feedback.

Finally, the Enel Group has been registered in the EU voluntary transparency register since its creation in 2008. The register aims to provide citizens with a single and direct access point to information on who carries out activities aimed at influencing the EU decision-making process, the interests pursued and the resources invested in these activities (http://ec.europa.eu/transparencyregister/public/homePage.do).

In line with the provisions of the Code of Ethics, paragraph 3.26, Enel does not provide finance to political parties, in Italy or abroad, their representatives or candidates, nor does it sponsor conventions or parties whose sole purpose is political propaganda. It refrains from any direct or indirect pressure on politicians (for example, through granting use of its facilities, acceptance of hiring recommendations, or consultancy contracts).

Enel and its subsidiaries are present in various trade and employer associations whose role includes representing the position of its members in the regulatory processes pertaining to the business activity. The annual contributions paid to the aforementioned organizations in the form of membership fees totaled approximately 8.3 million euros[2]. In particular, in 2018 the three largest contributions made on a global level concerned UNESA (Asociación Española de la Industria Eléctrica) in Spain, Confindustria and Italian National Association of Electrical Companies in Italy[3].

The institutional dialogue with the trade and employer associations in which Enel and its subsidiaries took part in 2018 concerned the support of regulatory and consultation processes, among others, on the following main topics:

- development of energy policies: including, among other topics, the strategic outlook of the sector, energy efficiency, the growth of renewables, smart grid development and energy costs[4];
- increasing business competitiveness: including, among other topics, tax regulation, labor law issues and environmental policies[5].

2 The annual contributions in the last four fiscal years have amounted to: 8.3 million euros in 2018; 9 million euros in 2017; 9 million euros in 2016; 9.7 million euros in 2015. These figures include the contributions paid by Enel SpA (including the main Italian companies) and its foreign subsidiaries Endesa, Enel Américas and Enel Chile.

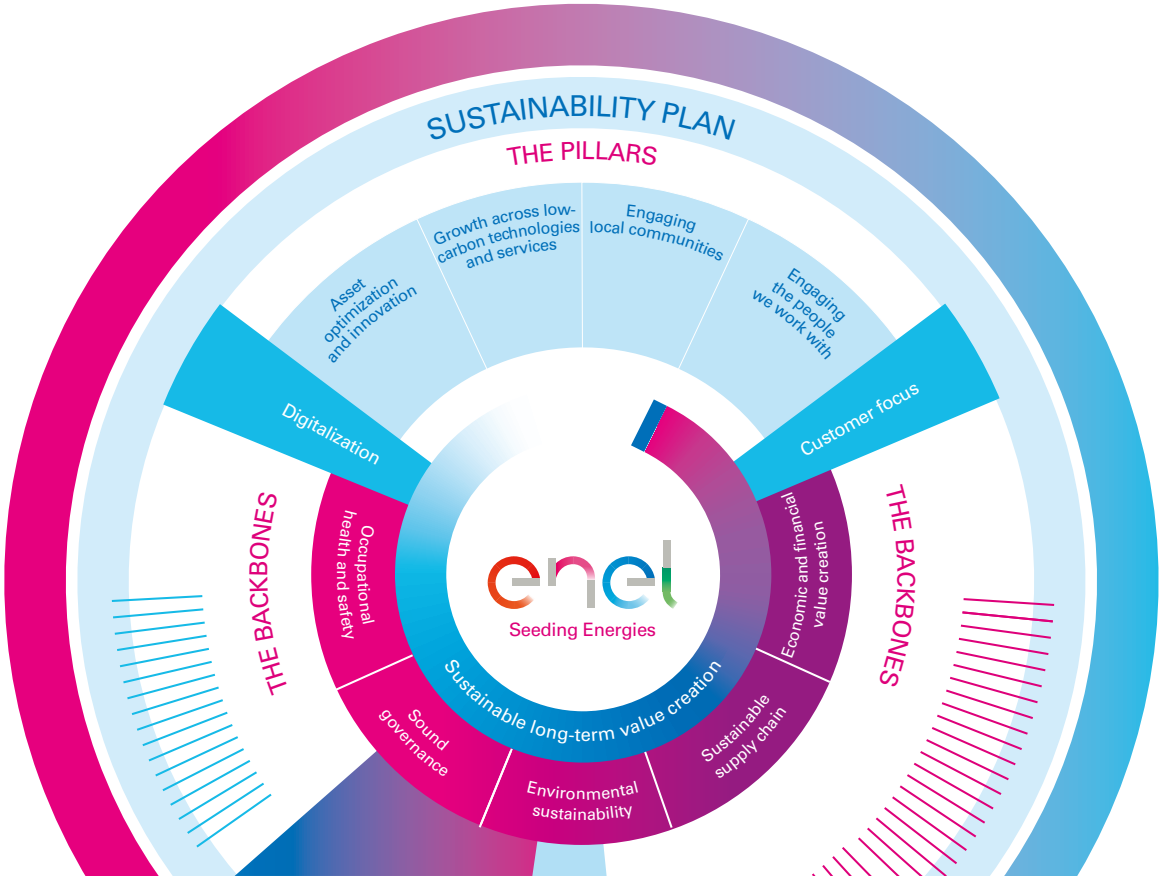
3 Specifically: UNESA 2.2 million euros; Confindustria 1.9 million euros; Italian National Association of Electrical Companies 0.7 million euros.

4 The contribution in 2018 was 5.2 million euros.

5 The contribution in 2018 was 3.1 million euros.

2018 results

The effectiveness of the integrated business model and ability of the strategy to deliver in operational terms enabled the Group, also in 2018, to seize opportunities and tackle new challenges of the energy transition, in an increasingly volatile, complex market environment. With **over 3 GW of new renewable capacity**[6], Enel Green Power has established a new industry record and made a name for itself as the Group's engine for growth, together with the distribution business, which has increased **the number of Enel customers connected to the grid to 73 million**, due to the acquisition of Eletropaulo in Brazil. The sustainable business model continues to represent the foundations for the Group's global presence, as reflected by the progress made in achieving SDGs.



Financial results have been extremely robust: ordinary EBITDA was equal to 16.2 million euros, up by 4% over 2017, and ordinary net profit equaled 4.1 billion euros, up by 9%. The Board proposed to the Shareholders' Meeting, convened for May 16, 2019, the distribution of a 0.28 euros per share dividend.

Growth investments amounted to 8.5 billion euros[6]. Investment in asset development amounted to 4.7 billion euros, 61% devoted to renewable energies, mainly in North, Central and South America, and 34% to the digitalization of the distribution network. With a renewable capacity of over 43 GW[7] and an overall installed capacity of approximately 90 GW[7], Enel is the largest private operator in renewable energies at global level, making further progress towards a zero-emission generation portfolio, in line with our commitment by the United Nations made in September 2015 (SDG 13) to decarbonize by 2050. During 2018, 51%[8] of the Group's generation was zero-emission and **specific CO_2 emissions were equal to 0.356 kg/kWh$_{eq}$**[8]. In this regard, the Sustainability Report this year includes a section on the commitment to taking on board the recommendations of the Task force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (see the chapter "Growth across low-carbon technologies and services"). Significant progress was made in the development of high-quality, reliable and resilient infrastructure, and more sustainable cities, in line with SDG 9 and

SDG 11. Approximately 44 million smart meters have been installed, including 5.1 million new-generation smart meters installed in Italy.

The Enel X strategy on electric mobility continued, through the development and installation of charging stations: at the end of 2018, 49,000 stations were installed. The focus on demand response (6.2 GW) and storage capacity (3 MW per year) continued.

Strategic actions are being taken to promote a more extensive shared value through initiatives with communities involved in Enel's operations and investing in training initiatives to promote Enel people skills development.

The Group also continued its focus on creating shared value with the communities where it operates, improving living conditions and energy availability. Important results were achieved regarding commitments relative to the United Nations' SDGs:

- projects were supported to ensure an inclusive and equitable quality education, in which 1 million beneficiaries were involved (**SDG 4**);
- progress was made in providing access to affordable, reliable, sustainable and modern energy for 6.3 million beneficiaries, of whom 3.3 in Latin America, Africa and Asia (**SDG 7**);
- sustained, inclusive and sustainable economic growth was promoted, with projects involving 1.8 million beneficiaries (**SDG 8**).

The year saw the involvement and participation of the over 69,000 people who work for the Company. In the performance appraisal process, 99% of people took part in the appraisal phase, while, in the climate survey, over 86% of people were involved. Enel continued to pursue its commitment to enhancing diversity in all its forms, including gender, age, culture and ability. In particular, in line with the defined trajectory, selection processes included 39% women. To speed up the entire Company's digital transformation, a change management and digital skills dissemination program was launched, with the aim of reaching 100% of the company population from as early on as 2020. A new flexible organizational culture has made it possible to put people at the center, involving them and empowering them in order to create value in a collaborative and effective way.

In the field of health and safety, Enel has continued its commitment to increasingly efficient standards and the development of new tools and operating methods. In 2018, the total injuries frequency rate confirmed the trend of falling rates in previous years, with a figure of 0.90 injuries per million hours worked, down by 14% compared to 2017. In particular, the frequency rate for Enel people stood at 0.94 (-21% compared to 2017) and for contractors' at 0.87 (-10% compared to 2017), confirming the effectiveness of the Group's safety strategy and policies. The process to adopt the Enel Global Compliance Program in Argentina, Mexico, Peru and Spain, was completed, in compliance with local laws. The program aims to strengthen the ethical and professional commitment to preventing illegal activities committed abroad that could result in corporate criminal liability and reputational risks. The adoption of action plans, as the output of human rights due diligence, continued, with 67% of all scheduled actions carried out. The Board of Directors continued to monitor the adoption of the diversity policy, ensuring it was complied with in full.

In the context of environmental sustainability, specific SO_2 and NO_x emissions were equal to 0.73 and 0.69 g/kWh$_{eq}$ [9] respectively, down by 11% and 10% over the previous year, while the reduction in dust was even more considerable, down by 37%, and amounting to 0.16 g/kWh$_{eq}$[9]. Specific water needs amounted to 0.38 l/kWh$_{eq}$, down by 14% over 2017.

As for cyber security, Enel's CERT (Cyber Emergency Readiness Team) was accredited by 8 national CERTs (Italy, Romania, Spain, Argentina, Chile, Peru, Colombia and Brazil) and in 2018, approximately 500 systematic audit activities ("Ethical Hacking", "Vulnerability Assessment", etc.) were conducted on the protection level reached by IT and industrial systems and applications. In addition, coverage of web applications posted on the Internet with advanced cyber security application solutions reached 89%. The applications were selected through a careful prioritizing process.

For further details on 2018 results, see the section "Sustainable value created" and in particular the dashboards at the start of each chapter.

6 Values including managed capacity.

7 Values including the capacity managed through the joint ventures of the Renewables Area in Italy, USA and Canada.

8 Values including managed production. With regard to consolidated production alone, 49% of the amount generated created zero emissions, and CO_2 emissions amounted to 0.369 kg/kWh$_{eq}$.

9 Values including managed production. With regard to consolidated production alone, SO_2 and NO_x equaled 0.75 and 0.72 g/kWh$_{eq}$ respectively, while dust equaled 0.17 g/kWh$_{eq}$.

ENEL AND SUSTAINABLE FINANCE

Sustainable finance plays a key role in promoting sustainable development over the long term.

In line with the financial strategy, Enel Finance International NV, the Group's financial company controlled by Enel SpA, placed three green bonds on the European market in January 2017 (1.25 billion), 2018 (1.25 billion) and 2019 (1 billion) for a total of 3.50 billion euros. The bonds are for institutional investors and are guaranteed by Enel SpA. Through green bond emissions, the Group aims to fund projects conducive to the transition to a "low-carbon economy". For further details and relative reporting see the chapter "Green Bond Report".

After the Pledge signed in late 2017, in which nine companies committed to supporting the green bonds market, on December 10, 2018 Enel and another 15 European corporate majors met in Paris, to create the "Corporate Forum on Sustainable Finance". The initiative is designed to further increase the number of participants, facilitating the acceleration of sustainable finance through a greater growth in financial instruments supporting sustainable investments.

Since the end of 2017, Enel has been a patron of the United Nations Global Compact platform dedicated to new and innovative financial instruments to accelerate the achievement of the SDGs ("Financial Innovation for SDG").

Enel has also been a Member Issuer of the Green Bond Principles (GBP) and Social Bond Principles (SBP) with the International Capital Market Association (ICMA) since 2017.

Besides the Committee for green bond emissions and management, Enel was one of the first organizations worldwide in 2018 to formalize the establishment of a permanent structure dealing with sustainable finance issues. This structure includes the "Finance-Capital Markets", "Investor Relations" and "Innovability – Sustainability Planning and Performance Management" units, guaranteeing an approach that is integrated, inclusive and multi-disciplinary.

Setting priorities

Sustainability context

Knowing the reference context and identifying key trends in advance allows us to direct the business model and guide the ongoing energy transition. Macro-trends in a technological context are driving a rapid electrification of global energy demand, increasingly linked to decarbonized sources. This need is particularly felt in many big cities the world over, in line with growth trends in the global population and urbanization. Key elements will be the development of urban infrastructures, increasingly sophisticated digitalized networks and suppliers of software platforms that can meet the new needs of customers.

The World Energy Outlook 2018 (WEO 2018) of the International Energy Agency (IEA) has stated that the world is gradually building a different energy system model, but with fundamental aspects that still have some weaknesses:

- **affordability**: wind and photovoltaic costs are continuing to fall, while oil prices went over 80 dollars a barrel in 2018 for the first time in four years; moreover, in some countries, reforms concerning subsidies for the use of fossil fuels are at risk;
- **reliability**: oil and gas procurement risks are still present. At worldwide level, one person out of eight does not have access to electricity, and the electrical sector has to tackle new challenges, from a necessary flexibility to cyber security;
- **sustainability**: after three years with steady values, energy-related global emissions of CO_2 went up by 1.6% in 2017 and this trend was also confirmed in 2018, deviating from the trajectory consistent with achieving climate-related goals.

Affordability, reliability and sustainability are related and call for an integrated approach in terms of energy policy. In the WEO 2018's New Policies Scenario (NPS), growing income and a 1.7 billion increase in the world population, mainly in urban areas of developing economies, will lead to an increase in energy demand worldwide by over a quarter from now until 2040. In the absence of continual improvements in energy efficiency levels, this increase would be two-fold that estimated. Electricity is the undisputed lead player on the energy stage, and is a fundamentally important driver of change to achieve many of the world's objectives for sustainable development. In advanced economies, despite a modest growth in demand for electricity, huge investments are necessary to support the evolution of the generation mix and modernization of infrastructures. In developing economies, with a demand for electricity that has increased two-fold, strategies for economic development and reducing emissions must instead target electricity that is clean, universally accessible and affordable.

In the New Policies Scenario, renewables take the place of coal in the electricity mix: the amount generated from renewables will go up from the current figure of 25% to approximately 40% in 2040; the trend instead will be reversed for coal. An increase in renewable energies, particularly photovoltaic and wind power, requires an electrical system that can operate flexibly, to guarantee continuity of supplies.

In 2017, for the first time ever, the number of people without access to electricity fell below 1 billion, but trends in access to energy are far from achieving global goals. In 2040, over 700 million people, particularly in rural areas of Sub-Saharan Africa, will still not have access to electricity.

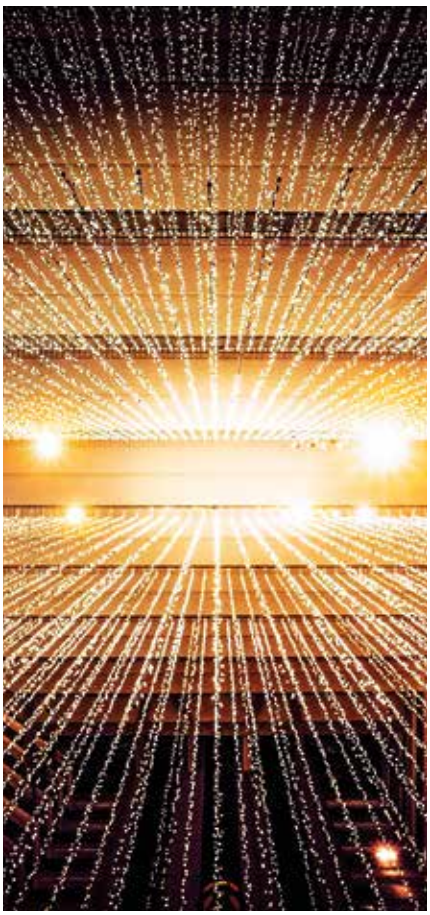
In this landscape, companies must adopt an integrated approach to managing the impact of energy transition on the environment, people and communities (the "just transition"). Climate change, social inclusion, the development of new, innovative and sustainable products and services will become key aspects for managing growth and promoting the 17 Sustainable Development Goals of the United Nations. This approach must be taken by all players involved and must follow a common path towards achieving sustainable development for the planet.

Main risk types

Due to the nature of its business and relative geographic presence, the Group is exposed to various types of environmental, social and governance-related risks, of which the main types are indicated in the table below, together with the activities aimed at mitigating their effects and ensuring their appropriate management.
The following researches were considered in identifying potential risks[10]:

- the results of materiality assessment (see the following paragraph "Materiality analysis");
- the 2019 Global Risk Report of the World Economic Forum (WEF), involving some 1,000 experts and leaders from around the world;
- the country risk assessment carried out as part of the due diligence process on human rights overseen by Enel, which involved a wide range of experts from different sectors, including civil society, academic institutions, local communities, customers and suppliers, in various countries where the Group operates;
- the analyses of some of the world's most highly renowned ESG rating agencies, which use specific risk assessment systems to rate companies sustainability performance.

The Precautionary Principle[11] was also applied during the risk identification and assessment phase. This Principle was applied in particular to risks relating to the environment and health and safety, and for each type of risk, specific actions have been identified to mitigate their effects and ensure their proper management. Enel also applies this principle to risk management, especially as regards the development and introduction of new products/technologies, the planning of operating activities and the construction of new plants/assets.
Further details on the risks presented



ESG risk	Description of the risk	Management procedures and mitigation actions
Cyber-attack risks	The digitalization and technological innovation era implies that organizations are increasingly exposed to cybernetic attacks, which are becoming more numerous and sophisticated, also with regard to changes within the reference framework. The organizational complexity of the Group and the high number of areas which characterize it (data, people and industrial world) expose the assets to the risk of attacks.	The Enel Group has adopted a risk management model based on a "systemic" vision, which applies both to the traditional Information Technology area and the industrial area (Operational Technology), also taking into account the access to the network of smart "objects" (Internet of Things). In particular, Enel has adopted a policy, called "Cyber Security Framework", to address and manage cyber security activities. Such Framework provides for the involvement of business areas, the implementation of legal and regulatory provisions, the use of the best available technologies, the preparation of *ad hoc* business processes and people awareness. The Framework lays the foundations for strategic decisions and design activities using a "risk-based" approach and a planning and development model which defines the appropriate security measures throughout the whole life of the applications, processes and services ("cyber security by design"). Enel has also created its own CERT (Cyber Emergency Readiness Team), which is active, recognized and accredited by national and international communities, in order to address an industrialized response to cyber threats and accidents.

ESG risk	Description of the risk	Management procedures and mitigation actions
Climate change physical risks	Physical risks arising from climate change can be connected to a single event or a long-term change in climate models. Extreme meteorological events and natural disasters expose the Group to the risk to incur damages to its assets and infrastructures, with the consequent possibility of prolonged unavailability of the assets involved. Moreover, the Group is exposed to the risk of impacts on the functioning of the assets linked to gradual climate changes (e.g. air and water temperature, rainfall and wind).	Enel participates in the entire electricity value chain (generation, distribution and sales) and has a diversified portfolio of activities, both in terms of generation technologies and in terms of geographical areas and markets in which it operates, mitigating the risks associated with changes in climate models and their overall financial implications. In addition, the Group adopts the best prevention and protection strategies in this area, also in order to reduce the possible impact on the communities and areas surrounding its assets. Therefore, weather monitoring and forecasting activities are constantly carried out in the areas where the most exposed assets are located. Numerous activities are carried out to increase the resilience of assets most exposed to extreme weather events or natural disasters. All areas of the Group are subject to ISO 14001 certification and, through the application of internationally recognized environmental management systems (EMSs), potential sources of risk are monitored so that any critical issue can be promptly identified.
Climate change transitional risks	The transition to a "low-carbon" energy model may involve risks related to law/regulatory, political, legal, technological and market changes associated with the fight against climate change, with effect on the short, medium and long term. In this context, topics such as the increasing reporting requirements on emissions and other legal requirements, the use of low-emission energy sources and the reduced exposure to fossil fuels, the uncertainty of market signals with potential unforeseen changes in energy prices, the increase of raw materials or the increasing interest of stakeholders on climate are the climate change risk factors to which Enel can be exposed to and which can potentially influence the Company's financial performance.	The Group is committed to a continuous improvement of its existing activities in terms of environmental impact by pursuing its objective of reduction of the emissions, first and foremost the one related to the "zero emission generation" by 2050, and by adopting a strategy which pursues growth through the development of low-carbon technologies and services, in line with the objectives of COP21. Moreover, in order to mitigate the risks deriving from the legal and regulatory aspects linked to climate change, the Group maintains relations – characterized by a transparent and collaborative approach – with local and international authorities and regulatory bodies.
Water crises risks	The risks related to water crises are mainly due to changes in climate and levels of water use. Impacts differ depending on the geographic context, but the general tendency is a lower predictability of frequency and a greater rainfall intensity, with a consequent reduction in the availability of water. With regard to the levels of use of water as a resource, the risk is linked to the competition between industrial production, agricultural use and use of drinking water, in a context of water scarcity.	Enel conducts meteorological analyses every 3-6 months and is developing long-term analyses in areas where generation plants are located, in particular hydroelectric plants, in order to anticipate possible variations in the availability of water. Important activities are also carried out in collaboration with the local basin management authorities, with the ongoing objective of adopting a shared water resources management strategy that also considers the needs of local communities. Enel adopts measures to improve the efficiency of water use and quality at the level of production site within the environmental management systems.
Environmental compliance risks	Environmental protection regulations are becoming more stringent, in part due to the community's greater awareness of and sensitivity to the topic. This has led to an increase in requests for companies to minimize their environmental footprint. Moreover, the increase in the population and economic growth are generating an impact related to the scarcity of resources, water management, waste and biodiversity.	Enel has adopted an environmental management system certified to ISO 14001 at its generation plants and distribution networks, which include extensive systems to monitor environmental KPIs and actions to minimize the environmental footprint, which go beyond legal requirements. Moreover, Enel puts in place specific measures to protect the biodiversity of areas surrounding its plants and installations. Lastly, the Group conducts environmental impact assessments when a new project is developed, establishing measures to protect the surrounding environment and ecosystems over the entire project life cycle (construction, operation, decommissioning).

ESG risk	Description of the risk	Management procedures and mitigation actions
Risks related to human capital: demand for and development of new professional profiles and skills	The considerable change in the energy sector, with its strong technological focus, calls for new professional profiles and skills, as well as an important cultural and organizational change. Organizations must advance towards new business models that are agile and flexible. Policies that value diversity while also manage and promote talent have become key aspects in companies that are carrying out the transition, and have a widespread geographic presence.	Enel puts its people at the center of its business model. This is why management of human capital is one of the pillars of its 2019-2021 Strategic Plan. There are specific related targets, including the development of digital abilities and skills, the promotion of systems to appraise the workplace and performance and the dissemination of a diversity and inclusion policy in all countries. Enel is also putting in place specific initiatives to adopt agile working in its company processes.

above and on the risk management system in general, along with financial risks, are provided in the 2018 Annual Report and in the 2018 Consolidated Non-financial Statement in accordance with Italian Legislative Decree 254/16 made available on the Company's website (www.enel.com).

10 The analysis considers and assesses perceived risk, in the absence of controls.

11 Rio Declaration on Environment and Development (Rio de Janeiro, June 3-14, 1992). Principle 15.

Materiality analysis

102-46 103-1

Enel launched a process aimed at identifying the priority issues for the Group and for the Company's stakeholders in 2012, the so-called materiality assessment, a process that has been reinforced over time. The relative methodology was developed taking into consideration the guidelines of numerous international standards, including the Global Reporting Initiative (GRI), the principles of the Communication on Progress (COP) of the UN Global Compact, the IIRC (International Integrated Reporting Council) model and the SDG Compass, which supports companies in aligning their strategies with the Sustainable Development Goals. The objective of the assessment is to identify and evaluate the issues that are most important to stakeholders, to correlate them with the Group's action priorities and its business strategy, considering also potential impacts generated and suffered, in order to verify their "alignment" (or "misalignment") and identify any areas for improvement. Always conducted at an increasingly greater level of detail in terms of both issues and geographical scope, the assessment helps to identify the priorities both for the entire Group and for each country. It also allows the results to be obtained with specific focus areas, such as the matrix pertaining to the sole category of "Financial community" stakeholders, useful for identifying the issues to be analyzed in the Annual Report and thus providing an integrated performance report.

Based on the results of the assessment, the issues are determined for preparing the Consolidated Non-financial Statement and the Sustainability Report, and the challenging common goals included in the 2019-2021 Strategic Plan and in the 2019-2021 Sustainability Plan are set. The activities and projects pertaining to the various Group Functions and Business Lines contribute to achieving them (see the "2019-2021 Sustainability Plan" chapter for further information).

Process and changes to the model

102-46

The materiality assessment process is divided into five main phases:

1. identification of the issues;
2. identification of the stakeholders;
3. assignment of relevance to stakeholders;
4. assessment of the priorities assigned by the stakeholders to the issues;
5. assignment of priorities to the issues in corporate strategies.

This process is aligned with AA1000APS standard and complies with inclusivity, materiality and responsiveness principles.

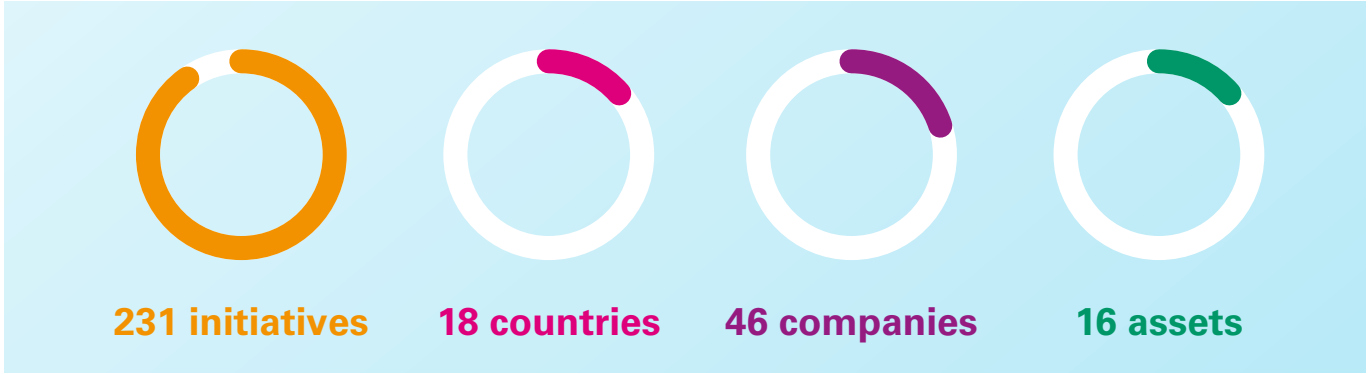
Data collection, aggregation and information processing are managed through a dedicated information system. This system grows every year to ensure greater traceability, to share best practices of engagement and monitoring of stakeholders, and to allow a degree of coverage consistent with the corporate organizational model. The system makes it possible to obtain specific views not only at the Group and individual company level, but also by Business Line/Company Function and single asset (meaning potential or actual operating sites).

The Holding Sustainability unit plays a role of direction and coordination, providing guidelines and methodological support for the assessment, conducted by local managers with the involvement of stakeholders and company-level key figures. The results obtained at the individual company and/or country level are subsequently consolidated by the Holding in order to prepare the Group's materiality matrix (refer to the "Methodological note" for detailed information on the process used).

Since 2016, Enel monitors in the materiality assessment also stakeholders' satisfaction on how the Company manages the various issues. When compared with the stakeholders' materiality assessment, the results provide an overall view of stakeholders' expectations and help identify the questions on which the Company must focus.

During 2018 a pilot project was also launched involving the main countries of presence, aimed at assessing the effective presidium of the issues by the Company, based on the results of the risk analysis and the tools adopted to manage the issues for which stakeholders have higher expectations. The results of this analysis provide useful suggestions on actual control methodologies and on the strategies to be implemented to fill any gaps.

The perimeter of the materiality assessment of 2018 was further enriched, through a greater integration of the results deriving from the application of CSV tools on the Group's assets. In particular, in 2018 the following were included in the assessment:



Stakeholder engagement

102-42 102-43

Understanding stakeholders' expectations is one of the crucial phases of the assessment and is perfectly in line with Enel's inclusive Open Power approach. The units responsible for the relations with stakeholders, who are annually involved in the assessment process, are responsible for:

- identifying and updating the list of the relevant categories of stakeholders, with the aim to have a comprehensive list of actual and potential stakeholders of the Group and to remain in line with the sustainability context in which Enel operates;
- evaluating and weighting the different categories according to the following parameters: dependence (importance of the relationship for the stakeholder), influence (importance of the relationship for the Company) and tension (the relationship's time aspect);
- engaging stakeholders as appropriate according to the communication channels (generic, specific and interactive channels), the type of relationship with the group of interest and the reference context.

The process envisages the continuous and direct involvement of stakeholders, external and internal to the Company, including top managers, through one-to-one interviews, surveys and other tools. In some cases, if necessary, stakeholder engagement is carried out *ad hoc* for materiality assessment, and therefore used for report purpose. These results integrate the ones emerging from the numerous initiatives already in place with the stakeholders, managed during the year by the different company areas within the Group overall engagement process and capitalized within the materiality assessment.

The "Methodological note" contains the most relevant categories of stakeholders identified for the assessment and the relevant communication and engagement channels.

"STAKEHOLDER ENGAGEMENT AND MATERIALITY DISCLOSURE REVIEW SERVICE"

The service dedicated to "Stakeholder Engagement and Materiality" covers a selection of disclosures, strategically selected to address an organization's approach towards stakeholder engagement and materiality assessment, thus aiming to improve the overall quality of the Report.

For the Disclosure Review Service, GRI Services reviewed the following 10 disclosures from GRI 102: General Disclosures 2016 (102-15, 102-40, 102-41, 102-42, 102-43, 102-44, 102-46, 102-47, 102-54, 102-55). The service was performed on the English version of the Report.

Priority issues

102-15 102-40 102-44
102-46 102-47 103-1

In line with the adopted methodology[12], during 2018 the issues, classified into business and governance issues, social issues and environmental issues, were assessed according to the priority given by the stakeholders and the Company. The result of the materiality assessment is summarized in the materiality matrix, which contains the following information:

- on the horizontal axis the priority that stakeholders, appropriately weighted based on their materiality, attribute to the various issues;
- on the vertical axis the issues on which Enel plans to focus its efforts, with the associated degree of priority, also taking into consideration planned investments, commitments, potential consequences and issues included in the Group's Strategic Plan.

The Group's overall matrix takes into account the contributions of the main companies involved in the process, based on their relevance and the type of business in which they operate. The joint view of the two perspectives makes it possible to identify the issues of greatest importance both for the Company and for the stakeholders (the priority issues), and to verify the degree of "alignment" or "misalignment" between external expectations and internal relevance of these issues.

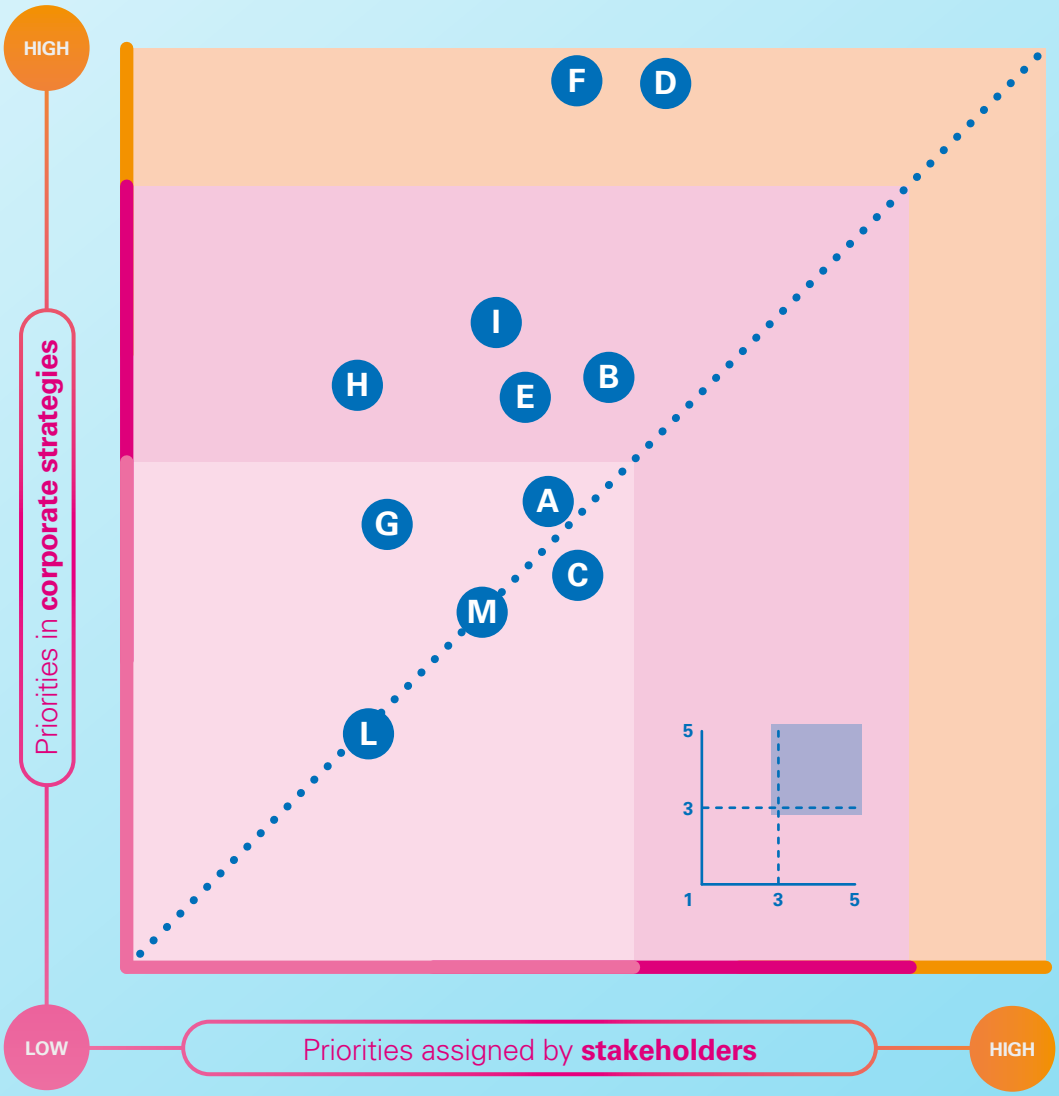
The issues with the highest priority emerging from the materiality assess-

ment, with the description of the relative motivation and the consequent impact, are the following (please refer to the "Methodological note" for the complete list of material issues):

- **New technologies, services and digitalization** - Technological progresses, particularly related to digitalization and new technologies, are accelerating the transformation of many sectors. This context offers new business opportunities based on the development of energy solutions that promote sustainability and make it possible to diversify the proposal of products and services offered by the Group to its customers, influencing both traditional business and the development of new models. For this reason, innovation (of product, service or process) is a strategic priority that becomes a fundamental tool for guaranteeing business success, based on an increasingly competitive and demanding environment. Enel, as a leading company in the energy sector, intends to actively position itself in this new context, investing in innovation and in the development of new products and services and promoting the application of new technologies in the field of energy efficiency, electric mobility, storage and other sustainable energy solutions. As a result, the Group has included in its 2019-2021 Sustainability Plan specific actions that promote growth and development in this direction.
- **Economic and financial value creation** - The creation of economic and financial value is essential to ensure the survival of the Group over time and, therefore, its sustainability: a company that creates economic and financial value has a greater chance of seizing opportunities and facing the challenges that arise. For this reason, the Company's financial performance is among the most relevant issues, based on internal and external analyzes. It is increasingly evident that the Group must focus on a sustainable business model that integrates the management of financial and non-financial risks, taking the best opportunities arising from the energy transition.
- **Decarbonization of the energy mix** - The fight against climate change is currently one of the main challenges companies have to face. In particular in the utility sector, this has caused the development of public and regulatory policies that intend to promote a low-carbon global economy, in which the electrification of energy demand has a fundamental role. In addition, institutional investors pay increasing attention to the Company's climate change management and results. Consequently, Enel, aware of its role as a leader in the energy transition and in its ability to contribute to the achievement of a low-carbon economy, places among its priorities the progressive reduction of greenhouse gas (GHG) emissions, through the increasing impulse of renewable energies and optimization of the management of traditional technologies, elements that characterize this one as a cross issue between business and environmental aspects. The Group thus aims to achieve its public commitment to decarbonize the energy mix by 2050, respecting the intermediate targets defined in the Strategic Plan and in the 2019-2021 Sustainability Plan.
- **Occupational health and safety** - Enel considers people's health, safety and mental/physical integrity to be its most precious asset. The Group has always placed safety first and continues to consider it one of the main priorities. The optimal management of this issue also has a direct impact on the performance of the Company, as it allows to increase productivity and reduce labor costs. At the same time, it contributes greatly to generating loyalty and increasing the commitment of employees towards the Group and the work they do. Consequently, this issue represents a milestone in Enel's sustainability and contributes to the Group's operational excellence: at the heart of the health and safety strategy is everyone's constant commitment; integration of safety processes and training; reporting and analysis of accidents and near misses; the rigorous selection and management of contractors; continuous quality checks; sharing experiences across the Group and benchmarking with the best international players.
- **Sound governance and fair corporate conduct** - In recent years, practices regarding the ethical conduct of listed companies have become the object of growing interest from markets and regulatory bodies. The performance of the Group is bound, among other factors, to strict compliance with laws and ethical principles: Enel has established a set of rules, models and control mechanisms through which it binds its employees to act according to principles of integrity, both internally and in the field of external relations. As a result, this transparent model of conduct allows Enel to create trust in its stakeholders, an element that is also reflected in the economic results and that contributes to consolidating the Group's leadership position.

12 For more information on the methodology used for the materiality analysis, please refer to the "Methodological note".

2018 MATERIALITY MATRIX



BUSINESS AND GOVERNANCE ISSUES

A Operational efficiency

B Decarbonization of the energy mix

C Customer focus

D New technologies, services and digitalization

E Sound governance and fair corporate conduct

F Economic and financial value creation

SOCIAL ISSUES

G Engaging local communities

H People management, development and motivation

I Occupational health and safety

L Sustainable supply chain

ENVIRONMENTAL ISSUES

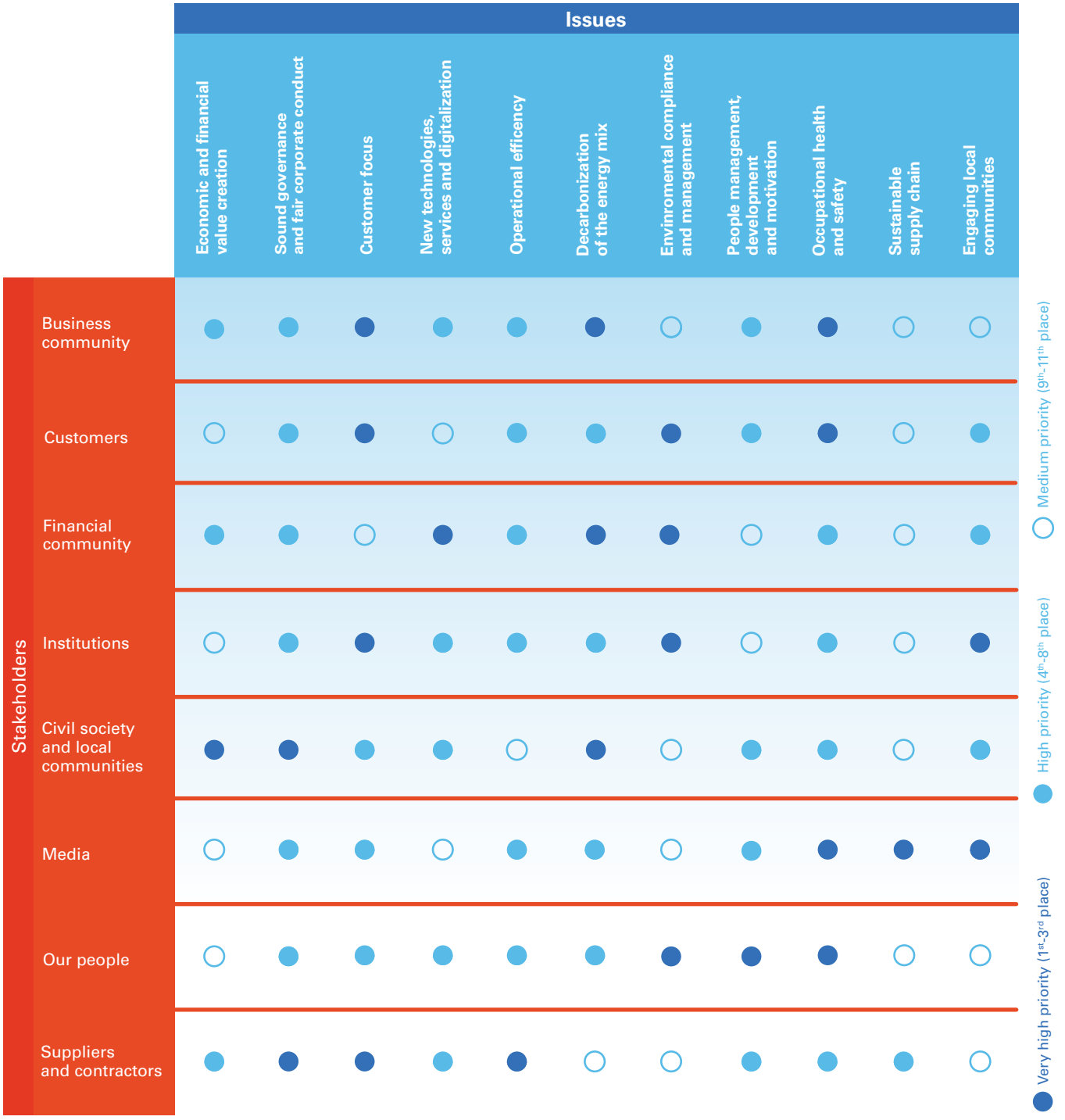
B Decarbonization of the energy mix

M Environmental compliance and management

The priorities assigned by the stakeholders

Below are the priorities assigned by the various stakeholders to each assessed issue, based on the results of engagement initiatives carried out during the reference period.

Enel responds to these key issues and concerns raised by the different stakeholders' categories through its reporting, giving disclosure in the following chapters of this document of the main activities and projects performed during the year. Moreover, Enel includes these results in the planning process, setting targets and actions aimed at continuing to improve its performance in the different issues analyzed, in order to respond successfully to the expectations of its stakeholders.



2019-2021 Sustainability Plan

102-15

Energy transition is a true transformation process, one that effectively leads down a path of sustainable long-term development; it enables more inclusive and environment-friendly growth and helps find new solutions for customers' requirements. New forms of energy that can shape a new business model, taking value from urbanization, electrification, digitalization and decarbonization trends.

In the new 2019-2021 Plan, which is based on industrial pillars and ESGs, the Group is confirming the fundamental principles of its strategy, with greater change and acceleration in its implementation. The Plan promotes combining different cultures and objectives within the same Group, across mature businesses and upcoming activities, promoting the application of a sustainable business model along the entire value chain, in line with the 17 Sustainable Development Goals. Enel promotes the achievement of these goals, aligning its own strategy with the United Nations goals and measuring and managing its own direct contribution to achieving them.

Investments in development, equal to **16.5 billion euros** in the three-year period, will mainly concern the development of **renewable energies** and **network digitalization**. **Customer focus** will also be consolidated at global level and **Enel X** activities for electric mobility and demand response will be stepped up.

In financial terms, the Plan estimates an **increased dividend**, a **gross operating margin of 19.4 billion euros** in 2021, against a **profit that will go up to 5.6 billion euros**.

Enel works every day to provide its customers with all energy they need to achieve their dreams and their ambitions. It does so in a sustainable way, so that the progress of each person is an invaluable part of the progress of the humanity as a whole.

Operationally speaking, in 2021 **renewable installed capacity** will be approximately **54 GW**[13] (**SDG 7.2**), thermal and nuclear capacity 39.5 GW and consequently **62% of production will be emission-free**[13]. In line with commitments made in 2015, to achieve Sustainable Development Goals (**SDG 13**), the Plan has set an additional goal of **reducing specific CO_2 emissions by 2030** (0.23 kg/kWh_{eq}), in addition to the previous target for 2020 (< 0.35 kg/kWh_{eq}). This is in keeping with Enel's strategy and its pledge to develop a business model aligned with the goals of the Paris Agreement (COP21), to keep the rise in the average global temperature to below 2 °C compared to pre-industrial levels and continue efforts to limit this temperature increase to 1.5 °C.

As regards the pillar dedicated to operational improvement for a better service, specific goals were introduced that will contribute to achieving **SDG 9** (Industry, innovation and infrastructures) and **11** (Sustainable cities and communities): the Group expects to have some 47 million smart meters installed and 455,000 charging stations for electric mobility by 2021 and to invest 5.4 billion euros in digitalization in the 2019-2021 period.

Enel also continues to promote the economic and social growth of the local **communities** in which it operates, confirming and strengthening its specific commitment to the following SDGs:

- 2.5 million beneficiaries of quality education in the 2015-2030 period (**SDG 4**);
- 10 million beneficiaries of affordable and clean energy in the 2015-2030 period (**SDG 7.1**);
- 8 million beneficiaries in terms of decent work and sustained, inclusive and sustainable economic growth in the 2015-2030 period (**SDG 8**).

Considerable focus has been dedicated to the Company's **people**, who are considered as key players in the strategy. This aims to strengthen their roles and responsibilities within the organization, providing them with the tools for managing the energy transition through clear and precise objectives in terms of performance appraisals, company climate, development of digital skills – with the aim of involving 100% of people in dedicated training by 2020 – and

promotion of diversity, with the intention of reaching a share of 50% women for the 2021 selection process. It is a method of working based on principles of ethics, transparency, inclusiveness, respect for human rights and maximum attention to safety.

Clear objectives are also linked to the promotion of a sustainable supply chain, an increasingly integrated and modern governance structure and environmental management based on the reduction of emissions and consumption, the promotion of biodiversity and the spread of a circular economy approach that combines innovation and competitiveness. On an environmental level, targets to reduce specific SO_2 and NO_x emissions by 2030 (by -80% and -40% respectively compared to 2015 values) were relaunched, along with the objective to reduce dust (-90% compared to 2015).

Digitalization and customer focus are fundamentals. Through 5.4 billion euros invested over three years, Enel wants to digitalize assets, with particular focus on smart meters, remote control and system connectivity, implement an agile design for the main processes that affect customers and increase its people's digital skills.

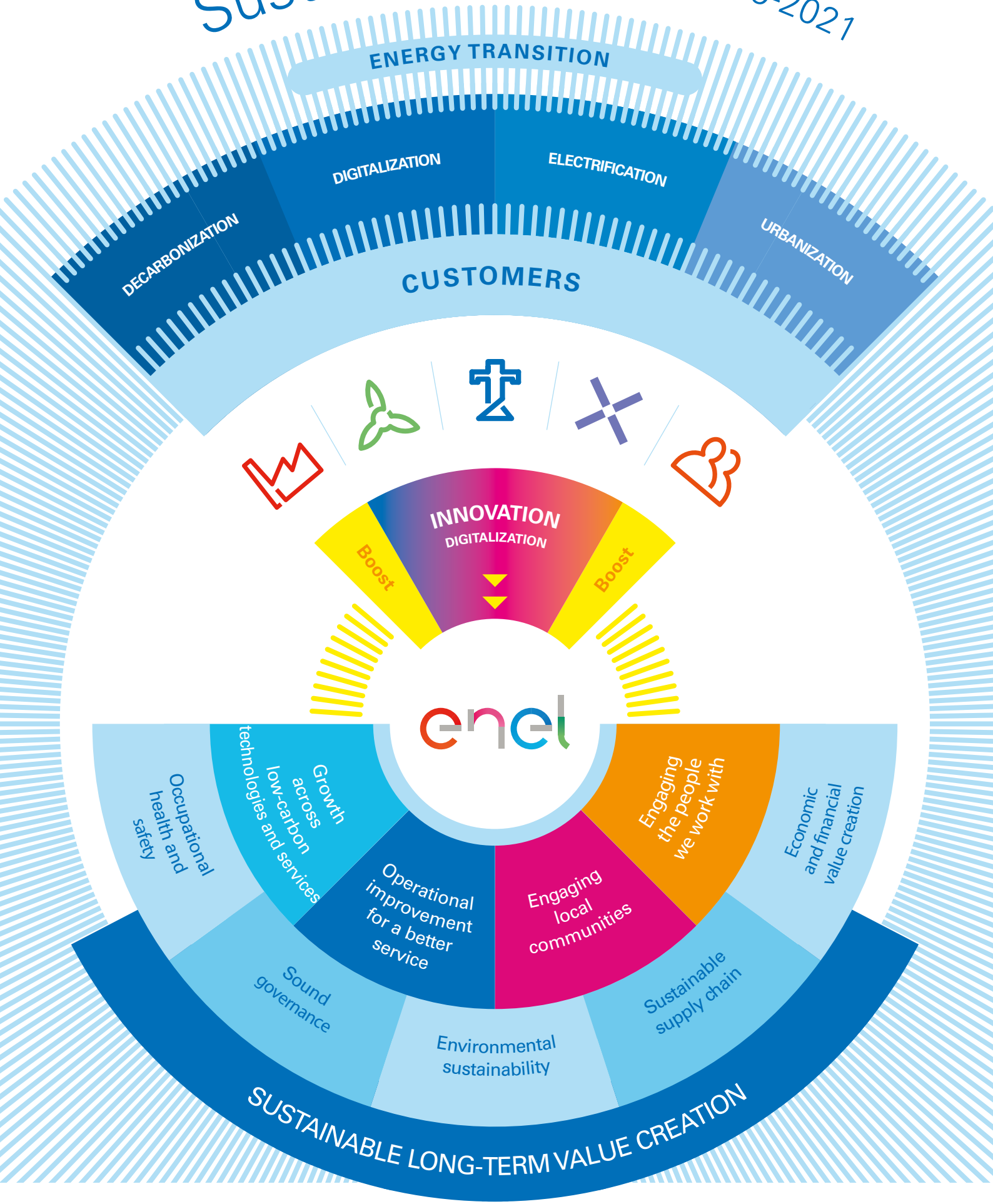
This will be a technological transformation with a focus that must include cyber security, an area in which the Group has confirmed its objectives of disseminating the most advanced solutions and relative monitoring (Ethical Hacking, Vulnerability Assessment, etc.), and of raising awareness of an IT security culture.

Enel therefore has the ambitious goal of steering the energy transition and the relative electrification of consumption, through a Plan that features all aspects of the energy of the future: efficiency, flexibility, digitalization, electric mobility and the integration of renewables, as well as the new role of customers – no longer just passive users, but conscious main players with growing needs.

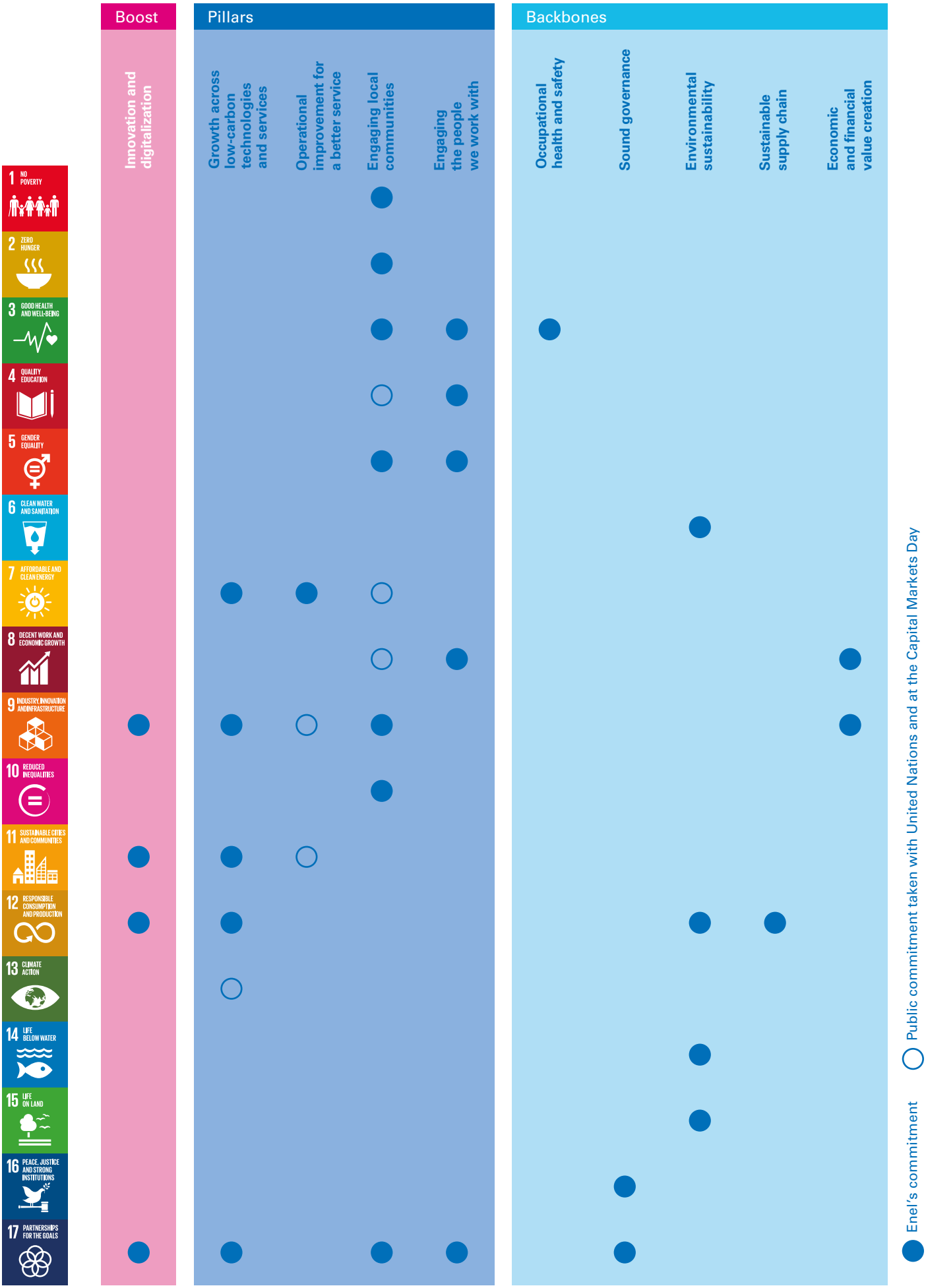
For further details on the 2019-2021 Plan, see the section "Sustainable value created" and in particular the data overviews at the start of each chapter.

13 Includes managed capacity and the related production.

Sustainability Plan 2019-2021



Enel's commitment to the SDGs

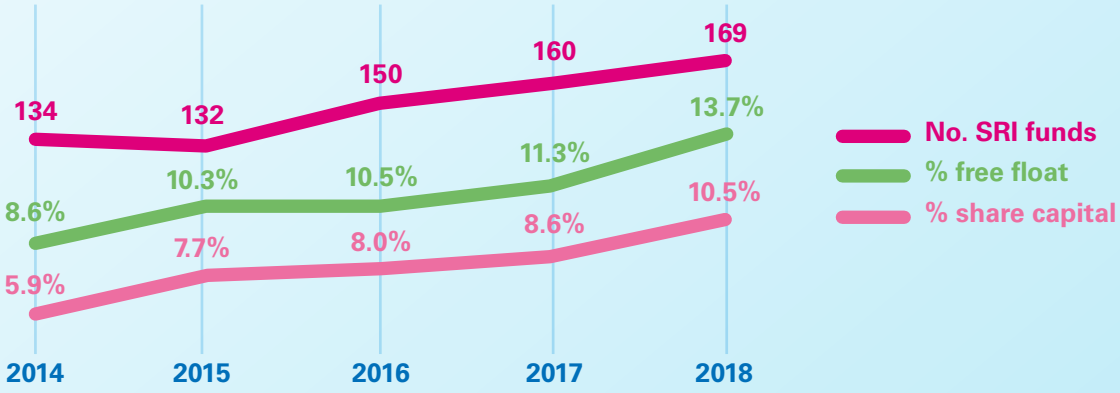


ESG rating and indexes

SRI funds continued to grow in 2018, with an upwards trend compared to the last 5 years. Enel's share capital includes 169 Socially Responsible Investors (5.6% more compared to 2017), who hold about 10.5% of total Enel shares outstanding (8.6% in 2017), equal to 13.7% of the free float (11.3% in 2017).

Analysts and international ESG rating agencies continually monitor Enel's sustainability performance, selecting the Group and main companies in the most important international sustainability indexes. By applying different methodologies, analysts assess Group performance regarding environmental, social and governance topics that may be significant for the financial community. For this reason, ESG assessments are considered a strategic tool to support investors and identify the risks and opportunities of their investment portfolio, in terms of sustainability, contributing to the development of active and passive sustainable investment strategies.

SRI FUNDS EVOLUTION ON ENEL'S SHARE CAPITAL



In the past year, Enel maintained or improved its score and ranking in most ESG ratings and sustainability indexes, achieving some important results, including:

- its ranking in the top 10% of leading electric utilities in the Dow Jones Sustainability Index (DJSI) for the fifteenth straight year, reaching sixth position. Moreover, four companies in the Group were included in at least one of the DJSI indexes (Enel SpA, Endesa, Enel Américas, Enel Chile) for the first time – a result never achieved by any other company in the world;
- second position in the conventional electrical sector of the FTSE4Good index, achieved by the Spanish company of the Group, Endesa, and fourth position in the Vigeo Euronext index, in the utilities sector;
- positioning in the seventh percentile of the utilities sector for the new ESG risk assessment methodology developed by Sustainalytics.

In 2018, these ratings acknowledged Enel's strong commitment to lead transition towards a low-carbon energy model, thanks to the development of renewables, a reduction in conventional thermal capacity and the launch of innovative, sustainable solutions anticipating customers' expectations. Enel also excels in other fields focused on responsible business management, such as ethical business, human rights, labor relations, non-discrimination, transparent disclosure, engagement with local communities, environmental strategy and biodiversity.

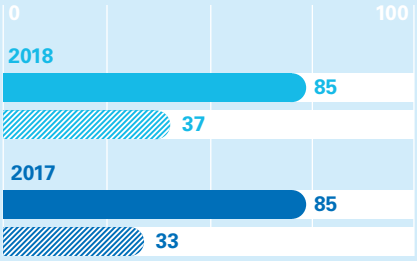
Nevertheless, according to these ESG

raters and their assessment methodologies, Enel should continue to advance on the implementation of specific market leading practices, some of which regard issues related to corporate governance and human capital development.
Moreover, most rating agencies conduct stakeholder media analysis to identify business activities with a potential operational or reputational risk associated with relative environmental and social impacts. Although Enel's performance is better than that of the industrial sector in which it is active, some rating agencies pinpointed a few specific activities concerning the Company's business that could be potentially critical. However, some of these activities at risk refer to projects already abandoned by the Group, such as the HidroAysén and Neltume projects, even though they will remain in the ratings for the next 2/3 years. Other activities refer to projects to develop new operating assets or new business activities, such as the hydroelectric plant at Bocamina or the consortium between Enel Green Power and Nareva to develop wind plants. For further information and details on activities engaging local communities with regard to these two projects, see the chapter "Communities and value sharing".

Main ESG rating and sustainability indexes

ESG FOCUS

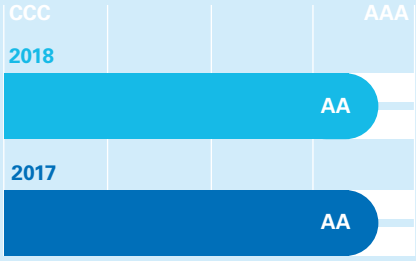
MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



Enel Electric utilities

- Positioned among the top 10% leading companies of the electric utility industry
- Ongoing inclusion in the DJSI World index since 2004

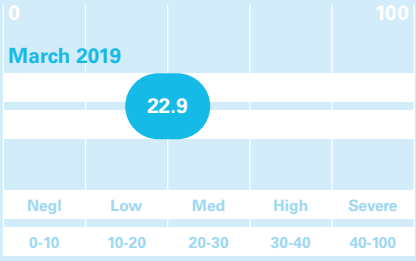
MSCI



Enel

- AA rating (on a scale from AAA to CCC)
- Included in the MSCI ESG Universal Indices and MSCI ESG Focus Indices, among others

SUSTAINALYTICS



Enel

- Positioned in the seventh percentile of the electric utilities industry
- Ongoing inclusion in the STOXX ESG Leaders indices (Global, Social, and Governance) since 2014

EURONEXT vigeo eiris

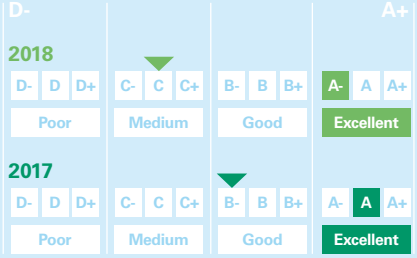
- Ongoing inclusion in the Euronext Vigeo-Eiris 120 Indices (World, Europe, Eurozone) since they were launched in 2012

ISS

- High score received in all the issues covered by ISS Quality Score, achieving the maximum score in all the environmental and social-related criteria

ENVIRONMENTAL FOCUS

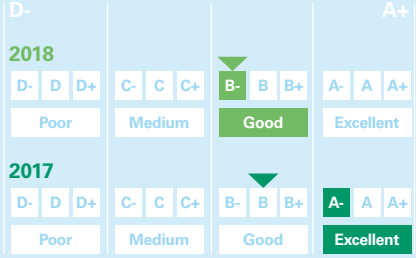
CDP CLIMATE



Enel Electric utilities

- Enel's leadership on issues related to climate governance, risks and opportunities and target setting outstood in 2018
- The score decrease is mainly due to the TCFD alignment, which impacted all the utilities industry

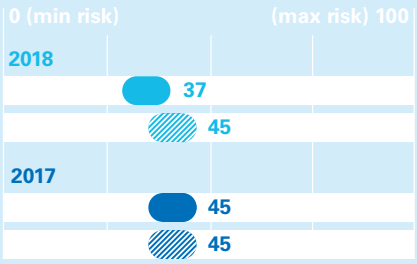
CDP WATER



Enel Electric utilities

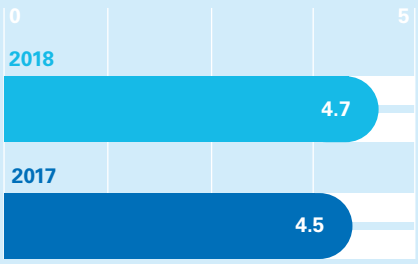
- Enel's disclosure and management on water issues outstood in 2018
- The score decrease is mainly due to the changes introduced in the assessment process by CDP, which impacted all the utilities industry

ESG FOCUS



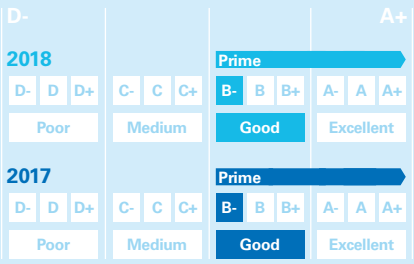
Enel | Utilities industry

- The rating was reduced by 18% in 2018 and followed an overall decreasing trend over the last 5 years, showing therefore a lower reputational risk linked to environmental, governance and social issues



Enel

- Positioned among the top 2% leading companies within the utilities industry
- Ongoing inclusion in the FTSE4Good Index since 2011



Enel

- Positioned among the top 15% leading companies in the utilities industry
- Ongoing inclusion in the Prime Ranking since 2017

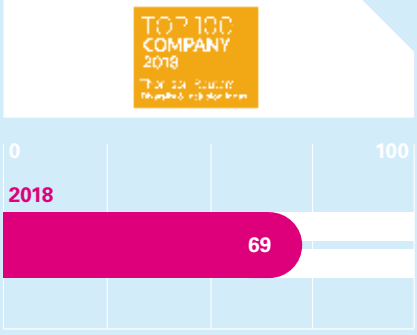
Included in:

- ECPI World ESG Equity
- ECPI Euro ESG Equity
- ECPI Global Clean Energy
- ECPI Global Climate Change Liquid
- ECPI Global Renewable Energy Liquid

Included in:

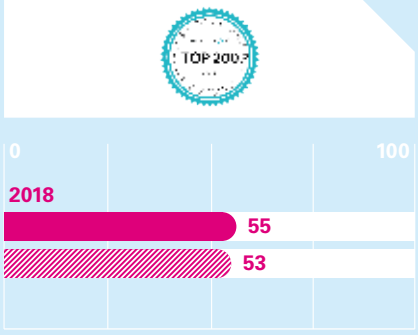
- Developed Markets (former-US) ESG Best Practices Index (Global, Governance and Social)
- Europe Best Practices Index (Global, Governance and Social)

SOCIAL FOCUS



Enel

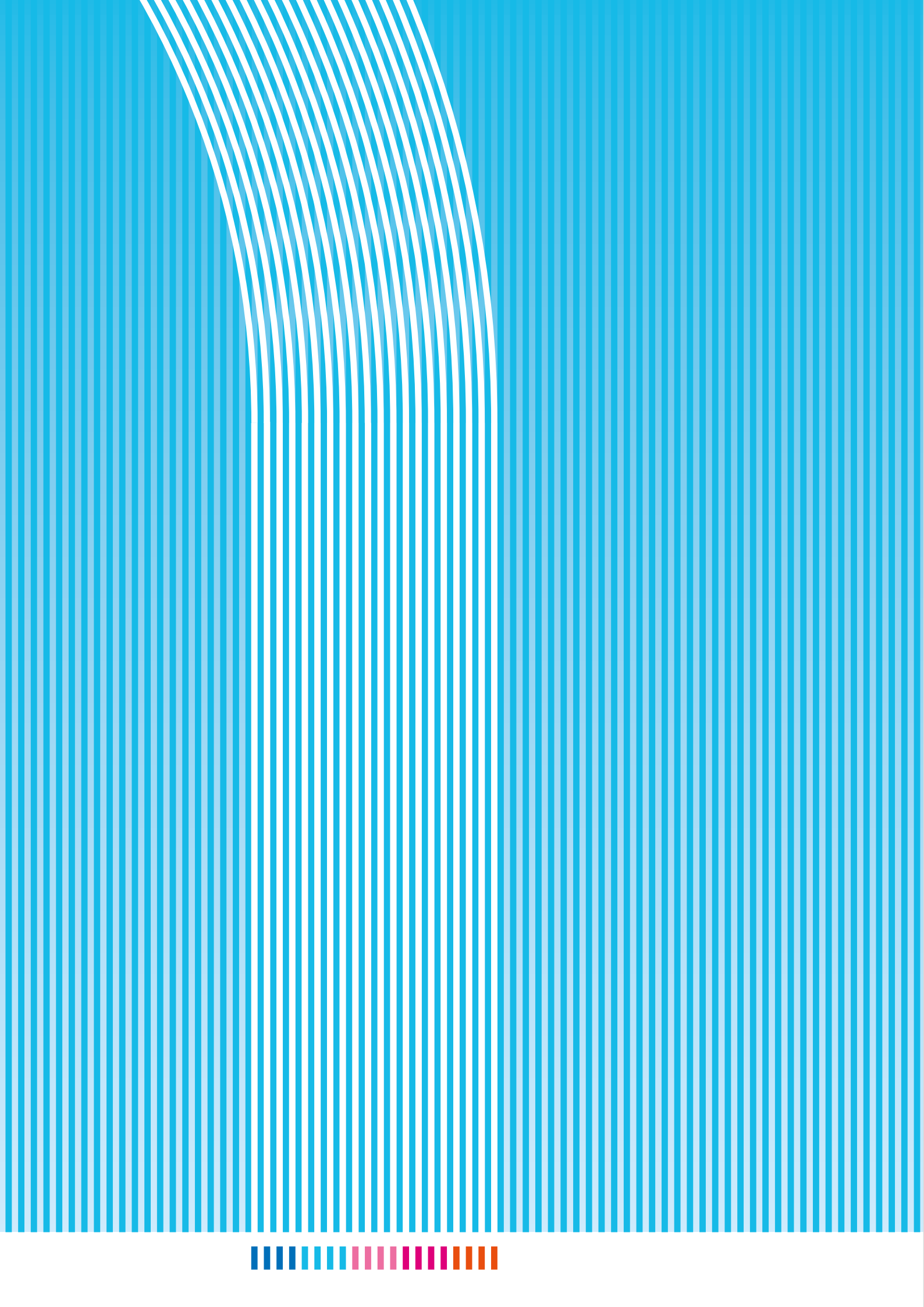
- In 2018, qualified among the top 100 best performers and returned to the Thomson Reuters Diversity and Inclusion Index (previous inclusion in 2016, when it was launched)
- The implementation of the policy on diversity and inclusion and its outcome outstood in 2018

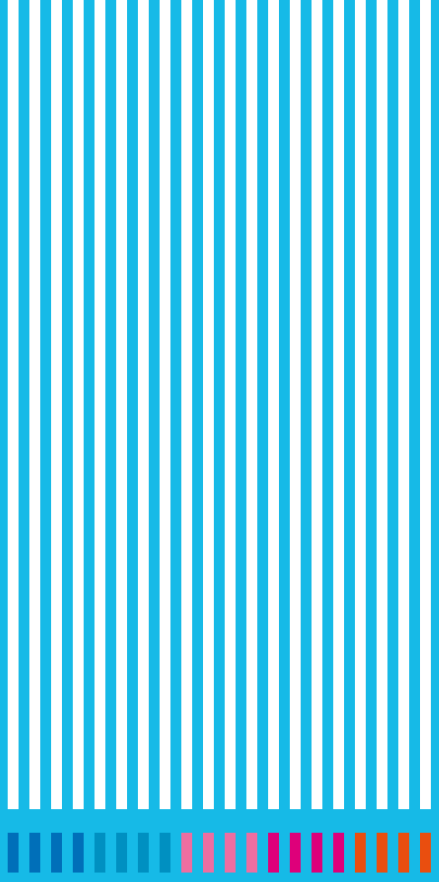


Enel | Top 200 average

- In 2018, qualified among the top 200 best performers and was included in the Equileap's Gender Equality Ranking since it was launched in 2017
- The commitment to increase women presence in all management levels and promote gender equal pay outstood in 2018

- The WDi is an investors-backed initiative launched in 2017 aimed at promoting transparency on the workforce management, covering both employees and contractors
- Enel participated in the WDi initiative in 2018 for its first time, performing much better than its industry peers
- Enel's transparency commitment on the management of its workforce and supply chain outperformed in 2018





02

Sustainable value created

Communities and value sharing

102-15

Plan 2018 > 2020 Engaging local communities

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Inclusive and equitable quality education 4 17	800 thousand beneficiaries (2015-2020)	1 mil beneficiaries (2015-2018)	S Education S Community relations G Partnerships
Affordable, reliable, sustainable and modern energy 7 17	3 mil beneficiaries, mainly in Africa, Asia and Latin America (2015-2020)	3.3 mil beneficiaries in Africa, Asia and Latin America[1] (2015-2018)	S Access to energy S Community relations G Partnerships
Sustained, inclusive and sustainable economic growth 8 17	3 mil beneficiaries (2015-2020)	1.8 mil beneficiaries (2015-2018)	S Social development S Community relations G Partnerships
Strengthening of strategic partnerships and promotion of operational partnerships 17		Over 700 partnerships activated	G Partnerships
Implementation of new projects support of the communities in which Enel operates in order to create shared value (CSV) and to foster the energy culture 1 2 3 5 10 17		Around 1,600 projects	S Community relations G Partnerships
Diffusion of the Creating Shared Value (CSV) model in the operational units (Business Development, Engineering & Construction, Operation & Maintenance) 9		Over 750 total CSV applications	I Industrial growth S Community relations

I Industrial E Environmental S Social G Governance T Technological

Plan 2019 > 2021 Engaging local communities

ACTIVITIES/SDGs	TARGETS	CATEGORIES
Inclusive and equitable quality education 4 17	**2.5 mil beneficiaries in 2030[2]**	S Education S Community relations G Partnerships
Affordable, reliable, sustainable and modern energy 7 17	**10 mil beneficiaries in 2030[2]**	S Access to energy S Community relations G Partnerships
Sustained, inclusive and sustainable economic growth 8 17	**8 mil beneficiaries in 2030[2]**	S Social development S Community relations G Partnerships
Strengthening of strategic partnerships and promotion of operational partnerships 17		G Partnerships
Implementation of new projects in order to create shared value for communities 1 2 3 5 10 17		S Community relations G Partnerships
Diffusion of the Creating Shared Value (CSV) model in the operational units (Business Development, Engineering & Construction, Operation & Maintenance) 9		I Industrial growth S Community relations

1 Considering the entire Enel perimeter, 6.3 mil beneficiaries were involved.
2 Cumulated figures since 2015.

Communities and value sharing

See the Appendix
Performance indicators

102-42 | 102-43 | 102-44 | 103-2
103-3 | 411-1 | 413-1

Engaging stakeholders, sharing goals and assessing impact

Searching for shared value for the Company and its stakeholders provides an opportunity to combine competitiveness with the long-term social value creation.

The energy industry is going through profound change. Focusing on social and environmental factors, plus an inclusive approach, enables us to create long-term value for the Company and the communities in which it works. This is a model that addresses the entire value chain: analyzing communities' needs starting from the development of new businesses; taking into account social and environmental factors while setting up sustainable work sites; managing assets and plants to make them platforms for sustainable development in the areas where they are located. A further step forward has been to extend this approach to the design, development and supply of energy services and products, contributing to creating increasingly sustainable cities and leveraging access to new technologies and circular-economy approaches. Enel is committed to respecting the rights of communities and contributing to their economic and social progress, interfacing daily with a wide range of stakeholders.

Searching for shared value for the Company and its stakeholders provides an opportunity to combine competitiveness with the long-term social value creation.

Operating in such a vast geographical area necessarily requires engagement with different businesses and a thorough knowledge of the local area and the needs of the various stakeholders in order to identify targeted solutions. Each infrastructure project is therefore considered in view of observations from the communities, which in some cases (mainly involving relocations) can result in criticism or partial uptake. In the latter cases, the Group could be exposed to reputational risk, delays in project execution or closure, with repercussions also on the supply chain. Responsible community relations are a pillar of Enel's Strategic Plan. Looking constantly and proactively to society's needs and priorities, it is possible to take up new challenges and redefine an increasingly competitive business model, developing new strategies and bringing innovation to processes, also through scalable solutions.

With **approximately 1,600 projects and some 7 million beneficiaries**[1] in the various countries where it operates, in 2018 Enel concretely contributed to the development and social and economic growth of its regions, including the expansion of infrastructure, education and training programs, initiatives aimed at social inclusion, and projects supporting cultural and economic life in line with the SDGs. Partnerships with organizations operating at the local level that promote regional development through innovative and tailored interventions are a fundamental tool for achieving these projects.

The strategy's sustainability is also demonstrated through the Group's contribution to the achievement of the United Nations Sustainable Development Goals (SDGs) regarding community relations, as reported below.

1 Beneficiaries are the persons for whom a project is carried out. Enel considers only the direct beneficiaries for the current year. The number of beneficiaries takes into account the activities and projects carried out in all the areas in which the Group operates (including companies consolidated at equity, the Group's foundations and non-profit organizations, and companies for which the BSO - Build, Sell and Operate mechanism has been applied).

Goals	Targets	Progress
Quality education	**0.8 million** beneficiaries (2015-2020) **2.5 million** beneficiaries (2015-2030)	2015-2018 **1 mil** 2015 **0.1 mil** · 2016 **0.2 mil** · 2017 **0.3 mil** · 2018 **0.4 mil**
Affordable and clean energy	**3 million** beneficiaries (2015-2020) in Africa, Asia and Latin America[1] **10 million** beneficiaries (2015-2030)	2015-2018 **3.3 mil** 2015 **0.6 mil** · 2016 **0.7 mil** · 2017 **0.5 mil** · 2018 **1.6 mil** 2015-2018 **6.3 mil** 2015 **1.5 mil** · 2016 **1.3 mil** · 2017 **1.3 mil** · 2018 **2.2 mil**
Decent work and economic growth	**3 million** beneficiaries (2015-2020) **8 million** beneficiaries (2015-2030)	2015-2018 **1.8 mil** 2015 **0.4 mil** · 2016 **0.7 mil** · 2017 **0.4 mil** · 2018 **0.3 mil**

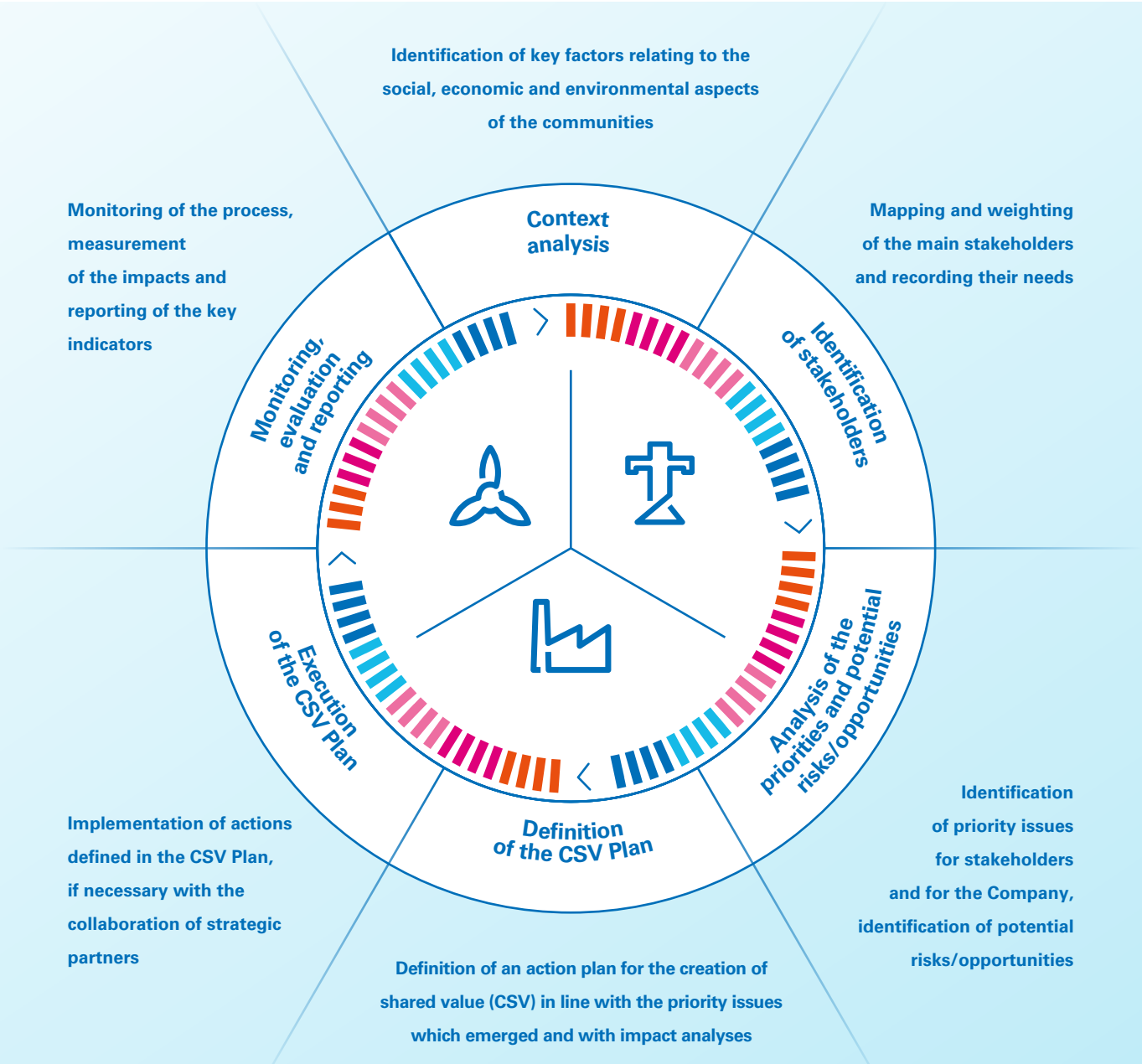
(1) South and Central America.

The Creating Shared Value model

A Creating Shared Value (CSV) model has been in place since 2015, integrating social and environmental factors into business processes and throughout the entire value chain. For the model to be implemented, it had to be defined and established within the Company at both cultural and operational level. In 2016, Policy no. 211 "CSV Process definition and management" was published. It defines how sustainability must permeate company processes across the board, making it a shared responsibility.

To supplement this policy, Operating Instruction no. 1768 "Project Portfolio Management System" was issued, which represents the approach along Enel's entire value chain in terms of: project identification and relative mapping on the dedicated digitalized platform (Project Portfolio Management System); quality assurance process management; project characterization, including the identification and calculation of beneficiaries; the model to assess the impacts of individual projects.

The CSV model applies to the entire value chain, with particular reference to business development, engineering and construction operations, as well as asset management and maintenance and envisages six phases, as explained below.



An inclusive approach towards the stakeholders also means circular economy solutions: an infrastructure of decommissioned power plants can be transformed into other ways to benefit the community, while involving various stakeholders. An example is the Futur-e project, in Italy, which aims to turn 23 power stations into eco-sustainable places dedicated to science, art, culture and tourism, and new industrial activities. For maximum transparency and further information, more details on the project are available at the dedicated site https://corporate.enel.it/en/futur-e.

The definition and dissemination of guidelines for the use of CSV applications, the development and assessment of sustainability projects, the management of Group-level projects and the dissemination of best practices in the countries where Enel operates are guaranteed by the organizational structure of Innovation and Sustainability Holding and the related Sustainability structures in the various countries of operation. Each Country and Business Line issues and adopts organizational documents (organizational procedures, operating instructions) which, at the local level, describe the methods of application of the CSV model and define the global policy based on the different characteristics of the business and the context.

In 2018, there were **over 750 applications of the CSV model**[2] across the various stages of the value chain.

2 An application is the use of at least one CSV tool in relation to an asset, at any stage of the value chain and in any Business Line.
CSV applications in the BD phase include applications relating to BD opportunities (also in initial stages) and business projects leaving the pipeline in 2017. They can also be related to assets in O&M if modernization projects are under way.
CSV applications in the E&C phase may relate to assets transferred to the O&M phase at the end of the year.
The number of CSV applications in Infrastructure and Networks (I&N) can refer to the concession area but also to areas identified by municipalities and substations.

Application of the CSV model in the Group

	Thermal Generation	Renewable Energies	Infrastructure and Networks	enel
BD				
Business Development	CSV Applications **3**	CSV Applications **81**	CSV Applications **3**	CSV Applications **87**
E&C				
Engineering & Construction	CSV Applications **1**	CSV Applications **48**	CSV Applications **1**	CSV Applications **50**
O&M				
Operation & Maintenance	CSV Applications **80**	CSV Applications **472**	CSV Applications **66**	CSV Applications **621**[1]
				TOTAL 758

(1) The total value includes 2 CSV applications relative to the market area in Colombia and Peru and a project in Chile covering all business areas.

Access to energy

DMA EU (former EU23)

World Energy Outlook 2018, the main publication of the International Energy Agency (IEA) on the state of health of energy resources worldwide, shows that the number of people without access to electricity has fallen to below one billion, yet in 2030 there will be 650 million people without electricity.

This is a challenge and a primary and fundamental need, outlined in the United Nations' SDG 7, which aims to ensure access to affordable, reliable, sustainable and modern energy for all.

In all countries where it operates, Enel is close to people and in particular supports the most vulnerable sectors of the population, through initiatives which are usually government-inspired, offering economic support for energy spending in developing countries, through projects to promote access to energy for an increasing number of people. This commitment has been confirmed in the 2019-2021 Strategic Plan presented in November 2018 by the Chief Executive Officer during the Capital Markets Day, with the definition of specific goals, including an increase in renewable sources, energy efficiency initiatives, the development of sustainable, circular products and services, and engagement with the inclusion of communities, adopting a creating shared value model. The Strategic Plan, the Sustainability Plan which sets out the objectives and commitments in an ESG dimension, including access to energy, and relative financial and non-financial reporting, are analyzed and monitored by the Board of Directors, through the Corporate Governance and Sustainability Committee and the Control and Risks Committee (see the Corporate Governance Report, available at www.enel.com). Top management is committed daily to developing these strategic objectives, contributing to supporting the global challenge of guaranteeing access to energy. In keeping with Enel's sustainable business model, each Business Line/Country promotes specific initiatives, for areas in its responsibility, such as the development of renewable assets in mature countries and in so-called developing countries (Enel Green Power Business Line), energy efficiency, responsible consumption and offers for more vulnerable sectors (Infrastructure and Networks, Enel X, Market-Countries). To assist top management, each country is tasked with managing relations with local, regional and national institutional bodies, regulatory authorities and associations to promote the development of solutions to access energy based on varying needs. The Innovability Function, at a Holding and Business Line/Country level, also promotes the dissemination of a shared value model with communities and supports innovative solutions that can facilitate access to energy in remote, under-electrified areas. One example is the launch in Chile of the first worldwide "Plug and Play" micro-network powered by photovoltaic power with a hydrogen accumulation system, that can guarantee a 24-hour supply of green energy, anywhere, without having to use diesel generators and can function both on-grid and independently off-grid.

Promoting access to energy in developing countries

Enel's commitment to promoting access to energy in developing countries not only means supplying electricity, but also giving the population the chance to use innovative, clean technologies in order to produce energy with a reduced environmental impact. In 2018:

- in Latin America, over 1,500 MW from renewable sources became operational, taking total capacity from renewables to over 14,000 MW;
- in Africa, Enel Green Power is currently the leading private operator in renewables, in terms of installed capacity (more than 500 MW in operation, and nearly 370 MW under construction), and is present in several countries, like South Africa, Zambia and Morocco;
- in Asia, Enel operates in India through its subsidiary BLP Energy, a leading renewable energy company in the country, which owns and manages 172 MW of wind power capacity, producing approximately 320 GWh a year in Gujarat and Maharashtra.

In line with the requirements of the UN's Sustainable Development Goals, Enel has made a specific commitment to SDG 7 "Affordable and clean energy": to reach over 3 million people by 2020, mainly in Africa, Latin America and Asia, through projects related, for example, to rural electrification, capacity development and technology transfer, with financial support for promoting access to energy or innovative solutions and partnership agreements with significant stakeholders. 150 projects were developed in 2018, reaching some 1.6 million beneficiaries, while over 180 partnership agreements have been signed in the last two years (see the section "Engaging stakeholders, sharing goals and assessing impact" in this chapter).

Below are some examples of initiatives Enel is involved in, promoted by various Business Lines, in developing countries, to support access to energy:

- **Rural electrification program "Toconce" (Chile)**: an initiative between GDN, a joint venture involving Enel Green Power Chile, ENAP (Empresa Nacional del Petróleo) and Codelco Distrito Norte, and the municipality of Calama, to provide 24-hour energy to the community and guarantee public lighting. The project was implemented by installing independent photovoltaic kits for 90 families, corresponding to 2,480 kWh for each family. These kits are capable of supplying sufficient energy for an average family unit. Besides solar panels, each kit includes a 111 kWs battery. 360 people have benefited from the project, which was ranked first in 2018 by the association of Chilean manufacturers in the section "Best practices for a sustainable electric future" in Chile;
- **Microgrid Paratebueno (Colombia)**: a project developed in the rural area of Paratebueno (Cundinamarca, Colombia) which today numbers some 20 beneficiary families, with a potential catchment area of 8,000 family units. The project will develop a grid powered by renewable energy from a photovoltaic plant, batteries and back-up generator. With this innovative solution, families can be guaranteed electricity 24 hours a day;
- **Ecoenel project (Brazil)**: this project offers discounts on their electricity bill to customers that recycle their waste and deliver it to specific sites in the states of Rio de Janeiro, Ceará and Goiás in Brazil. The project also includes specific training on an informed, efficient use of energy. Since its launch in 2007, the program has become an important example of sustainability actions and, thanks to the network of alliances and partnerships with customers, companies and entities committed to recycling, it is fully in line with Enel's Open Power strategy. In 2018, the program had 33,224 direct beneficiaries and Ecoenel Rio reached a record-breaking 1,395 t of waste collected, with over 5,174 customers served by the program, for a saving of around 6,497,446 kWh and over 4,000 t of CO_2;
- **Fundación Pachacútec (Peru)**: this project involves technical training and consolidating energy-related skills and provides professional training courses on industrial electrical technologies for young, low-income entrepreneurs. After three years of training, participants have the chance to work in the energy sector, as personnel of E-Distribuzione contractors in Peru, or to start their own small/medium-sized local enterprise. The skills taught are some of the most sought after on the local employment market, accounting for 95% of all job requests. 549 people have benefited from the program so far.

Strategic partnerships include the **Liter of Light** program, promoting workshops on the construction and maintenance of small solar power generation units that use plastic bottles and other recycled materials. In particular, the project involves turning plastic bottles and recycled materials into solar lamps, to bring light to disadvantaged communities the world over, with zero emissions. Moreover, Enel is contributing to the Brazilian government program (**Electricity Social Tariff**), for low-income families, in which discounts of up to 65% off the normal residential rate are offered on electricity bills.

Fighting energy poverty in developed countries

Although access to energy is guaranteed in developed countries, there are consumers who struggle to pay their energy bills, following the serious global crisis that has affected low-income families in these countries in particular. Although governments chiefly have responsibility for guaranteeing sustainable, safe and affordable access to basic energy services, the electrical sector can contribute to promoting a sustainable socio-economic development.

Enel has always been committed to working with governments to fight energy poverty and help vulnerable populations in developed countries have access to energy.

Enel's commitment to achieving SDG 7 has been amplified and for 2030 will target all countries where the Group operates, and not just developing nations such as those in Africa, Asia and Latin America (see the section "Engaging stakeholders, sharing goals and assessing impact" in this chapter).

In recent years, Enel has offered different types of support, often through existing government initiatives, to reduce electricity bill costs for vulnerable customers on developed markets, such as in Italy, Spain and Romania (see also the section "Care of vulnerable groups" in the chapter "Operational improvement for a better service").

A number of campaigns and activities have also been organized to give the population living in vulnerable conditions advice on a responsible use of energy.

Below are some examples of projects in Spain:

- the **energy volunteer program**, launched by Endesa and Endesa Foundation to help low-income families, providing them with specific advice on responsible energy consumption, distributing energy efficiency kits and, in some cases, making improvements to the electricity systems of the most vulnerable families. In many cases, the program has enabled electricity bills to be cut on average by up to 30%. The program is run by volunteers from Endesa staff, working closely with civil society organizations. In 2018, 188 people took part in the program, which served 1,600 families, equal to some 5,000 people;
- **training in responsible energy use and bill optimization**, involving 140 representatives from local social services, assisting over 23,000 people who struggle each year to pay their energy bill;
- **initiative against energy poverty in Aragona** to support economically vulnerable households by reducing their energy consumption and optimizing electricity bills, adopting energy efficiency measures. The households are analyzed and monitored using an online tool, to obtain data providing more details on energy poverty, to help combat this phenomenon. In 2018, 317 families benefited from the project, for a total of some 1,000 people.

Main ongoing projects and relocation management

102-42 102-43 102-44
103-2 103-3 413-2
EU22
DMA EU (former EU19)
DMA EU (former EU20)

Enel's 2019-2021 Strategic Plan focuses increasingly on the growth of renewables and the development of low-carbon technologies, including the digitalization of networks, the installation of charging stations, software platforms and public lighting, thus abandoning investments in coal plants and the construction of large infrastructure projects with a high environmental impact. This strategy allows the Group to be more flexible and to minimize the impact on the ecosystem, local area and community. Operating across such a vast geographical area necessarily implies engagement with different entities and an in-depth knowledge of the local area and the needs of the various stakeholders, in order to identify targeted solutions. Each infrastructure project is therefore considered in view of observations from the communities and the stakeholders involved, which in some cases (mainly involving relocations) can result in criticism or partial uptake. In the latter cases, the Group could be exposed to reputational risks, also in relation to interaction with local suppliers, as well as operational risks linked to delays in the execution of projects or their closure, with possible repercussions also on the supply chain. The involvement of stakeholders in planning processes and in the development of infrastructure is extremely important, especially for those cases in which the construction of a new plant involves the relocation of a part of the population residing in the surrounding areas. Relocation management cannot be separated from the involvement of the populations and the people concerned – or from a careful assessment of the psychological and social problems that can occur at individual and collective level. The approach in selecting potential sites is therefore to minimize the need for relocation of the population as much as possible through an analysis of the economic, political, cultural and socio-demographic aspects, including analysis of the daily life of the communities living in the area of influence, the distribution of the population, organizational forms, the levels of employment and pay. In cases where the relocation option goes ahead, the plan is developed in compliance with international standards on the subject, taking into consideration any impacts on the different forms of physical, human, economic, environmental and cultural resources of the populations concerned. Any resettlement project is implemented in compliance with the legislation in force in the country involved and with local regulations that specify the relocation conditions and the methods for calculating the related economic compensation. Enel's sensitivity on this topic is also reflected in the Human Rights Policy which was approved by the Board of Directors in 2013 (see the chapter "Corporate governance"). Below are the most significant cases under way, the positive and/or negative impacts on the territory (actual or 'feared') and the manner in which the Group companies involved are promoting a proactive dialogue to achieve solutions that are as widely shared as possible, in relation to plants built in the past but which have remaining issues.

Bocamina plant (Chile)

The Bocamina II plant is a 350 MW coal-fired thermal power plant, which started to be built in 2007 in the Municipality of Coronel, Bío Bío Region, Chile. The plant is part of the Bocamina coal-fired power plant complex, whose first unit of 128 MW was built in the 1960s and put into operation in 1970. Construction of the second unit took place in an area adjacent to the first, where about 1,300 families were living. Starting from the construction of the second unit, in the Municipality of Coronel, the first agreements with families of communities living next to the plant were signed. At the end of 2018, 1,237 out of a total of 1,337 families had been relocated. This resettlement took into account applicable international standards, including the standard IFC no. 5 "Land Acquisition and Involuntary Resettlement".

The main actions undertaken concerned:

- the identification of structural improvements necessary to adopt for housing of the Coronel community.

In particular, a joint technical working group (community, Company and CITEC - University of Bío Bío) was set up, aimed at carrying out a census of houses that require improvements and to draw up the relevant plans. At the end of 2018, necessary actions were defined, which will be tested on a pilot project;

- the creation of a dashboard summarizing the impacts on the quality of life of families because of the constructive defects of the houses in which they lived since 2010 and the quantification of the related compensation;
- the reconstruction of the school and churches in the new neighborhoods;
- the launch of the project "Mi barrio, nuestro barrio" ("My neighborhood, our neighborhood") which includes redevelopment projects for new and pre-existing neighborhoods, also through the redevelopment of sports facilities and green areas.

A project was started in the Cerro Obligado community to combine economic-social development and the circular economy with the aim of training four women in eco-sustainable construction techniques, who recycled over 800 pallets from local industries and sold over 600 items of furniture and accessories.

Furthermore, *casa abierta Coronel* is present, a reference point for the whole community, in line with the Open Power vision of the Group, where it is possible to openly dialogue with the Company, receive information, communicate any complaints and evaluate solutions with a group of experts. The basic criteria are transparency, fairness and non-discrimination.

To guarantee even greater transparency, Enel Generación Chile started a system for the real time transmission of data on CO_2 emissions, including data from the Bocamina II plant, to the *Superintendencia del Medio Ambiente* (SMA). Bocamina is the first plant in Chile to carry out this activity.

Further information is available in the Sustainability Report of Enel Generación Chile (www.enelgeneracion.cl).

Alto Bío Bío plants (Ralco, Pangue and Palmucho - Chile)

Enel Generación Chile manages three hydroelectric plants in the Alto Bío Bío area (Ralco, Pangue and Palmucho), an area that is characterized by the historical presence of Pehuenche indigenous peoples. Numerically, the Pehuenche population in the area of influence of the plants totals about 3,000 people, made up of 800 families in 10 communities (Pitril, Callaqui, El Avellano, Aukiñ Wallmapu, Quepuca Ralco, Ralco Lepoy, El Barco, Guayalí, Pewen Mapu and Ayin Mapu).

In February 2017, an important collaboration agreement was signed with 25 families from the Aukiñ Wallmapu community to start local development projects. The agreement settles the conflict related to the impacts generated during the construction of the Ralco plant. In March 2017, Enel Generación Chile officially handed over its ancestral cemetery to the community of El Barco. The handover took place thanks to the support of the Director General of the *Corporación Nacional de Desarollo Indigena* (CONADI) of the Bío Bío Region, thus solidifying the response to a commitment that the Company had taken with the community following the construction of the Pangue power plant. In June 2017, Enel Generación Chile also signed two agreements with the El Avellano and Quepuca Ralco communities.

Socio-economic development

Following requests made mainly by the El Avellano community, the project to develop Chilean hazelnut-based products continued in 2018. Enel Generación Chile has promoted this project together with the University of Concepción, the El Avellano community, the Alto Bío Bío Municipality and the Pehuen Foundation, thus allowing a historical activity to become a micro-entrepreneurial activity.

Considering the tourist and recreational potential of areas near the plants and in order to promote the socio-economic development of local communities, specific projects are being developed to encourage entrepreneurship in sustainable tourism. In particular, a project concerns the area next to the El Barco lagoon, where local entrepreneurs currently offer camping facilities, excursions and gastronomic services. Enel Generación is providing technical support to improve the infrastructure and training courses to offer better services to tourists and boost the local economy. At the end of 2018, 132 people had benefited from the project, and the funding of nine new individual tourist projects has been planned for before the end of 2019, expanding tourist and gastronomic services in the area.

Shared and sustainable water management

The Chilean Ministry of Public Works and Enel Generación Chile signed an agreement, subsequently also ratified with the local associations that manage the irrigation channels of the Saltos del Laja area, in the Bío Bío Region. The aim of the agreement is to improve the flexibility in the use of water, ensuring the supply to families and the production of energy. The initiative is the result of the joint work of the Canalistas de Laja and Canalistas del Canal Zañartu associations, Dirección de Obras Hidráulicas, Dirección General de Aguas, Enel Generación Chile, Ministerio de Agricultura, Ministerio de Energía and Comisión Nacional de Riego. An agreement was also signed with the Municipality of Antuco to start a pilot project to promote tourism in the area of Salto del Trubunleo during the summer. To manage contingent or emergency situations in a rapid and coordinated manner, a specific communication system has been set up between the Enel Generación Chile Pangue and Ralco power plants, the Angostura power plant in Colbún, the Municipalities of Alto Bío Bío, Quilaco and Santa Bárbara and the Ministerio del Interior y Seguridad Pública (ONEMI) and the Ministerio de Energía.

Further information is available in the Sustainability Report of Enel Generación Chile (www.enelgeneracion.cl).

El Quimbo plant (Colombia)

El Quimbo is the most impressive engineering work carried out by the Enel Group in recent years and one of the largest hydroelectric investments in South America. With an installed capacity of 400 MW, the plant is set in the Huila region, south-west of Bogotá. A plan with socio-environmental initiatives for local populations and in particular for families who live or own property in the area of influence of the project, as well as for those who work or have commercial activities and services in this area, has been agreed in an open, collaborative manner. The families surveyed and in possession of the requisites envisaged were given the opportunity to decide between relocation (collective/individual) and the sale of their land. Of the 152 families who opted for relocation, 40 chose individual relocation, receiving land for a business project or a home. The remaining 112 families opted for relocation to the collective settlements (Montea, Santiago y Palacio, Llano de la Virgen, San José de Belén), with new homes equipped with essential services and located in an urban context with schools, churches, multifunctional sports facilities, football field, green areas, waste collection centers and waste water treatment plants. Each family also received 5 hectares of land with an irrigation plant to develop their own production activity (farming or micro-breeding).

Socio-cultural management

In 2018, as part of the policy to create shared value, specific activities were defined together with the resettled families, to recoup and restore the social and relational fabric. 21 shallow wells were built to meet demand for water in the summer months, and the elderly, children and young adults continued to meet to tell of their stories and traditions and ease the generational transition. Communication and the involvement of vulnerable segments of the population was stepped up, guaranteeing their inclusion in social and community processes and managing their requests as priority. 226 activities to promote relations (*vinculación grupal*) were also held in the four collective resettlements, allowing traditions to be recovered and extending this practice to community members, with 458 actions providing psychological, family and community support for the resettled families and four training activities regarding marketing and accounting, to consolidate ownership of the Agricultural Production Plans (PPA).

Specific training courses have been developed and agreements with institutions and other local entities involving one or more areas have been established, including:

- National training service-SENA (*Servicio Nacional de Aprendizaje*): training in basic accounting, for dairy and meat-based products and a course on gravity irrigation in San José de Belén;
- Public Administration High School-ESAP: Diploma in Leadership and Public Management for social development for 53 people, with the aim of training public officials and community leaders;
- Neiva chamber of commerce: training courses for shopkeepers from the resettled population;
- Rural development agency-ADR: procedures to legalize user associations in irrigation districts were completed.

Through the initiative "Sembrando valores, cosechando lideres" ("Sowing values, creating leaders"), Emgesa, the Enel group company operating in Colombia and project owner, has developed actions to promote positive values and attitudes in the management of children and young people of resettled populations, and to strengthen the sense of local belonging by giving value to each family member. In this context, 37 cultural and recreational events took place, as well as 33 training activities coordinating with the local administration and private entities.

Local economic development

In association with the Sirolli Institute, Emgesa adopted a customized professional orientation methodology, in order to generate employment and promote development and economic growth in the Municipalities of Garzón, Gigante and El Agrado. People with a business idea or an established activity received free, personal and confidential advice to analyze the status of their activity. Community social networks are then created to discuss how to improve products, marketing and relative financial strategies for the business; these activities are all supported by a Business Plan defined for each company. Between 2017 and 2018, two launches of 32 financially sustainable businesses took place.

In 2018, 34 training sessions were also held, to provide tools to develop a self-sufficient productive economy, and provide support and advice on marketing for the Agricultural Production Plans. During plant construction, 201 people were identified as being involved in subsistence fishing, which is one of the production activities along the Magdalena river still practiced using traditional techniques and with little technological development. Funds were allocated to provide initial capital to run the subsistence fishing program.

The environmental education program also continued in 2018, with 51 actions focused on strengthening environmental education in schools, 95 activities to promote environmental topics with social players from the six Municipalities (involving 1,528 people), 10 community training courses, 359 visits to promote good environmental practices with resettled families and 42 actions for sustainable tourism with the involvement of the local administration and community organizations.

Environmental management

In 2018, programs continued with a view to preventing, managing and monitoring the environmental impact associated with the project:

- a plan to manage wild fauna, with the recovery of over 33,000 animals in the 2015-2018 period;
- a program to manage fishing, in which 21 species were logged, with a total uptake of around 158,000 kg and over 260,000 specimens;
- a habitat recovery plan for wild fauna, with the planting of almost 7,000 plants and the installation of various structures for the protection of fauna. Moreover, activities of the research center set up by Emgesa were consolidated;
- an ecological restoration program: the first phase of the four-year ecological restoration program (April 2014-April 2018) was completed. This program identifies the most effective strategies to adopt throughout the area concerned by the plant, in the region and other dry forests of the country.

Communication channels and legal proceedings

Emgesa has established specific communication channels to inform and answer all questions of the community about the project (dedicated web page, Twitter channel, official channel on YouTube, periodic magazine). Regular meetings are held with national and international interest groups, and monitoring meetings with the Huila government, municipalities, environmental authorities, control bodies and representatives of the company, and guided tours of the project were offered. To forge continual, informed relations, two offices for community relations have been set up: one in the Municipality of Garzón and one in the Municipality of Gigante. As regards the project, some legal proceedings are pending ("acciones de grupo" and "acciones populares") taken by inhabitants/fishermen in the area. Details are given in the 2018 Annual Report of the Enel Group ("Contingent assets and liabilities").

Further initiatives and information on the project are available in the 2018 Sustainability Report of Emgesa (https://www.enel.com.co/es/medio-ambiente-desarrollo-sostenible.html) and on the dedicated project website (https://www.enel.com.co/es/conoce-enel/enel-emgesa/el-quimbo.html).

Other projects

EGP-Nareva consortium 850 MW wind power program

In March 2016, a consortium of three companies – Enel Green Power, Siemens Wind Power and the Moroccan energy company Nareva – won the project for the development, construction and operation of five wind plants in the Municipalities of Midelt, Tanger, Jbel Lahdid, Boujdour and Tiskrad with a total installed capacity of 850 MW.

Their construction will require a total investment of around 1 billion euros.

In preparing for the tender described above, Enel Green Power conducted a preliminary analysis of the social, economic and environmental context ("SEECA") with the help of external specialists in the areas where it planned to build the plants. The SEECA identified the relevant socio-economic issues and specific needs of local communities which are, among others: infrastructure development, education development, health care, service development, poverty, social services, land ownership and protection of cultural heritage.

Moreover, an assessment of the environmental and social impact (Environmental Social Impact Assessment ESIA) was carried out, in line with the standards of the International Finance Corporation (IFC) and the guidelines of the European Bank for investments in the Midelt project and is underway for the Boujdour project, while it will be developed and subsequently implemented for the remaining projects.

A consultation process with various stakeholders was held by ONEE (*Office National de l'Electricité et de l'Eau potable*) with the involvement of the Enel Green Power-Nareva consortium at Midelt, Boujdour and Jbel Lahdid. A question and answer session was held at the end of every consultation. The process to analyze project impacts and benefits will steer the definition and adoption of the Sustainability Plan for

each project.

Enel Green Power operates in full compliance with laws applicable to the investment in question. Furthermore, the investment does not involve extractive activities, and the use of local renewable resources will support the social, economic and environmental development of the various areas involved. Moreover, the investment respects the principles adopted by the international community in relation to the protection of the environment and the reduction of emissions deriving from coal.

In all areas involved in the projects, the consortium will conduct a second SEECA, also to identify any updates to the preliminary analyses previously conducted. The actions and projects identified by the analyses will be developed during the plant operation phase. However, from as early on as the project development phase, the consortium will also run a sustainability project to mitigate environmental impacts, in particular regarding water, emissions and waste, through a sustainable work site; any impact on social and local employment aspects will be monitored, and these aspects will be given support through targeted technical specifications requested in the tender phase for plant construction.

For the Midelt plant, the financial close was on November 5, 2018, and the construction phase started in December 2018. As regards the Boujdour project, the consortium started preliminary activities in view of construction that will take place between the end of 2019 and early 2020.

Value for countries and local areas

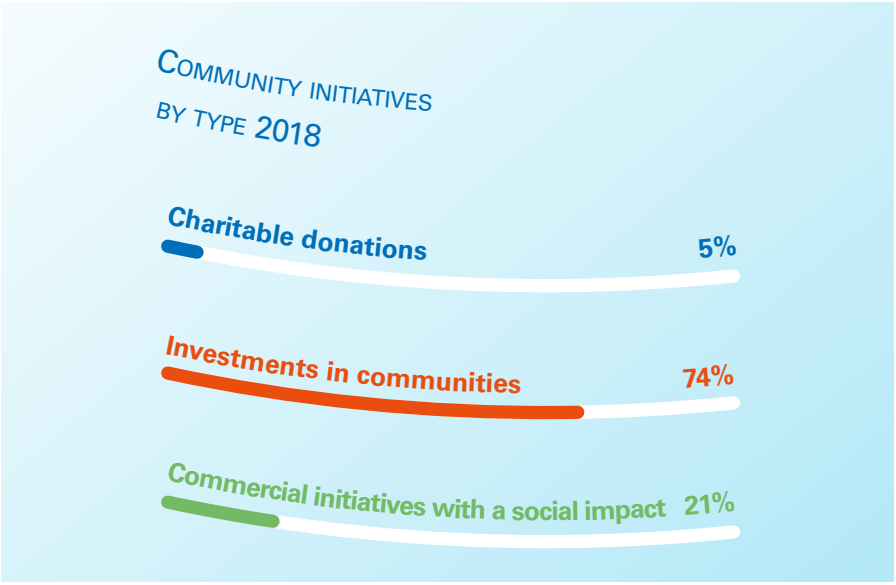
103-2 103-3 203-1

Enel makes a tangible contribution to the social and economic development and growth of the local areas and communities in which it operates through various types of interventions, from the expansion of infrastructure to education and training programs, from initiatives aimed at social inclusion to projects supporting cultural and economic life. The London Benchmarking Group (LBG) method, defined by a working group of over 100 international companies, identifies a measurement model that allows for clear determination and classification of the Company's contributions to the development of the communities in which it is present.

According to the LBG standard, community spending can be distinguished as:

- charitable donations: donations made *pro bono* and without obligations for the beneficiaries, except to allocate the donation for charitable purposes and non-profit associations. This item for Enel includes all monetary and "in-kind" donations, including those for philanthropy and solidarity activities;
- investments in the community: medium-long term involvement in community support projects, also in partnership with local organizations, aimed at tackling significant problems both for the local area and for the Company. For example, projects linked to a wider strategy for the benefit of the community, such as "Access to electricity", or specific initiatives dedicated to communities close to the plants are included in this category;
- commercial initiatives with a social impact: contributions to activities related to the core business, in which the Company promotes its own brand and its own corporate identity. Examples of such initiatives are marketing campaigns that also provide benefits for the community or that include charitable contributions.

In 2018, Enel's overall contribution to the communities in which it operates was over **114[3] million euros**.



Enel Cuore Onlus

Enel Cuore Onlus was founded in 2003 by Enel's desire to express its commitment to social solidarity in a transparent manner. Enel Cuore supports initiatives promoted by non-profit organizations concerned with the welfare of people and families, in particular in communities where Enel is present.

2018 saw a focus on long-term projects of a considerable impact and scale for communities, targeting specific, trending issues:

- **school**, as a place of growth and engagement. The **"Fare Scuola" project**, begun in 2015 and now in its fourth year, continued in 2018 with the development of a further 10 Italian schools, mainly in areas of Central Italy affected by recent earthquakes. Initiatives targeted an improvement in and the qualification of nursery and primary school sites, setting up areas with different sensory features. The coming together of architecture and education aims to enhance the well-being of everyone who uses the schools, including families, encouraging creativity, socialization, sharing and outlooks that focus on relations and the environment. The project is carried out in collaboration with the "Reggio Children – Foundation Loris Malaguzzi Center";
- **tackling the social isolation of the elderly who live alone**. An example of this topic is the "**Viva gli Anziani. Una città per gli anziani, una città per tutti**" project ("Long live the elderly. A city for elderly people, a city for everyone"), which has been running since 2016 and concerns the population of over-eighties in a number of cities. The project aims to offer an alternative to traditional residential solutions. In particular it intends to promote the use of the sharing economy as a multiplier of resources, to enhance mutual aid systems and also create an integrated network of services, which are an important resource for the quality of life of the elderly. The project is carried out in collaboration with the Comunità di Sant'Egidio;
- services to assist **unaccompanied foreign minors** who arrive in Italy, fleeing war and poverty. From June 4 to September 7, 2018, Enel Cuore promoted the new call for tender "**NEVER ALONE, per un domani possibile**" ("NEVER ALONE, for a future that is possible"), with the aim of supporting non-profit organizations involved in consolidating and innovating procedures for taking care of unaccompanied foreign minors and young people in Italy.

As part of the "Terre colte 2017" call for tender, promoted in association with the CON IL SUD Foundation, from November 23, 2017 to February 23, 2018, nine projects were selected which aim to revitalize traditions related to agriculture and breeding in areas of Southern Italy, also through the social inclusion and employment of disadvantaged persons, offering new opportunities for young people and promoting the introduction of technological and farming innovation. For further information, please see the website https://www.enelcuore.it/en.

3 This amount refers to:
- > Cash contributions - approximately 92 million euros;
- > Time: employee volunteering during paid working hours - approximately 2.6 million euros;
- > In-kind giving: product or services donations, projects/partnerships or similar - approximately 17 million euros;
- > Management overheads - approximately 2.7 million euros.

Our people and their value

102-15

Plan 2018 > 2020 Engaging the people we work with

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Promotion of digital skills' dissemination among all employees 4	100% of people involved	35% of people involved	S People growth S Education T Technologies and digitalization
Climate survey 8	100% of people[1] involved 85% participating	100% of people[1] involved 86% participating	S Listening and dialogue
Performance appraisal 8	100% of people[1] involved 99% appraised	100% of people[1] involved 99% participating	S People growth
Gender - % of women in selection processes 5	Around 50% women	39% women[2]	S Diversity S People growth
Extension of Travel Security model 3 8	100% of international and intercontinental travels	100% of international and intercontinental travels in the countries involved[3]	S Security
Disability – Appointment of focal points 8	In all the main countries	Focal points appointed in all countries[4]	S Diversity
Scholarships available for employees 4 17	390 scholarships	152 scholarships	S Training

I Industrial E Environmental S Social G Governance T Technological

Plan 2019 > 2021 Engaging the people we work with

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Promotion of digital skills' dissemination among all employees 4	100% of people involved	S People growth S Education T Technologies and digitalization
Climate survey 8	100% of people[1] involved 86% participating	S Listening and dialogue
Performance appraisal 8	100% of people[1] involved 99% appraised	S People growth
Gender - % of women in selection processes 5	50% women	S Diversity S People growth
Disability – Appointment of focal points 8	100% of Group countries where there are people with disabilities	S Diversity
Scholarships available for employees 4 17	390 scholarships	S Training
Extension of Travel Security model 3 8	100% of international and intercontinental travels in the sole presence countries of EGP and Enel X in 2019	S Security
People physical protection[5] 3 8	Roll-out of the new policy in all countries and definition of a new global reporting solution	S Security

1 Eligible and reachable people having a permanent contract and working in the Group for at least 3 months during 2018.
2 Selection processes involving blue collars are not included.
3 Excludes the sole presence countries of EGP and Enel X, which will be involved in 2019.
4 In all the mainly relevant countries.
5 It includes the mitigation services for aggression and kidnapping risks for Enel people working in the Countries with an high level of crime.

Our people and their value

See the Appendix
Performance indicators

102-7 | 103-2 | 103-3 | 401-1 | 404-1 | 405-1 | 405-2

Paying attention to its people, to their ambitions and aspirations is at the heart of the **Open Power** model adopted by Enel. This model is based on a strategy that is open to listening and dialogue, both inside and outside, to increase involvement and participation and to support the organization itself in the transformation process. The management of human capital, together with the other purely industrial pillars, underpins the 2019-2021 Strategic Plan and contributes to the creation of long-term value for all stakeholders. Curiosity, collaboration, interaction and diversity combining to unleash all the existing potential and to govern processes more effectively. Since 2014 a matrix organization has been adopted, which represents a responsibility structure which encourages the transversality of tasks and the exchange of best practices, but also of failures. Through the My Best Failure project raising of awareness of the culture of failure resulting from moments of individual and/or group experimentation is encouraged, to be understood not as a defeat, but as a phase, sometimes necessary, in the process of growth, learning and attainment of an individual and team result.

The two concepts of **agile** and **people digital transformation** were introduced to support people and the business model: the first is aimed at introducing a new approach to work that facilitates interaction throughout the entire value chain; the second is aimed not only at the transformation of digital processes and tools, but also at fostering the cul-

Curiosity, collaboration, interaction and diversity combining to unleash all the existing potential and to govern processes more effectively.

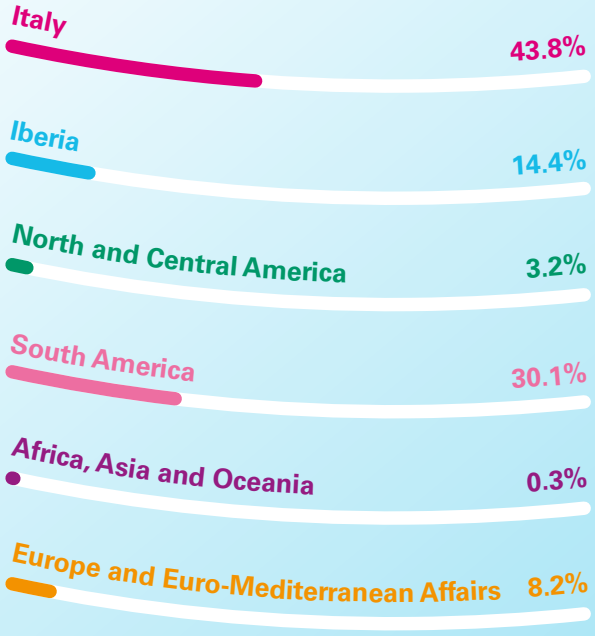
tural and professional development of people in order to improve the efficiency and effectiveness of work activities.
People are increasingly the key elements and they participate with an approach marked by personal and entrepreneurial initiative. The Company becomes an incubator of the ideas of those who work there, with the aim of being sustainable in the long term, finding solutions to new problems. It is an approach that involves the whole person, placing him/her at the center of the change.

AGILE

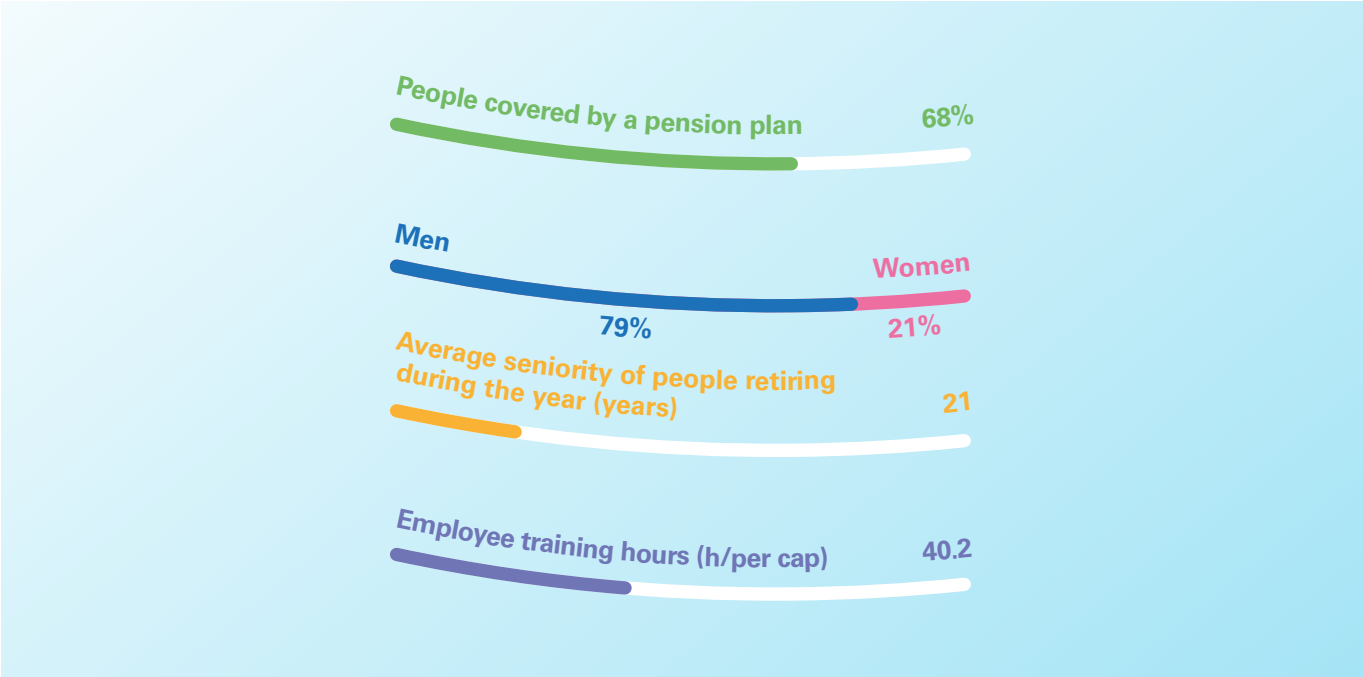
To continue to be a leader in technology, and support the ongoing growth and transformation process, Enel has chosen to adopt an agile approach, to enable a quicker and stronger response to the challenges in the energy market and the digital revolution. This journey involves an important cultural change for people and a new approach to work dynamics, in line with the Open Power values.
The agile approach provides greater flexibility to achieve objectives: team work in small groups, autonomous and cross-functional, with a clear vision and a common goal, focusing on times and sharing information and responsibilities. Following the introduction in the Global Digital Solutions Function, through the creation of the Digital Hub, and in the Market area, benefits were seen in terms of process acceleration and value generation. As such, the transformation was extended more widely and on a global level, covering the entire value chain and involving around 290 initiatives and 2,000 people.
This approach makes it possible to enhance the value of people who have the opportunity to adopt new ways of working, generate ideas regardless of hierarchy and experience cross working, sharing and openness. In this way, the team takes on real importance and the leader becomes a catalyst for the rest of the group, working alongside all members and promoting inclusion and a sense of responsibility.
The Agile Competence Center was set up in 2017, in the Group's People and Organization Function, to spread the agile culture within the Group. With the support of the Agile Transformation Offices (ATOs) set up for the different Global Business Lines and Staff Functions, it has the aim of ensuring that the agile approach is implemented correctly.

Enel people in the world

As of December 31, 2018 the Enel Group employed **69,272 people**, of whom around 44% were in companies based in Italy. A comparison of year start and end figures shows an increase of around 6,400 people, mainly due to acquisitions in Brazil, Italy and Spain. 23% of new recruits, equal to 3,414 in total, relate to Italy, while the remaining figure of 77% relates to other countries.



See the "Appendix - Performance indicators" for a detailed indication of people in the different geographical areas.



Talent, development and management of people

103-2 103-3 404-2 404-3
DMA EU (former EU14)

In line with the ongoing transformation scenario, which requires new skills and professionalism, the selection and recruitment, training and development processes play a key role within the Company.

In 2018 over 3,400 people were hired, in particular in North-Central-South America, in Italy and in Spain.

In order to identify and attract people with the most suitable profiles, partnerships with universities have been strengthened, including organizing days dedicated to the exchange of knowledge or lessons on specific topics within the context of study courses (including training sessions on cyber security, design thinking, trading). The global training program for university students and graduates (Global Graduates Program) continued to attract, guide and evaluate potential candidates of interest to the Company. Recruiting days have been redesigned, orienting them towards a more inclusive and listening approach, increasingly focusing on relationships and individual experiences, motivations and attitudes as well as specific skills. A new recruitment day format was tested in 2018, it differed in that the candidates were asked to evaluate and vote for the best profiles. After the recruiter had conducted an initial skills and knowledge assessment, the aim was to give young people space to create the new Enel, focusing on creativity, resilience and generosity.

People are being called on to carry out ever new and interconnected tasks for which the acquisition of proficiency, knowledge and skills, but even more of abilities and attitudes, is considered to be an ongoing process of growth. In the light of this, the internal selection system has been strengthened, the so-called **job posting**, which represents an important opportunity to satisfy the needs of the organization and the aspirations of the people who work in the Company. This system makes it possible to promote internal mobility, acquiring of transversal skills, and integration of cultures and professionalism in the various countries in which the Group operates. Internal mobility, in fact, becomes an enabler in facing the challenges presented by the current scenario, favoring resilience, flexibility, collaboration and trust between people.

During 2018, a new IT platform was also launched globally to manage the process, with regard to selection both internally and externally, which allows closer monitoring and therefore greater effectiveness of the process itself.

If the system of working relationships changes, from an environment in which the relationship is strictly that of worker-manager to a much wider, transversal, informal working environment, the philosophy of assessing people also changes. In fact, the last year has seen

the introduction of **Open Feedback**, an original and innovative system based on the complete and open exchanging of feedback (manager / collaborator / colleagues / agile team members). Open Feedback recognizes the transversality and multidirectionality of labor relations at Enel, favoring exchange and reciprocity and requires responsibility in giving feedback and confidence in receiving it, which are two of Enel's core values. In particular, the qualitative evaluation, which focused on the four Enel values set out in the 10 Open Power forms of conduct implemented in 2018, involved 100% of the eligible and reachable people[1] and 99% received an evaluation. The quantitative assessment instead was carried out for the population with variable remuneration, and involved the assignment of targets and their subsequent measurement.

To ensure adequate management and measurement of merit, for some years now the Enel Group has also adopted a "**talent management**" process, which makes it possible to manage effectively the governance of managerial positions by facilitating the changeover from one generation to the next through the identification of young people who are making progress. The target is to benefit from the differences in gender, age and culture and to stimulate functional osmosis to promote people growth and, therefore, that of the Group itself. The growing talent pool is the preferred source of new managers, who are appointed following an aptitude and motivational assessment to verify the alignment of the level of responsibility to be assigned to the person with the management model that the Company considers necessary for today and for the future. In 2018, the People Development unit drafted guidelines for the appropriate management and identification of future candidates spread across all Group countries.

To support and sustain the talented young people identified, individual development plans are defined, ranging from *ad hoc* training courses on soft skills to strengthen Open Power behaviors, academic courses with international Business Schools, international mobility, executive coaching courses, mentoring and participation in international conferences and summits.

At the end of 2018 a campaign was launched for the process of defining new **Succession Plans**, the process by which all Group managers are required to identify the best talents that will be ready in the short term (Ready) and in the medium term (Pipeline) to hold managerial positions. To complement the development of successors, the manager and the People and Organization Function identify individuals with potential for growth based on their individual and professional profile, in relation to the positions for which they have been identified.

Among the development programs that aim to increase individuals' work skills to equip them to carry out their activities in a constantly changing world of work, one worth mentioning is "**I-coach**": it is an initiative with voluntary participation, that spreads the culture of coaching and feedback, supporting Open Power change by stimulating the capacity of a personal vision, of training towards new targets and challenges, of improvement and self-development. The course is delivered by qualified coaching colleagues who share their skills, putting their passion at the disposal of others. Each day there is an alternation of practical and theoretical sessions.

The new approach also requires a rethink of the models and processes for training people, working on passions and human contact and favoring the development of relationships as an opportunity for exchange, mutual growth and the understanding of diversity.

In 2018, average *per-capita* training hours was 40.2, up 17% compared to 2017.

The training activities that have been developed on the one hand rely on the opportunities that digital technology offers through online courses or webinars and, on the other hand, focus on forms of experiential training and personal empowerment, through workshops, and visits to company facilities or external sites. During 2018, the development of new e-Ducation online platform was completed in Italy, Spain, Romania, Russia, Argentina, Brazil, Chile, Colombia and Peru. 15 online courses were launched, including digital skills (Digital Pills), data protection (GDPR), purchasing procedures (RDA), energy saving, E-Distribuzione customer relationship methods (Open Knowledge), the use of the new recruiting platform, cyber security. The online "Human Rights" course was launched, to inform and raise awareness for all people on this strategic issue for the Group; two online courses were provided on anti-corruption, in Italy this related to Model 231 and the associated legislation for Italian personnel, and in the rest of the Group to international regulation (Enel Global Compliance Program), to promote the spread of a fair, transparent and legal business culture.

Specific training courses were also offered to develop the leadership team, with the aim of developing cross-business and soft skills. The development of these courses involved authoritative and recognized strategic training partners, both nationally and internationally. Executive learning sessions were organized to examine strategic issues shared by the heads of the various Group Business Lines (so-called "off-site"), and recreational and/or experiential activities aimed at promoting commu-

nication, team spirit and improving the overall performance of the group, in view goals or team building.

There are also initiatives based on the mutual exchange of knowledge and best practices, such as **train-the-trainer**, in which people make their knowledge available for the benefit of others, thus making it possible to maximize the skills already existing internally, and disseminating them to the entire Enel population. Mentoring, coaching or **job shadowing** thus become educational-experiential methods that lead to a sharing of ideas, and the diffusion of skills and innovation, favoring the personal and professional growth of the people involved and creating a fundamental competitive advantage in today's market in terms of the growth of the corporate human capital. The job shadowing project in particular, launched in 2017 for senior managers of the Group only, evolved during 2018 to also involve the growth of young people, in order to build relationships and share experiences between people with different levels of professional seniority, in a mentor-mentee logic of mutual and reciprocal exchange.

With regard to digitalization, in 2018, Enel launched a program for the dissemination of digital skills, with the aim of involving the entire corporate population by 2020 and keeping this percentage constant in 2021. In particular, various training programs were launched in the various company areas. Furthermore, two training courses have been designed that are available via the online corporate platform: the course "Digital Pills", the target of which is to give a perspective on the main digital issues in today's working world, divided into 18 video pills lasting an hour on the following subjects: digital transformation, the agile methodology, data, innovation methodologies and the digital revolution; the "Digital Work" course, a training course that aims to develop people's skills in the use of work tools. **In the last year, approximately 35% of the population was involved in initiatives to develop digital skills**. Continuing the leadership evolution path (from Leader to Coach), launched in 2017, Enel designed cultural transformation "journey", called "**Leadership in Digital and Data Driven Transformation**", addressing Digital and Data Driven issues for Management. During these meetings, dialogue is encouraged between the best Italian and international companies, and innovators in business model transformation and digital culture development.

Finally, in 2018, the Schools and the Academies continued their training initiatives created with the aim of translating the specific technical and specialist training needs of the various business areas and contributing to the development of managerial skills within them. Between 2016 and 2018, **nine Schools** were set up with the involvement of university partners and/or renowned research institutes, this involved around 1,400 people from the entire Group, along with **five Academies**. The **EGP School of Business Development** is an example of a training and development program, scheduled for the 2017-2020 period, it involves people from all the countries where Enel Green Power carries out business development activities. The main objectives of the project are: to provide structured knowledge for interpreting the role of the business developer in an innovative, effective and proactive manner; to prepare participants to face the challenges relating to their role, with an innovative approach to problem solving and an entrepreneurial approach to thinking, planning activities and making decisions; to improve participants' awareness of being part of the same community of professionals; to form a group of people who are ambassadors of Enel values and behavior in the world.

1 Eligible and reachable: people who have a permanent contract and have been in the workforce for at least 3 months during 2018.

Listening and dialogue

102-43

An important element of listening within the Company is the climate survey, which allows us to identify areas of improvement and collect suggestions on issues and aspects of working life. During 2018 the structure of the survey was revised thanks to a long process of simplification. The result was the definition of 20 questions divided into three key themes: Well-being, Engagement and Safety. The introduction of the topic relating to well-being is a new departure in line with the new approach that puts people as the foundation of the Group's Open Power model. The topics that explore the dimension of involvement, on the other hand, are connected to the areas of motivation, satisfaction and well-being, while the topic of personal safety is confirmed as a central theme in the Company's vision. At a global level, 100% of the Enel population[2] has been involved, evaluating issues such as courtesy, respect, collaboration, the work-life balance, motivation, meritocracy and collaboration, with a participation of 86% and a level of engagement[2] of 81%. The analysis of the information and needs collected will allow global and local action plans to be defined that will address the areas of improvement identified.

Another important tool for listening and staying close to people consists of discussions with the People Business Partners, individuals within the Company whose task is to listen, and also to report back on labor practices, and to identify the needs of people so as to integrate them with the needs of the organization. These individuals are backed up by the People Support Points, real physical meeting points that people can refer to in order to resolve administrative and operational issues regarding their employment relationship.

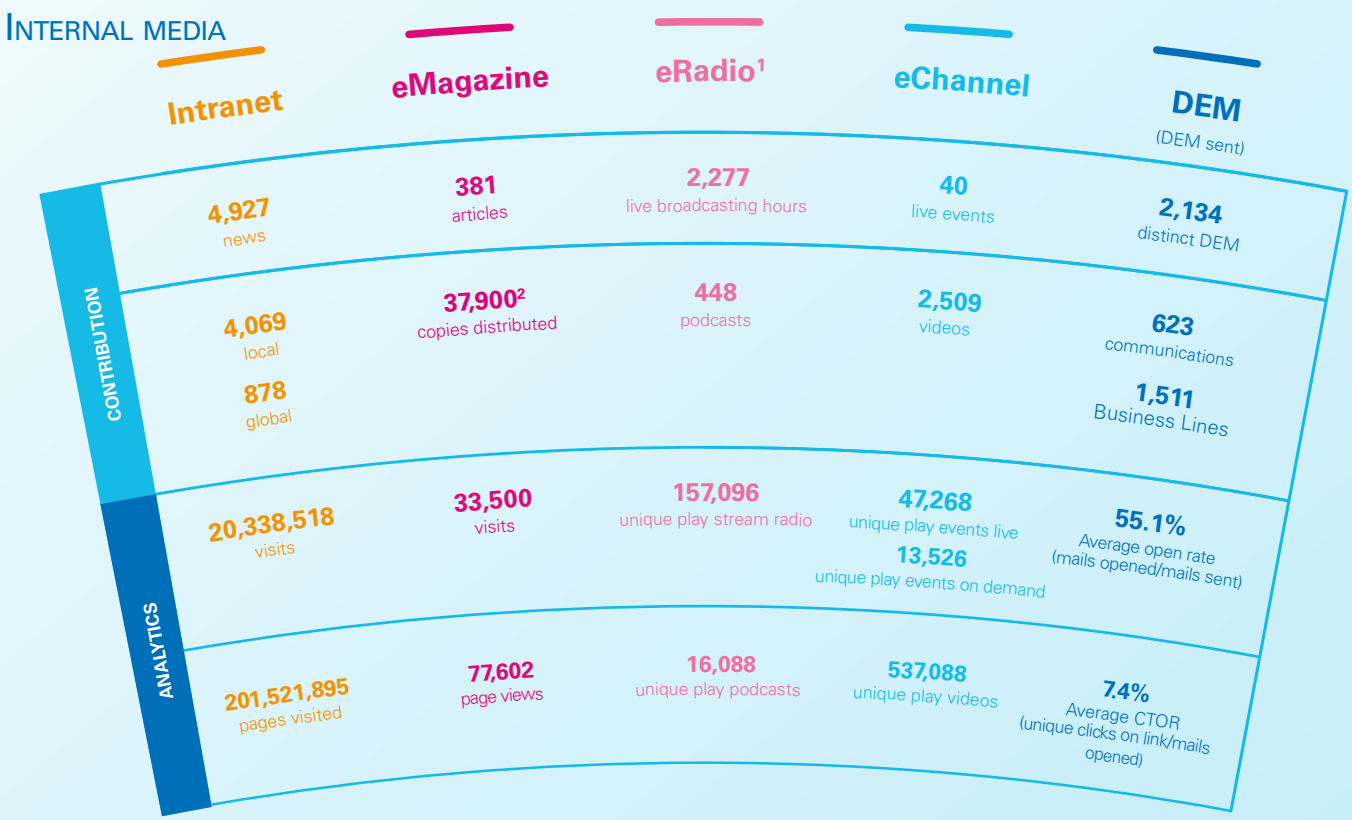
2 Eligible and reachable: people who have a permanent contract and have been in the workforce for at least 3 months during 2018. The company Eletropaulo was not involved, because it was acquired during the year. The engaged employees are those who can be described as highly or partially involved, satisfied and dedicated to their work.

Internal communication

Enel considers internal communications to be an important support in creating the corporate culture and in both organizational and people growth, soliciting and promoting the exchange of information, knowledge and experiences. In 2018, various global campaigns were promoted, including in particular those on Human Rights, the 231 Model in Italy and the Global Compliance Program in the various Group Countries, Diversity and Inclusion and the agile approach.

Internal communication is also the main vehicle for disseminating Enel's strategy and short-term targets. A key moment is the "Cascade Process", which starts from the company convention and which, in 2018, involved almost 400 senior managers of the Group in sharing the results of 2017 and the challenges of 2018, as well as the Group's Strategic Plan. The "Cascade Process", with 163 events worldwide, involved 15 countries and saw the participation of almost 40,000 people, a slight decrease compared to the previous year (-9%). A section of the company intranet was dedicated to the project, and was available in three languages.

In 2018 Enel's internal media platforms were further developed to ensure that the contents reached the entire corporate population in all countries and regions, as well as being accessible from mobile devices and from outside the company network.



(1) Present only in Italy.
(2) Italian, English, Spanish, Russian, Rumanian.

Diversity and inclusion

103-2 103-3 405-1

Enel's commitment to diversity and inclusion is a process that began in 2013 with the issuing of the Human Rights Policy which was followed in 2015 by the Policy "Diversity and inclusion", in conjunction with adherence to the seven principles of WEP (Women Empowerment Principles) promoted by the UN Global Compact and UN Women and in line with the Sustainable Development Goals of the UN to which Enel is committed.

Enel's approach is based on the fundamental principles of non-discrimination, equal opportunities and equal dignity for all forms of diversity, inclusion, and work-life balance. The application of the policy made it possible to develop global and local projects to enhance the diversity of gender, age, nationality and disability and to spread the culture of inclusion in all organizational contexts, thanks also to the commitment of all company management. The definition of a detailed set of internal indicators, associated with the different actions and aspects, allows for the periodic monitoring of Policy's impact on a global level. Results can be shared at the different company levels, to ensure maximum awareness of the progress of the objectives and to promote sharing of best practices. In addition, the Global People Care and Diversity Management unit was created in the People and Organization Function in 2016. It has the role of driving and supervising the Policy implementation, and promoting initiatives and projects relating to diversity and inclusion.

In recent years, various activities have been carried out to raise awareness about these issues, through the design and implementation of global communication and involvement initiatives, and the coordination of various initiatives developed in the Group's individual countries.

At the end of 2018 a global communication campaign was carried out, alongside the events and initiatives organized during the **Diversity & Inclusion Days**, two days dedicated to experimenting and understanding how diversity and inclusion are a value for themselves and for the business. In the same days, at the same time, in the main Enel offices of the various countries, information and experiential activities were carried out that were open to all, to enable them to experience the richness of changing one's perspective and to teach inclusive behaviors, as well as informational events on burning issues.

Enel also confirmed its commitment to

Policy on "Diversity and inclusion"

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

diversity and inclusion by defining specific public objectives that are part of the 2019-2021 Sustainability Plan. These were analyzed by the Corporate Governance and Sustainability Committee and the Control and Risks Committee and subsequently approved by the Board of Directors.

Gender diversity

In December 2018, in line with the previous year, **women represent 21% of the entire Group population** and the percentage of women hired is equal to **29% of the total recruitment**. In particular, Enel is committed to ensuring a fair representation of both genders in the initial stages of the section and recruitment process, with the aim of reaching 50% women in the selection process by 2020. This indicator is monitored through a detailed reporting system, shared with all the recruitment units of the different countries. **At the end of 2018, women in the selection pools equaled 39%**[3], up from the previous year (35%) and in line with the objectives set and published.

As part of the process that aims to encourage a reduction in the gender gap, the Group paid particular attention to promoting **the access of female students to technical faculties** (Science, Technology, Engineering, Mathematics - STEM) through awareness-raising initiatives – in schools, universities and in corporate offices – in Italy, Brazil, Spain, Greece, Chile and Colombia. In Italy and Spain, two editions of the "Girls in ICT" event were held, followed by a "Leader for a day" shadowing program, which involved some of the female students

shadowing young Enel digital professionals for a day.

To enhance the parenting experience, specific maternity and paternity programs are in place.

Enel has always been sensitive to issues of work-life balance and support for parenting. Over time, particularly in Italy, it has introduced numerous measures that go beyond legal requirements, aimed at improving people's well-being and promoting a positive Company climate. For maternity leave In Italy, Enel pays 100% of salary for the mandatory first 5 months, compared to the 80% required by law; for paternity leave, it specifies a further 5 days of paid leave in addition to the 5 days required by law. Regarding parental leave in Italy, the Enel collective bargaining agreement stipulates 45% of salary to be paid for the first month and 40% for the second and third months, while the law requires 30% of salary for the first 6 months. In many countries (Argentina, Brazil, Guatemala, Mexico, North America, Colombia, Peru and Spain), Enel provides for both additional days of maternity leave and higher remuneration compared to legal requirements. In Russia, Romania, Greece and Panama, financial support is provided upon the birth of a child, while, in South Africa, full salary is paid during leave, although not required by local legislation.

Active at a global level, the **Parental Program** has been set up, with a significant increase in women involved in all countries where the Group operates. The project aims to promote corporate and personal awareness of the value of parenting and to reconcile personal and professional needs regarding this important stage of life, including structured talks during parental leave between the employees, their line managers and the personnel manager. In 2018, an internal assessment was carried out on the regulatory differences and on parenting support initiatives operational in each country. On the basis of the evidence that emerged, a work group was set up to relaunch the program in 2019. In 2017, in Italy thee **MAAM** (Maternity as a Master) project was launched, which supplements the Parental Program with a digital platform and social community in order to facilitate dialogue between peers and experts and enhance the relational, organizational and innovative skills emerging from the experience of parenting.

In Italy, a course on women's leadership was held to enhance the role of women in the Company. **Take Care** seminars were also held, aimed at a person's all-round well-being, and the "**First Day of School**" initiative was launched, which allows mothers and fathers to accompany their children to school on their first day.

In addition to the actions outlined in the policy, periodic monitoring of the presence of women in managerial positions and wage equality is carried out. In the last year the number of women managers increased by around 14% and the RAL report Women managers/RAL Man managers is about 85%, up compared to the previous year (about 82%). In fact, Enel is committed to enhancing diversity and creating a pipeline of future women in top positions, by implementing specific management actions, the results of which can be fully appreciated in the medium to long term considering the effects of the generational dynamics. In the short term, fair wages are effectively guaranteed for new manager appointments. In general, the global index trend relating to wage equality is influenced by the different average wages in the countries in which the Group operates and by the incidence of the acquisition or divestment of companies. As evidence of its commitment in the countries where it operates, Enel was awarded the Equipares Gold Labor Equality Seal in Colombia, the highest level of recognition for corporate gender equality management systems, promoted by the Ministry of Labor with the support of the presidency for gender equality.

There were numerous awareness-raising initiatives for the various international days devoted to women (March 8 - International Women's Day, and November 25 - International Day for the Elimination of Violence Against Women). Women's self-defense classes were held in Italy and South Africa, a web series was created in Peru – #SinExcusas – to raise employee awareness on sexual abuse in the workplace, and specific awareness-raising campaigns were launched in Spain, Greece and Romania.

3 Workers and the US perimeter are excluded from the selection pool since the local legislation protecting anti-discrimination practices in the recruiting phase does not allow data monitoring.

Age diversity

In 2018, tutoring programs continued for newly hired junior employees to assist them in their entry in Enel. The initiative is part of the onboarding process in the Company, and, since 2018, the assignment of a tutor is a mandatory part of the recruitment process.

Knowledge transfer opportunities are also active. Each Country and Business Line identifies the most appropriate ways to promote inter-generational exchange, involving senior colleagues (mainly on technical subjects) and junior staff (mainly digital skills) as internal trainers or experts. In 2018, around 600 senior staff shared their knowledge with over 6,000 colleagues and around 300 junior staff held training and information sessions with over 1,700 colleagues.

The "**Job Shadowing**" program was launched on a global level, between managers and young people, aimed at facilitating the exchange of skills, managerial styles, values and the Open Power approach, to promote mobility, knowledge sharing and to consolidate the professional network.

Given the growing importance of the issue of intergenerational dialogue, various studies, benchmark assessments and feedback sessions were conducted in 2018 aimed at identifying the specific nature of different generations and how to respond effectively to encourage dialogue and corporate well-being. Specifically, an inter-functional team was set up in Italy to focus on current demographic trends. It conducted a survey on a representative sample of over 2,500 Enel employees in Italy to explore the representation, expectations and motivation of the different generations in the workplace. In addition, structured interviews were conducted with around 600 colleagues specifically to investigate the needs of the over-50s. The "Digital Pass" survey was launched for all colleagues working in the People and Organization Function in each country to map the skills, attitudes and digital proactive behavior of the Enel workforce, in both their professional and personal lives, and to consequently identify a training plan. Following the survey, a "Digital Caring" course will be provided for all employees but designed primarily for those less comfortable with e-commerce.

Disability

For Enel, managing diversity also means providing people with the tools, services and processes that allow them to carry out their work in full autonomy. In 2018, in line with the policy, disability focal points are in place in all the main countries where Enel operates. The issue is particularly relevant for Italy (which has almost 1,800 differently abled employees, 82% of the Group total). Two focal points have thus been identified, one country-specific, the other for one of the major Group companies (E-Distribuzione). In addition, numerous projects have been launched to facilitate the integration of differently abled people into organizational contexts. In Italy, as part of the communication campaign "Avanti Tutti" ("All Going Forward"), initiatives have provided innovative digital tools to create inclusive environments and to promote autonomy for all, making life in the organizational context easier and more productive. In Spain, a specific consultancy program is envisaged, while the Plan Familia project offers support to Enel people who have family members with disabilities. Many countries also organized awareness-raising events and initiatives on the issue of disability as part of the Diversity & Inclusion Days, involving all countries where the Group operates. On this occasion, an information brochure was published in Italy, with the aim of facilitating communication with deaf and blind people.

Work-life balance, people care and corporate welfare

103-2 103-3 401-2

Enel is a company that pays attention to organizational and personal well-being and has been committed to promoting work-life balance solutions for several years. We also look to support the real daily needs of people, to respect all situations in which a person can find themselves during their working life, including unforeseen circumstances. The different active flexibility measures and smart working, in particular, are enabling factors for both work-life balance and inclusion. Smart working, in particular, represents a new challenge for reconciling the needs of workers with those of the company, it incorporates trust, one of Enel's core values, because the work relationship is based on concrete objectives and results, rather than on physical presence in the office. The **smart working** program started in Italy in 2016 and was subsequently extended to the Group's other countries, it currently involves over 10,000 people in Italy alone.

Family care initiatives continued. In Italy, in addition to the **Push to open** and **Push to open junior** orientation projects for the children of colleagues in high and middle schools, the **Millennials Enel Day** educational and professional orientation project continues for the children of employees aged between 18 and 27 years. After the launch in Italy in 2016 and in Spain in 2017, the project was extended to Romania and six workshops were held in 2018, three in Italy, two in Spain and one in Romania.

(1) Argentina (smart working), Brazil (smart working, telecommuting, hours bank, flexible schedule), Chile (smart working, flexible schedule), Colombia (smart working, hours bank, flexible schedule) and Peru (smart working, flexible schedule).

(2) In Italy, telecommuting entails working mostly from home, going into the workplace once or twice a week. In Latin America, it entails working from home only one or two days per week.

In 2018, the **Together Digital Day** project was also developed in Italy, an interactive workshop for Enel people and their children aged between 8 and 16, which aims to promote awareness of the digital world and disseminate basic programming languages for children, while for parents the goal is to increase knowledge of the web and cyber security.
Many initiatives concerning personal care and psychophysical well-being were offered including yoga, pilates and postural gymnastics courses, food and relational well-being seminars.
In Italy, Enel envisages the possibility of transferring holidays and rest, as an act of solidarity between colleagues in the same company, to help minor or adult children, parents, spouses, parts of the civil union or cohabitants that require constant care or in the event of very serious personal or family situations. In addition to the days of leave donated by colleagues, Enel offers the same amount of paid permits.
In December 2018, Enel Energia obtained confirmation of the **Family Audit Executive Certificate**, for the first year of maintenance. Enel Energia was among the first companies to join the national trial of this certification, presenting and implementing an action plan relating to good work-life balance practices, organizational well-being and welfare.

Supplementary healthcare and complementary pensions

103-2 103-3 201-3 401-2 404-2

In most of the countries where the Group operates, supplementary healthcare insurance is available at favorable conditions compared 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. 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, 2018, the employees covered by the pension plan in the Enel Group are 68% of the population. The pension funds are mainly in Italy (Fopen and Fondenel), Spain and Brazil.

MANAGEMENT OF RISKS CONNECTED TO BUSINESS TRAVEL

Since 2016, Enel colleagues who are traveling 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. Since 2018 the model is active in all the countries of the Group, covering 100% of the international and intercontinental travels thanks to the integrated Travel Security system. Due to the continuous evolution of the Company in new countries with the Business Lines Enel X and Enel Green Power, the 2019 target will be the progressive extension of the system even for the new countries, ensuring the same level of service.

Industrial relations

103-2 103-3 402-1

Enel applies the labor law of the various countries in which it operates 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 appropriate level of agreement from employees on corporate strategies. In 2018, the percentage of employees covered by collective bargaining agreements was 91.5%, a slight decrease compared to 2017 (91.9%).

The Group's industrial relations activities continue to be carried out according to the model set out in the Enel Global Framework Agreement (GFA), signed in Rome in 2013 by the Italian trade unions and the global trade unions IndustriAll and Public Services International. The agreement is based on the principles of human rights, labor law and the best and most advanced transnational industrial relations systems used by multinational groups and leading international institutions, including the ILO. These principles include the remuneration principle, according to which the minimum remuneration received by Group employees cannot be lower than the minimum set in the relevant collective bargaining agreements, laws and regulations in force in each country, as per the ILO conventions. Enel guarantees that the principle of fair income will be respected in all the countries where it operates.

As part of this agreement, Enel recognizes the right of its employees to set up or join trade union organizations aimed at defending their interests. It also recognizes their right to representation, within the various production units, by trade unions, or to other forms of representation elected according to the laws and practices in force in each country. Enel recognizes the value of collective bargaining as a tool for determining the contractual conditions of its employees, as well as for regulating the relations between company management and trade unions. Enel respects the principle of trade union independence and does not interfere in any way with the managing of representation, allowing its employees' representatives access to the workplace to communicate with those they represent, in compliance with the legislation and industrial relations procedures in force in each country. Enel provides appropriate information to its employees and the trade unions that represent them, in order to facilitate collective bargaining. The GFA agreement has also been recognized and commended as best practice at the level of EU and non-EU multinationals. Enel makes all information available to its employees relating to collective agreements and trade union agreements, as per current regulations, via the corporate intranet. In the event of organizational changes, Enel provides prompt notice as per the table below. In the general **Open Corporation** classification for 2018, Enel ranked first of over 2,300 companies around the world, improving from second place last year. Open Corporation is a project, launched in 2017, which evaluates multination-

als based on different quality and sustainability parameters: social dialogue, working conditions, social responsibility, financial dimension, diversity, accessibility, environment and transparency. The Open Corporation paid particular attention to the trade union aspect, which groups social dialogue, working conditions and social responsibility together.

Country	Minimum period	Legal provisions/collective agreements
Italy	25 days.	Legal provisions
Spain and Portugal	30 days.	Guarantee Framework Agreement of Endesa SA and subsidiaries in Spain (September 12, 2007)
Russia	60 days.	Legal provisions
Romania	Obligation to inform and consult worker representatives on business developments and to inform them periodically about the Company's economic situation. For group layoffs, at least 30 days' notice for the trade union organizations and 20 days' notice for workers. The maximum period for the group layoff procedure is 90 days.	Legal provisions Collective agreement
Argentina	Obligation to periodically update worker representatives; traditionally the notice period for changes in working hours, employee roles or place of work is 48 hours, although there is no specific regulation.	-
Brazil	Obligation to issue a "timely" notice.	-
Colombia	Neither the law nor collective bargaining provide for a minimum notice period in the event of organizational changes.	-
Peru	Neither the law nor collective bargaining provide for a minimum notice period in the event of organizational changes.	-
Chile	Neither the law nor collective bargaining provide for a minimum notice period in the event of organizational changes.	-

Growth across low-carbon technologies and services (1/2)

102-15

Plan 2018 > 2020 Growth across low-carbon technologies and services

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Reduction of CO_2 specific emissions 13	< 0.350 $kgCO_2/kWh_{eq}$	0.356 $kgCO_2/kWh_{eq}$[1]	E Environmental footprint
Development of renewable capacity and reduction of thermal capacity 7 13	+7.8 GW renewable capacity[2] -7.3 GW thermal capacity	+3.1 GW renewable capacity[3] -0.2 GW thermal capacity	I Industrial growth E Environmental management
Implementation of environmental international best practices to selected coal plants 13	500 mil euros of investments for environmental retrofit	82 mil euros	E Environmental management
Electrification, storage and real time demand response 9 13	+200 MW/yr storage capacity[4] +5.0 GW demand response	3 MW/yr storage capacity 6.2 GW demand response	T Technologies and digitalization I Industrial growth E Environmental management S Social inclusion
Roll out of fiber optic network in Italy 9 11	7.5 mil households[5]	4.1 mil households[6]	T Technologies and digitalization I Industrial growth E Environmental management S Social inclusion
> Promotion of activities in line with the UN campaign "Making Cities Resilient" > MBA-PhD training about resilience in the countries where the Group operates 11 17	> 300 municipalities involved > 600 people involved	> 110 municipalities involved > 220 people involved	E Environmental management S Social inclusion G Partnerships

I Industrial E Environmental S Social G Governance T Technological

Plan 2019 > 2021 Growth across low-carbon technologies and services

ACTIVITIES/SDGs	TARGETS	CATEGORIES
Reduction of CO_2 specific emissions 13	0.23 kg/kWh_{eq} in 2030[7]	E Environmental footprint
Development of renewable capacity and reduction of thermal capacity 7 13	+11.6 GW additional renewable capacity[2] -7 GW thermal capacity	I Industrial growth E Environmental management
Implementation of environmental international best practices to selected coal plants 13	340 mil euros of investments for environmental retrofit	E Environmental management
Electrification, storage and real time demand response 9 13	> 9.9 GW demand response > 173 MW/yr storage capacity[4]	T Technologies and digitalization I Industrial growth E Environmental management S Social inclusion
Roll out of fiber optic network in Italy 9 11	8.5 mil households[5]	T Technologies and digitalization I Industrial growth E Environmental management S Social inclusion
> Promotion of activities in line with the UN campaign "Making Cities Resilient" > MBA-PhD training about resilience in the countries where the Group operates 11 17	> 240 municipalities involved > 600 people involved	E Environmental management S Social inclusion G Partnerships

1 Includes managed capacity. The value considering only consolitated production is equal to 0.369 $kgCO_2/kWh_{eq}$.
2 Includes managed capacity.
3 Including acquisitions for 0.2 GW and managed capacity for 0.4 GW.
4 Restated target on the basis of the only Enel X perimeter.
5 Only in Italy, A and B areas.
6 Only in Italy, A and B areas. The value added in the A-B and C-D areas is equal to 5.1 mil households.
7 CO_2 specific emissions will be < 0.345 kg/kWh_{eq} in 2021.

Growth across low-carbon technologies and services (2/2)

Plan 2018 > 2020 Environmental sustainability[1]

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Launch of a circular economy (CE) strategy in new countries[2] 12	4 new countries	> Workshop in Chile with the top management > Consultation in Spain on circular economy strategy	E Circular economy I Operational efficiency
Launch of CE projects in Company's Business Lines 12	4 projects	> Circular Procurement > Enel X in "dedicated" areas	E Circular economy I Operational efficiency
Strengthening of partnerships and collaborations about CE 12 17		> Circular economy alliance > Collaboration with Arup > Founding members of ICESP[3]	E Circular economy G Partnerships
Measurement of the Group's circular EBITDA and target setting 12		Defined methodology with a pilot project on Enel X	E Circular economy I Industrial growth

I Industrial E Environmental S Social G Governance T Technological

Plan 2019 > 2021 Growth across low-carbon technologies and services

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Methodology finalization for Group's circular financial metrics and extension to the Business Lines 12		E Circular economy I Industrial growth
Development of Circular Community's activities 12		E Circular economy
Launch of the internal Circular Academy 12		E Circular economy
Strengthening of partnerships and collaborations about CE 12 17		E Circular economy G Partnerships
Number of new countries involved in CE strategy 12	5 new countries	E Circular economy I Operational efficiency
Number of CE projects launched, inter- and intra-Business Lines 12	6 projects	E Circular economy I Operational efficiency

1 In 2018-2020 Plan the following targets were included in "Environmental sustainability".
2 A CE strategy has currently been launched only in Italy.
3 Italian Circular Economy Stakeholders Platform.

Growth across low-carbon technologies and services

See the Appendix
Performance indicators
102-15 103-2 103-3 201-2

Enel's commitment to combat climate change

Combating climate change and protecting the environment are among the responsibilities of a major global player in the energy industry such as Enel as we seek to achieve the full decarbonization of electricity generation by 2050, thereby helping to achieve the United Nations' SDG 13.

Global macro-trends such as decarbonization, electrification, urbanization, and digitalization are redesigning the energy industry in the direction of a new ecosystem that is **gradually transforming the traditional model of the utility business**.

It is therefore necessary to **promote the combat against climate change**, one of the primary challenges we face as a society, by promoting a global low-carbon economy. As stated by the World Economic Forum in its 2019 Global Risk Report, climate change is now the leading risk to society and will have a direct impact on long-term business performance.

Therefore, combating climate change and protecting the environment are among the responsibilities of a major global player in the energy industry such as Enel as we seek to achieve the full decarbonization of electricity generation by 2050, thereby helping to achieve the United Nations' SDG 13. We are also committed to developing a business model that is aligned with the objectives of the Paris Agreement (COP21) to maintain the average global temperature increase well below 2 °C compared with pre-industrial levels and to continue with efforts to limit this increase to 1.5 °C within a strategy based on a long-term view translated into practical objectives. In addition to actions that focus on the generation mix, Enel is active in digitalization, electric mobility, energy efficiency, and innovation. Within this landscape, Enel's commitment to the circular economy, which unites innovation, competitiveness, and environmental sustainability, engages all areas of the Group in working towards these objectives.

Enel is also committed to promoting **transparency of disclosure with regards to climate change,** providing information regarding the management of issues relating to this matter, as stated in the **recommendations put forth by the Financial Stability Board's Task force on Climate-related Financial Disclosure (TCFD)**, later on in the present chapter.

Enel and the global perspective on climate change

The United Nations Framework Conventions on Climate Change: from the COP21 to the COP25

The agreement reached during the 2015 United Nations Climate Change Conference in Paris (COP21) marked a fundamental step forward in the combat against climate change. The conference resulted in a plan to control climate-altering emissions over the medium and long term, with the support of a solid regulatory governance, which has traditionally been uncertain due to continual political changes. The main aim of the agreement is to limit the increase in global temperature to below 2 °C and to strive not to exceed 1.5 °C.

In November 2016, COP22 was held in Marrakesh. Participants made progress with the technical discussions on procedures to implement the Paris Agreement for post-2020 and the strength of the political commitment following Paris Agreement was confirmed. In the short term, implementing instruments will be necessary for the continuity of the operations and to ensure stability for long-term investments. However, 2017 was the year of the COP23, which was held in Bonn and looked at issues regarding the transparency of monitoring, reporting and verification procedures and the criteria for periodic assessment and the potential updating of the relevant targets.

The COP24, the last climate conference organized by the UN in Katowice, Poland, ended on December 15, 2018, the aim was to implement the Paris Agreement through a series of clear rules for assessing the commitments made by each individual country with a view to tackling climate change. This goal was achieved with the unanimous approval of the so-called "Paris Rulebook", as required by the regulation, which actually outlines the criteria for reporting, monitoring and reviewing the commitments made. On the other hand, as announced in the COP24 closing statement, COP25 will take place in Chile in December 2019.

The Enel Group recognizes the vital role that the private sector must play in upholding the shared commitments made in the framework of the various COP meetings held over the years. In particular, the transformation in the energy sector are heading precisely in this direction and there is no turning back: the trend is toward a system that relies increasingly on renewable energies, decarbonization, energy efficiency and digitalization. Enel is leading this transformation and is fully aware of the positive contribution that such events driven by the United Nations can make to tackle climate change. Thus, the Group supports them every year, participating in and running various events and discussions relating to the energy transition, continuously promoting the development of ambitious targets and requesting governments to introduce clear climate guidelines that will contribute to achieve a low-carbon economy by 2050.

The regulatory framework on climate change in 2018

Regulating greenhouse gas emissions

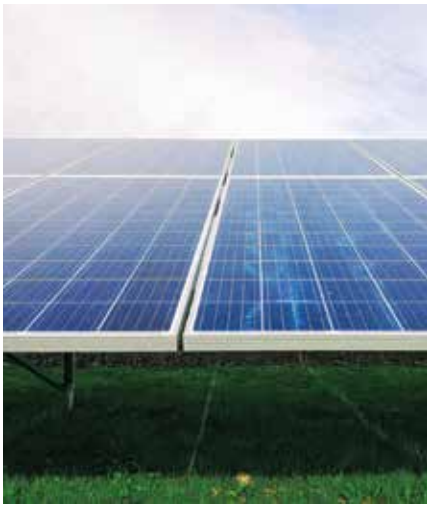
The European Parliament and the Council formally approved a review of the EU's ETS Directive for the 2020-2030 period, which then came into force on April 8, 2018. In order to meet the target of an overall reduction in greenhouse gas emissions of 40% by 2030 in relation to 1990 levels, those sectors involved in the EU's Emissions Trading System (EU-ETS) will need to reduce their own emissions by 43% in relation to their 2005 levels. The new ETS Directive will make this possible through a series of interrelated measures. In order to accelerate the emissions reduction process, the overall number of emission permits will be reduced as of 2021 at an annual rate of 2.2%, as opposed to the current rate of 1.74%. The market stability reserve (MSR) – the mechanism introduced by the EU to reduce the abundance of emission permits on the market and improve the resilience of the ETS to withstand future shocks – has been substantially reinforced.

The "Clean Energy for All Europeans" legislative package

On November 30, 2016, the European Commission released the "Clean Energy for all Europeans" legislative package containing a series of legislative proposals regarding European policy on climate and energy. The package notably contained the following Regulations and Directives, some of them revised, others brand-new: The Electricity Regulation, the ACER Regulation, the Risk-Preparedness Regulation, the Energy Union Governance Regulation, the Electricity Directive, the Renewable Energy Directive, the Energy Efficiency Directive and the Energy Performance in Buildings Directive.

The most relevant Directives and Regulations to the electricity sector are as follows:

- **Review of the European Directive and Regulation on the domestic electricity market** - On December 19, 2018 the European Parliament and Council of the European Union reached a political agreement on two of the main dossiers relating to the "Clean Energy for All Europeans" legislative package released on November 30, 2016, namely the European Directive and Regulation on the domestic electricity market. The agreement that the European legislators reached represents a major milestone with regards to the updating of the Community regulatory framework and that of the Member States with a view to efficiently incorporating renewable sources and new technologies into the electricity system, standardizing the functioning of the markets, providing efficient indications with regards to investments and guaranteeing that customers are put at the heart of the matter;
- **Directive EU 2018/2001 on the promotion of the use of energy from renewable sources** - The new directive on the promotion of the use of energy from renewable sources produced by the European Parliament and the Council of December 11, 2018 was published in the Official Journal of the European Union on December 21, 2018. The primary objective of Directive 2018/2001, which abrogates Directive 2009/28, is to accelerate the energy transition in favor of developing renewable energies. With this in mind, the directive sets a new binding European target for 2030 of energy from renewable sources accounting for at least 32% of the Union's gross final energy consumption, including a provision for this figure to be revised upwards by 2023;
- **Directive EU 2018/2002 on energy efficiency** - The new directive on energy efficiency produced by the European Parliament and the Council of December 11, 2018 was published in the Official Journal of the European Union on December 21, 2018. The directive sets a new European energy efficiency target for 2030 of at least 32.5% in relation to the baseline scenario, including a provision for this figure to be revised upwards by 2023. It also places an obligation on Member States to achieve an annual reduction in final-use energy consumption of 0.8% over the 2021-2030 period that must be adhered to through a series of mandatory schemes involving energy operators or alternative measures. The Member States must adopt the provisions of the directive by June 25, 2020;
- **Directive (EU) 2018/844 on the energy performance of buildings** - Directive (EU) 2018/844 on the energy performance of buildings, which modifies the previous directive on the matter and part of the directive on energy efficiency, came into force on June 9, 2018. The new directive provides that each European Union Member State introduce a long-term strategy to support the renovation of the country's residential and non-residential buildings in both the public and private sectors with a view to achieving a decarbonized and highly energy-efficient building stock by 2050;



- **Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action** - The new Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action was published in the Official Journal of the European Union at the same time as the directives on the promotion of the use of energy from renewable sources and on energy efficiency. This regulation introduced a governance mechanism aimed at achieving the Community objectives regarding greenhouse gas emissions in accordance with the Paris Agreement and the Community objectives for 2030 with regards to energy and climate. The Regulation also seeks to ensure greater regulatory certainty as well as greater certainty for investors.

"Clean mobility" legislative package

The European Commission completed the release of the "Clean mobility" package it began working on in 2017 during 2018. The package comprises three parts, the first two of which were published in 2017 and the third in May 2018, and contains a series of legislative proposals and other initiatives designed to make traffic safer, reduce CO_2 emissions and air pollution, and support the development of zero and low-emission vehicles and the creation of a European battery production network.

Enel's positioning

The decision-making and regulatory processes of the European Union (EU) are shaping the current energy transition. This, in turn, has an effect on companies' business models and on the behavior of consumers and citizens, and directly impacts national legislation in the countries where the Group operates. Furthermore, given its transnational nature and current global challenges, the European legislative process is becoming increasingly complex, requiring ever closer cooperation between the EU institutions and other stakeholders. With all this in mind, Enel decided several years ago to introduce a Europe and Euro-Mediterranean Affairs Function to monitor relevant topics and represent the Group before institutions, organizations, associations and other active counterparts at European level. One specific unit is responsible for consolidating and representing the Group's position on policies relating to climate change, low-carbon policies, international regulation of the carbon market, the environment, and security of supply. This unit also allows Enel to support climate protection initiatives and continue to engage institutional stakeholders, trade associations, non-governmental organizations and the academic world. This sort of engagement with stakeholders also helps to develop the European regulatory framework towards ambitious climate targets. It also guarantees a certain coordination between the various business areas and the various countries in which the Group operates with a view to ensuring that all regulatory processes, at both national and European level, of which the company is encouraged to be part are fully in keeping with Enel's strategy for promoting a low-carbon energy model and the electrification of energy demand.

To that effect, and with reference to the EU's ETS Directive, Enel recognizes the role of the Directive in providing an adequate price signal associated with CO_2 emissions and believes the "cap and trade" mechanism to be the most effective way of reducing emissions, particularly in the case of industrialized economies, since setting a target in terms of absolute value ensures that the environmental target can be applied whilst the price signal set by the market guarantees economic efficiency. Enel therefore welcomes the outcome of the EU's ETS Directive for the 2021-2030 period and considers the latter to be the basis for the EU's climate policies, supplemented with other policies that make it possible to achieve climate targets whilst at the same time protecting the competitiveness of the EU. The obligations imposed by the EU's ETS system have been largely integrated into Enel's long-term strategy aimed at achieving decarbonization by 2050 by increasing renewable capacity and gradually reducing thermal capacity. In this respect, a price signal that is stable in the long-term for investments in low-carbon technologies and consistency between European and national policies are vital to strengthening the role of the EU's ETS in driving a reduction in emissions. Furthermore, the EU's ETS system allows to use a framework that is already standardized at EU level and that guarantees technological neutrality and the equal treatment of market operators. Based on these considerations, the Enel Group does not support the introduction of national taxes on CO_2 (or carbon price plans) in sectors covered by the EU's ETS since this would significantly distort competition within the EU single market and increase the overall cost of achieving the desired environmental outcome.

Over the course of 2018 Enel took part in various public consultations, meetings, conferences, workshops and other events relating to the "Clean Energy for All Europeans" legislative package, welcoming the acknowledgment of energy efficiency as a key pillar of the low-carbon energy transition and helping to establish a reliable system for the purposes of increasing renewable energies. In this respect, Enel firmly believes that energy efficiency is vital to decarbonizing economic systems and that the switch to electricity as a more efficient energy carrier plays an important role in achieving energy efficiency targets. Many sectors (including the residential, tertiary, industrial and transport sectors) have developed highly efficient

and mature electrification technologies, often with negative greenhouse gas abatement costs and substantial fringe benefits. Nevertheless, their commitment is hindered by the presence of major non-economic barriers. In this respect, the Enel Group continues to call for action in tackling non-economic barriers complemented by an incentivizing regulatory framework to encourage the penetration of efficient electrification technologies within the market. 2018 was a significant year for European energy efficiency policy, not least because it saw the publication of the review of the Directive on energy efficiency, but efforts in this respect must be continued and stepped up. Enel supports the binding targets set by the new directive on renewable sources as they are fully aligned to Enel's investment strategy, of which renewable energies is one of the main drivers. Enel also supports the call for Member States to remove obstacles to the development of PPAs (Power Purchase Agreements) – a mechanism widely used by Enel Green Power in other countries such as United States and Mexico – and to promote the adoption of this mechanism throughout Europe. Furthermore, the Group welcomes and supports the Regulation on the Governance of the Energy Union inasmuch as it provides clarity, credibility and stability with regards to the framework for energy and climate policy, as well as involving low-carbon investment by the energy sector.

Finally, the package on mobility is naturally part of European commitments to the Paris Agreement, and to that effect, Enel welcomes the guidelines and targets set in this respect, based on a belief that they will bring with them business opportunities in the electricity sector and contribute to creating jobs and generating sustainable economic growth. Enel therefore played an active role in various work programs aimed at developing electric mobility initiatives and promoting sustainable transport as a whole in 2018.

Action platforms and partnerships

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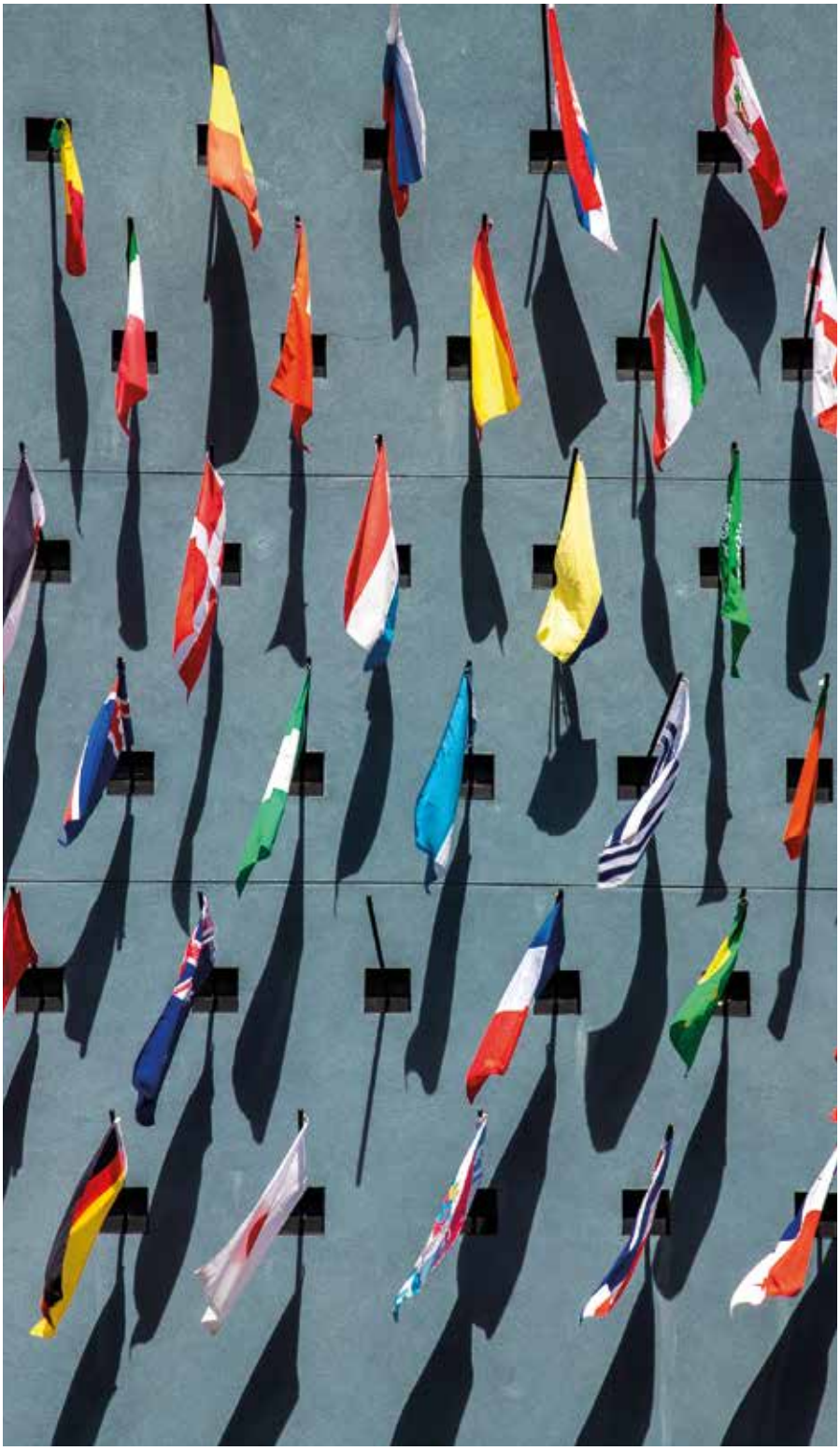
The Group plays an active role in various industry associations and organizations with a view to promoting topics relating to the energy transition at both national and global level. The following are some of the international associations with which Enel was actively involved in 2018 (see also the chapter entitled "Long-term sustainable growth").

- **Alliance of CEO Climate Leaders** - The CEO of Enel is a member of the Alliance of CEO Climate Leaders, organized by the World Economic Forum. A new letter from Chief Executive Officers was published in 2018 ahead of the COP24, calling on world leaders to encourage low-carbon finance and investment and develop policies designed to increase the demand for low-carbon solutions.
- **eurelectric** - Under Enel's leadership, eurelectric adopted a new long-term vision of the European electricity sector, through which it has committed to achieving a carbon neutral electricity mix in Europe well before 2050 and to increasing energy efficiency and the electrification of energy demand in order to mitigate the effects of climate change. Another major achievement that came in 2018 was the Eurelectric's Decarbonization Pathways study, published ahead of the COP 24, which made a major contribution to the discussion surrounding the EU's long-term climate strategy and outlined eurelectric's industry vision for achieving carbon neutrality well ahead the 2050 landmark.
- **Solar Power Europe** - This business-led association represents various organizations that play an active role right throughout the value chain with the aim of outlining the regulatory environment and improving solar energy-related business opportunities in Europe. Enel was widely represented within this association over the course of 2018, serving as Vice-President at both Board and Strategic Committee levels and playing an active role in various task forces over the course of the year.
- **Wind Europe** - This business-led association aims to promote both national and international policies and initiatives designed to strengthen the development of wind power-related markets, infrastructures and technologies at both the European and global levels. Enel Green Power is a member of the Board of Directors and has played an active role in the initiatives organized by the various working groups.
- **Platform for Electro-Mobility** - This

initiative involves various companies, non-governmental associations and other organizations that are committed to promoting electric mobility and jointly developing solutions for electrifying transport in Europe. Enel was the first utility to participate in the platform.

- **SmartEn** – This is the leading industry association in digital and decentralized energy solutions, focusing on making the energy transition through intelligent cooperation between the fields of consumption, networks, transmission and generation, which all play an equally important role in an integrated energy system. Enel played an active role on the Board in 2018, as well as in various working groups set up to promote sustainable decentralized energy solutions.
- **E.DSO for Smart Grids** - European Distribution System Operators (E.DSO) is the key interface between European distributors and European institutions, promoting the large-scale development and testing of smart grid technologies in real-life situations, as well as new market models and regulation designed to achieve the European Union's energy and climate targets. Enel serves as Vice-president of the Board of Directors together with other players of the international electricity network.
- **Carbon Pricing Leadership Coalition** - Launched by the World Bank in 2014, the coalition comprises various public and private players (including Enel) from the academic and civil spheres with the aim of advancing the adoption of effective solutions for setting carbon prices on a global scale.
- **The International Emissions Trading Association (IETA**) - This non-profit business organization is responsible for enabling business to engage in climate action consistent with the targets of the United Nations' "Framework Convention on Climate Change" and introducing effective trading systems based on the greenhouse gas emissions market. Enel is a member of the IETA's Board of Directors and has co-chaired the European Union's IETA working group since 2013.



Enel's commitment to climate disclosure

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Enel is committed to promoting transparency in climate disclosure as a way to demonstrate to its stakeholders that Enel's ambition to tackle climate change is rigorous and determined. Therefore, **Enel has made a public commitment to adopt the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board**, which in June 2017 published specific recommendations on the voluntary reporting of the financial impact of climate risks.

As a result, within the scope of implementing these guidelines, **Enel has updated the information concerning the management of climate-related issues**. As such, this section has been structured around the four areas recommended by the TCFD, which represent the fundamental components of how organizations operate:

- ***Governance*** - Description of the role of Enel's system of corporate governance with regard to climate-related issues and the role of management in assessing and managing such issues;
- ***Strategy*** - Overview of the main climate-related risks and opportunities over the short, medium and long term, as well as of the various physical and transition scenarios considered and the Company's strategy developed to mitigate and adapt to these risks and to maximize opportunities;
- ***Risks*** - Description of the process adopted by the Group to identify, assess and manage climate-related risks and opportunities (a section that is complementary to the paragraph "Description of climate-related risks and opportunities");
- ***Metrics and targets*** - The main climate-related metrics used by Enel, including greenhouse-gas emissions and operational and financial indicators, together with the main targets set in order to promote a low-carbon business model.

Governance

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Enel is playing a leading role in the energy transition and has adopted a business model that focuses on reducing the impact of climate change. Within this view, Enel is committed to promoting a sustainable energy model aimed at achieving full decarbonization and digitalization while enhancing the electrification of energy demand in order to promote the growth of a low-carbon economy. Enel's organizational model and corporate governance establishes specific roles and responsibilities for the main governance bodies within the Company, thereby ensuring that climate-related risks and opportunities are given due consideration in all relevant decision-making processes.

Enel's governance model to tackle climate change

Main climate-related functions

Board level oversight

Climate strategy oversight and Board of Directors coordination

Climate issues oversight (risks, planning and disclosure)

Definition and oversight of the sustainable business model towards leading energy transition

Management level

Holding Functions	Global Service Functions	Global Business Lines	Regions and Countries
• Administration, Finance and Control • Innovability • Health, Safety, Environment & Quality • Audit	• Procurement • Digital Solutions	• Enel Green Power • Thermal Generation • Infrastructure and Networks • Enel X • Global Trading	• Italy • Iberia • Europe and Euro-Mediterranean Affairs • South America • North and Central America • Africa, Asia and Oceania

Definition of the Strategic Plan, in which climate-related priorities are set

Managing climate-related risks and opportunities, while also setting targets and actions to promote the energy transition

Group Investment Committee

Granting expense approval aligned to Enel's climate goals

Climate-related responsibilities of the corporate governance bodies

Board of Directors – The Board of Directors of Enel SpA is responsible for analyzing and approving company strategy, including the Group's annual budget and Business Plan, which include the primary objectives and actions that the Company intends to pursue in order to guide the energy transition and deal with climate change. The Board of Directors also guides and evaluates the Internal Control and Risk Management System ("SCIGR") while also determining the level and nature of risk that is compatible with the strategic objectives of the Company and of the Group. The SCIGR is the set of rules, procedures, and organizational structures aimed at identifying, measuring, monitoring and managing the main risks of the Company and its subsidiaries. These risks include those that could have an impact on the organization's sustainability of the medium to long term, including climate-related risks. In 2018, the Board of Directors dealt with issues related to climate change and sustainability, as reflected in Company strategies and operations, during 8 of its 18 meetings held. The board is supported mainly by two internal committees with regard to climate-related issues:

- **Corporate Governance and Sustainability Committee** - This committee is responsible for assisting the Board of Directors in evaluation and decision-making processes related to sustainability issues, including climate-related issues connected with the Company's business, as well as the Company's interactions with stakeholders. The committee examines the guidelines of the Sustainability Plan including the climate-related targets of the plan, and also examines the general layout of the Sustainability Report and the Non-financial Statement, including the approach to climate-related disclosures adopted for these documents, and provides opinions to the Board of Directors. The majority of the committee is composed of independent directors, and, in 2018, it comprised the Company Chairman and two independent directors. In 2018, the committee dealt with issues related to climate change and sustainability, as reflected in company strategies and operations, during 4 of its 6 meetings held;
- **Control and Risks Committee** - This committee supports the board in carrying out its duties with regard to internal control and risk management. It also examines the Consolidated Financial Statements, the Sustainability Report, and the Non-financial Report within the scope of their relevance to the SCIGR, all of which include climate-related disclosures, and issues related opinions to the Board of Directors for the purposes of approval of these documents. The committee is composed of non-executive directors, the majority of which (including the chairman) are independent. In 2018, the committee was made up of four independent directors. In 2018, the committee dealt with issues related to climate change and sustainability, as reflected in company strategies and operations, during 8 of its 13 meetings held.

Again in 2018, the Company organized a specific induction program aimed at providing the Directors with a sufficient understanding of the fields in which the Group operates, including climate-related issues and their impact on business strategy and company operations.

Chairman - Within the role of guiding and coordinating the efforts of the Board of Directors, as well as overseeing implementation of the board's resolutions, the Chairman plays a proactive role in the approval and monitoring of business and sustainability strategies, of which growth by way of low-carbon technologies and services is one of the pillars. In 2018, the Chairman also led the Corporate Governance and Sustainability Committee.

CEO and General Manager - This person is vested with broad powers of company management, with the exception of those powers reserved to the Board of Directors, and, in execution of these powers, has established a sustainable business model by defining strategies aimed at guiding the transition to a low-carbon energy model. This position reports to the Board of Directors regarding the execution of these powers, including business-related activities in line with Enel's commitment to dealing with climate change. The CEO is also the appointed senior officer responsible for the SCIGR. Finally, the CEO represents Enel in various initiatives related to climate change and holds important positions in institutions of global renown, such as the United Nations' Global Compact, the United Nations' Sustainable Energy for All, and the multi-stakeholder platform of the European Commission regarding the Sustainable Development Goals.

Enel's organizational model for managing climate-related issues

Enel has a management team in which climate-related responsibilities have been assigned to specific Functions that help guide Enel's leadership in the energy transition. Each area is responsible for managing the climate-related risks and opportunities of relevance to that area:

- **the Holding Functions** (Administration, Finance and Control; Audit; Innovability; and Health, Safety, Environment and Quality) are responsible for consolidating analyses of the scenarios and for managing the strategy and financial planning process aimed at promoting renewable energy, the decarbonization of the energy mix, asset digitalization, and the electrification of energy demand;
- **the Global Service Functions** (Procurement and Digital Solutions) are responsible for implementing sustainability and climate-related criteria in supply chain management and fostering development of digital solutions to support the implementation of climate friendly technologies, respectively;
- **the Global Business Lines** (Enel Green Power; Thermal Power Generation; Trading; Infrastructure and Networks; and Enel X) are responsible for developing activities related to the promotion of renewable energy generation, the optimization of thermal capacity, the digitalization of the electric grid, and the development of enabling solutions in the energy transition and the combat against climate change (e.g. electric mobility, energy efficiency, efficient lighting and heating systems);
- **the Regions and Countries** (Italy, Iberia, Europe and Euro-Mediterranean Affairs, South America, North and Central America, Africa, Asia and Oceania) are responsible for promoting decarbonization and guiding the energy transition towards a low-carbon business model within their areas of responsibility. Furthermore, the Europe and Euro-Mediterranean Affairs Function is responsible for defining the Group's position on climate change, for low-carbon policies, and for the regulation of international carbon markets within Europe.

In addition, Enel has established the following two management committees chaired by the CEO, the responsibilities of which include climate-related issues:

- **the Group Investment Committee**: this committee approves investments related to business development. The committee is also responsible for ensuring that all investments are fully in line with the Group's commitment to promoting a low-carbon business model and achieving full decarbonization by 2050. The committee is made up of the heads of Administration, Finance and Control; Innovability; Legal and Corporate Affairs, and Procurement, as well as the regional heads and the heads of the various Business Lines;
- **the Group Risks Committee**: the objective of this committee is to ensure that the organizational structures involved in managing operating risks are in line with business strategies and objectives, while engaging management in strategic decisions concerning risk policy, management and control.

Incentive system related to climate change

The Company's remuneration policy includes various mechanisms aimed at making progress towards the energy transition, and specifically:

→ **a short-term variable remuneration (or MBO)** that may include objectives related to the specific function of each manager involved. This may, for example, include objectives tied to the development of renewable energy for managers within the Enel Green Power Global Business Line, or related to products and/or services for the energy transition within the Enel X Global Business Line;

→ **a long-term variable remuneration** that, beginning in 2018, includes a climate-related target for the reduction of CO_2 emissions per kWh_{eq} for the Enel Group over the next three years, which accounts for 10% of total long-term variable remuneration.

Strategy

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Strategic Plan, value creation, and climate change

Enel is committed to adopt a strategy based on meeting the objectives of the Paris Agreement (COP21). By way of strategic planning and risk management integrated with sustainability and climate-related issues, the Enel Group has created sustainable value over the long term. Over the last four years (2015-2018), the Group has increased profitability while achieving objectives related to decarbonization, digitalization, and customer service. The Group's Strategic and Business Plan 2019-2021 (the Plan) calls for continuing along this virtuous path based on a long-term view and the achievement of a series of predetermined objectives.

		2015	2018	2021
Renewables	Renewable capacity (% of total)	41%	46%	55%
CO_2	CO_2 emissions (kg/kWh_{eq})	0.409	0.369	0.345
Grid customers	Million	61	73	75
Retail free-market customers	Million	17	22	36
New businesses	Gross margin (billion euros)	-	0.5	0.9
Simplification	Group earnings to total earnings (%)	64%	72%	71%
Cash generation	FFO - Gross investment (billion euros)	1.8	2.5	4.4
Remuneration of shareholders	Dividend per share (euros/year)	0.16	0.28	0.36 (1)

(1) Guaranteed minimum dividend (floor).

The Group's commitment can also be seen in the objectives pursued in relation to the United Nations' Sustainable Development Goals (SDGs), specifically: inclusive and equitable quality education (SDG 4); access to clean, affordable energy (SDG 7); inclusive and sustainable economic growth (SDG 8); industry, innovation, and infrastructure (SDG 9); and sustainable cities and communities (SDG 11). Enel is working to achieve the full decarbonization of electricity generation by 2050, in line with the objectives of the Paris Agreement and with the science-based targets, while also helping to achieve the United Nations' SDG 13.

Enel's value creation model is based on a long-term vision that aims to take advantage of opportunities in the energy transition in three main areas: (i) the decarbonization of the generation capacity (increase of about 11.6 GW in the Group's renewables capacity[1] and decrease of about 7 GW in thermal capacity by 2021 compared with 2018); (ii) infrastructure development (+10% of electricity distributed over the distribution network in 2021 compared with 2018; 3.4 million public lighting points by 2021; some 455,000 public and private electric vehicle recharging points by 2021) and new customer services (9.9 GW of demand response by 2021; 173 MW of distributed storage installed per year by 2021) at the service of electrification and urbanization; and (iii) the digitalization of assets, customers, and human capital (5.4 billion euros in investment for the period 2019-2021).

1 Includes managed capacity.

Climate-change reference scenarios

The Group develops financial and macroeconomic scenarios over the short, medium and long term to support both business and strategic planning and the investment evaluation process. This makes use of economic and statistical models progressively integrated with climate-related data by introducing projections related to physical and transition scenarios in order to have a broad and consistent view of the landscape both in countries in which the Group has a presence and in those of potential interest. Forecasts of the main variables are constantly compared against the most authoritative international sources.

The Group has taken two physical scenarios representing two distinct, extreme pathways of concentrations of greenhouse gases (GHGs) developed by the Intergovernmental Panel on Climate Change (IPCC) in order to include the most extreme pathways of those that are plausible:

- **Representative Concentration Pathway 2.6 (RCP 2.6)**: a climate-change scenario consistent with limiting global warming to below 2 °C by 2100 (mean of +1 °C over the period 2081-2100 based on the IPCC Fifth Assessment Report);
- **Representative Concentration Pathway 8.5 (RCP 8.5)**: a business-as-usual scenario that represents the most pessimistic forecast of containing GHGs, resulting in a mean temperature increase of 3.7 °C over the period 2081-2100.

In order to study the effects of climate change and related transition scenarios, the Group has entered into a collaboration with the International Centre for Theoretical Physics (ICTP) concerning the geographical downscaling of global climate scenarios. Downscaling enables detailed forecasts at a greater resolution so as to track the business impact of a series of relevant variables, such as temperature, rain levels, snow levels, solar radiation, and wind. This approach produces a model that integrates climate change with the other country-level variables, starting with the countries of greatest relevance to the Group and then extending out to global coverage. Integration of the scenario analyses with climate-related variables will result in an increasingly important tool supporting informed strategy and operating decisions.

The initial results of the scenario analysis and climate data have shown that significant, chronic changes will take place gradually over the coming decades. Changes compared with historical trends will be gradual, with limited effects in both scenarios until 2050, but with more extreme chronic effects under RCP 8.5 from 2050 to 2100, compared with historical trends and RCP 2.6. Studies of Europe and South America have pointed to a general increase in temperature with a greater impact in southern Europe and in Central and South America and of particular intensity by 2100. In these areas, rainfall levels could significantly decline after 2050 under RCP 8.5 forecasts, but could increase in northern Europe (e.g. Scandinavia). Differences in solar radiation patterns, on the other hand, could be more significant beginning in 2100 in the regions most exposed to a significant reduction in rainfall, whereas wind patterns could experience less homogeneous variations.

Regarding the transition **scenario definition**, the Group refers to the leading international sources, such as the **International Energy Agency** (WEO Sustainable Development Scenario; WEO Current Policies Scenario; ETP 2017 2 °C Scenario 2DS; Beyond 2 °C Scenario B2DS), the **International Renewable Energy Agency** (Reference case, Remap case), and **Bloomberg New Energy Finance** (BNEF New Energy Outlook). This approach enables Enel to associate a series of assumptions and variables to the potential climate-related pathways, to develop a scenario consistent with the Paris Agreement (COP21). The transition scenario includes variables such as demand for energy and services or assumptions about electrification, the use of electric vehicles, and the prices of commodities and CO_2. In order to reach this objective, a sharp reduction in emissions from power generation, high renewable energy sources penetration, and the use of effective policy mechanisms and measures with regard to carbon pricing are expected. Within this landscape, we are also expecting an increase in energy efficiency, and in the electrification of industrial and residential consumption as well as in the transport industry. This transition towards lower carbon emissions and efficiency in the use of energy could lead to a gradual uncoupling of economic growth and the consumption of resources and, consequently, to lower demand and lower prices for fossil fuels.

Description of climate-related risks and opportunities

The Group's strategy and positioning ensure resiliency and adaptation as well as mitigation capabilities with respect to the evolution of the external context associated to climate change thanks to a vision, a business model, and a position of leadership that are aligned with the Paris Agreement (COP21) and which are centered around the axes of sustainability and flexible growth of utilities:

- world leader among private-sector operators in terms of installed capacity in renewable energy[1] (about 43 GW);
- world leader among private-sector operators of distribution networks in terms of customers served (some 73 million);
- world leader among private-sector operators in terms of retail power and gas customers (about 70 million);
- approximately 6 GW of demand response managed worldwide.

Risks and opportunities are described by taking into account the physical and transition scenarios and with the support of the various components of long-term strategy assessment described in the section "Risk management" (e.g. materiality analysis, ESG risk analysis, competitive analyses, etc.). The Group is working to gradually integrate the models of scenario analysis and strategic planning with climate models in order to establish more accurate relationships between the climate scenarios themselves, the macroeconomic landscape, the energy scenarios, and business fundamentals.

The information presented below is the result of a preliminary impact analysis that, by assessing the potential long-term effects (beyond 2030) and analyzing the Group's portfolio over the period of the Strategic Plan (2019-2021), associates sensitivity analyses of operational and industrial phenomena related to physical and transition variables.

With regard to the **risks and opportunities associated with physical variables**, and taking the IPCC pathways as points of reference, we analyzed the trends in the following variables and associated operational and industrial phenomena with potential risks and opportunities: (i) change in mean temperatures and potential increase and/or decrease in energy demand; (ii) change in mean rainfall and snow levels with a potential increase and/or decrease in hydroelectric generation; (iii) change in mean solar radiation and wind with a potential increase and/or decrease in solar and wind generation. In addition to chronic trends, the frequency and impact of these events have been looked at in terms of extreme events potentially resulting in unexpected physical damage to assets. However, work to perfect these analyses is ongoing. According to the scenarios used, significant, chronic changes in the variables analyzed, even in the event of increases, would have a material impact mainly over the long term.

By integrating financial strategy with sustainability and innovation, the Group has already implemented a series of actions aimed at mitigating potential risks and taking advantage of opportunities related to physical variables, such as the digitalization plan aimed at, *inter alia*, implementing systems and plans of preventive maintenance and, in particular, resilience plans for the infrastructures of the electrical grid. Enel is also active throughout the electricity value chain (generation, distribution and sales) and has a diversified portfolio of assets, in terms of both generation technologies (with a marked increase in renewables, especially wind and solar) and the markets and geographical areas in which we operate, thereby minimizing climate-related risks and their overall financial impact. The Group also adopts the best strategies of prevention and protection in order to reduce the potential impact on the communities and territories surrounding our assets. All areas of the Group are subject to ISO 14001 certification, and the potential sources of risk are monitored by way of internationally recognized Environment Management Systems (EMSs).

1 Includes managed capacity.

Sensitivity analysis of operational and industrial-type phenomena that can be associated with physical variables

Chronical physical variable	Description of the potential impact in terms of scenario values of the Strategic and Industrial Plan	Estimated potential impact on EBITDA (average year figures in the 2019-2021 period)
Temperature	Higher/lower demand for electricity (+1/-1% accumulated) with an impact on generating [1] and distribution [2] facilities	+0.1/0.2 billion euros -0.1/0.2 billion euros
Rainfall	Higher/lower hydroelectric generation (+10/-10% annual) with an impact on generating facilities [3]	+0.1/0.2 billion euros -0.1/0.2 billion euros
Wind	Higher/lower wind generation (+10/-10% annual) with an impact on generating facilities [3]	+0.05/0.1 billion euros -0.05/0.1 billion euros
Irradiation	Higher/lower solar generation (+10/-10% annual) with an impact on generating facilities [4]	+0.01/0.05 billion euros -0.01/0.05 billion euros

(1) Values calculated using the stochastic methodology and representation of the equivalent deterministic variations.
(2) Impact with regards to Italy and Iberia.
(3) With regards to Italy, Iberia, Romania and South America, whether thermal or renewable.
(4) Global scope.

As for the **risks and opportunities associated with transition variables**, and based on the various scenarios mentioned above in combination with the various factors involved in the identification of risks (e.g. the competitive landscape, the long-term outlook for the industry, materiality analyses, etc.), we analyzed the trends in the following drivers and related potential risks and opportunities: (i) prioritizing the phenomena of greatest relevance in terms of climate change; (ii) distinguishing between the short term (less than 3 years), medium term (3-5 years), and long term (beyond 5 years); and (iii) connecting these drivers to the TCFD recommendations for the classification of risks and opportunities.

Short-term risks and opportunities and strategic actions of mitigation and adaptation:

- **introduction of laws and regulations** for getting through the transition and the Paris Agreement introducing stricter emission limits and/or altering the generation mix by price signals;
- **increasing focus within the financial community on ESG issues** with potential future benefits in terms of the availability of capital, which is also tied to financial sustainability, and of new products and markets (e.g. green or other sustainable bonds);
- **technological maturity and full competitiveness of renewable energy**, both large-scale and small-scale, with positive effects on return on investment.

Medium-term risks and opportunities and strategic actions of mitigation and adaptation:

- use of **more efficient means of transport** from the point of view of climate change, particularly with regard to the development of **electric vehicles and recharging infrastructures**;
- **development and/or expansion** of (new) assets (e.g. storage) **and/or low-carbon services** (e.g. energy as a service) in response to technological progress and shifts in investment from the supply side to the demand side of energy in order to move beyond the Paris Agreement with benefits in terms of new revenue opportunities;
- **use of low-carbon sources of energy as the mainstream segment of the energy mix** in countries with opportunities to develop renewable resources and with flexibility in their electricity and energy systems with positive impacts in terms of return on investment and new business opportunities;
- **increase in the level of competition and convergence of opportunities from diverse fields** with opportunities to access new markets, services and/or partnerships or for the entry of new players into the energy industry;
- **regulatory changes with a view to integrating new digital and renewable technologies and to driving infrastructure resilience** with potential benefits in terms of introducing new mechanisms of remuneration tied to environmental performance and innovation.

Long-term risks and opportunities and strategic actions of mitigation and adaptation:

- **uncertainty and volatility in business drivers** (e.g. macroeconomics, energy, climate, etc.) that are **growing and persistent as new paradigms**, with effects on price indicators, on the cost of raw materials and technologies, on the value of assets, and on reputation;
- **gradual increase in the decentralization of the energy and electricity industries with a shift towards distributed technologies and resources**, which leads to new business and investment opportunities with a focus on the customer and on the needs of infrastructures.

By integrating financial strategy with sustainability and innovation, the Group has already implemented a series of actions aimed at mitigating potential risks and taking advantage of opportunities related to transition variables. Of particular note are the main actions concerning the energy and climate transition:

- **a decarbonization strategy** for power generation, resulting in a reduction of thermal fossil fuels of over 6 GW from 2015 to 2018 and an increase of about 6 GW in renewable sources to bring carbon-free power generation to 51% of the total and emissions to 0.36 $kgCO_2/kWh_{eq}$. The Plan calls for a further reduction of 7 GW in thermal generation by 2021 and the addition of 11 GW of renewable energy, which would bring carbon-free generation to 62% of the total[2];
- **financial strategy aimed at integrating ESG issues, leading to a sustainable approach to debt management**, including by issuing green bonds – with Enel having issued three green bonds for a total of 3.5 billion euros (for further details, see the Green Bond Report, available at the following link https://www.enel.com/investors/fixed-income/main-programs/green-bond) – and **collaboration with leading international development banks and financial institutions** (e.g. the World Bank, the European Investment Bank - EIB, and other banks dedicated to regional development);
- **strategy to develop renewable energy**, both on a large scale with the Enel Green Power Business Line with an IRR/WACC spread of around 150 bps and with the Enel X Business Line by developing distributed solutions for large and small customers;
- **strategy to develop electric mobility and new services with the Enel X Business Line**, which, as of 2018, has about 3 MW of installed distributed storage and manages some 2.5 million lamps, 49,000 public and private electric vehicle recharging points, and more than 4 million property units connected to the fiber-optic network. The 2019-2021 Business Plan calls for bringing annual installed storage to 173 MW, public lighting points to 3.4 million, recharging points to 455,000, and property units connected to the fiber-optic network to 8.5 million;
- **strategy to develop renewable-energy PPAs with players in various industries**, as well as a series of **technology and other strategic partnerships supported by innovation efforts that take advantage of a global network of innovation hubs** created to develop technology startups of the greatest potential and to transform ideas into business solutions;
- **plan for the digitalization of assets**, of customers, and of human capital, which reached around 1.5 billion euros in 2018. The plan calls for a total investment of 5.4 billion euros;
- **investment plan focused entirely on the transition to renewable energy and related networks and customers**. From 2015 to 2018, about 8 billion euros has been invested annually, over 90% of which dedicated to low-carbon products, goods and/or services and, therefore, to the energy transition. The plan calls for maintaining this level of investment and of focus on climate change.

2 All figures in this paragraph include managed capacity.

Risk management

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The Group's integrated risk management system

In the performance of our operations, which encompass a diverse range of countries, markets and industry segments, Enel is exposed to various types of risks over the short, medium and long term (e.g. commodity risk, financial risks, and strategic risks, including in relation to climate change). **In order to effectively deal with events that could lead to risks and opportunities, Enel has adopted an Internal control and risk management system ("SCIGR")**. This system consists of the set of rules, procedures, and organizational entities aimed at identifying, measuring, monitoring and managing the main corporate risks within the Group. More specifically, the SCIGR seeks to safeguard company capital and ensure the efficiency and effectiveness of corporate processes, the reliability of information provided to the corporate bodies and to the market, and the compliance with laws, regulations, as well as with the corporate bylaws, and internal procedures.

Given the importance of identifying, monitoring and managing the climate-related risks that could have an impact on achieving company objectives, **the Board of Directors is committed to developing guidelines to ensure that decisions at all levels of the Group are consistent with risk appetite**.

To this end, the board has established a Control and Risks Committee to provide support in making decisions concerning approval of the Business Plan and of financial reporting. This committee also provides the Board of Directors with opinions concerning the system of internal controls and risk management guidelines so that the main risks of Enel SpA and its subsidiaries – including any risk that may affect the sustainability in a medium-long term perspective – are properly identified, measured, managed and monitored. The Group also has specific internal committees composed of senior management that are responsible for governing and overseeing risk management, monitoring and control.

Process for identifying risks and opportunities

The identification of risks and opportunities within the Group's business and strategic planning process is designed to manage short-term (less than 3 years), the medium-term outlook (3-5 years), and the revision of long-term ambitions (beyond 5 years).

Medium- and long-term planning starts with a strategic assessment of the external landscape and climate-related issues, which involves the following activities:

- **macroeconomic, energy and climate** scenario analysis - a series of global and local analyses and forecasts to identify the main macroeconomic, climate and energy-related drivers over the short-, medium- and long-term horizon;
- **competitive landscape analysis** - a set of analysis to compare financial and operating performance as well as environmental, social and governance (ESG) performance of utility and other sectors players in order to monitor, guide and support the Group's competitive advantage and leadership position;
- **industry view** - an overview of the macro-trends affecting business environment and impact assessment on the Group business through an extensive internal and external collaborative approach;
- **strategic dialogue** - an ongoing process of engaging the Board of Directors, management, and employees in the definition of strategies. This process ensures that there is agreement as to the Group's priorities;
- **analysis of ESG risks** - analysis to identify the potential ESG risks to which the Group may be exposed due to geographical distribution and operations, is conducted based on an analysis of external studies such as the World Economic Forum's Global Risk Report, studies by leading ESG investment analysts, and internal studies such as materiality analyses or due diligence concerning human rights;
- **ESG landscape analysis and materiality assessment** - Enel conducts ESG and materiality analyses using an approach that takes account of the guidelines based on numerous international standards (e.g. Global Reporting Initiative, UN Global Compact, SDG Compass, etc.) with the goal of identifying and assessing priorities for stakeholders and correlating them with the Group's strategy.

Process for assessing risks and opportunities

Enel is committed to setting up and structuring periodical monitoring and assessment processes of risks and opportunities associated both with physical variables trends, related to acute and chronic climate-related events, and with transition scenarios related to changes in the socio-economic landscape and in laws and regulations concerning the combat against climate change.

For the *ex ante* assessment of risk levels, a Plan risk analysis, including exposure to climate-related factors, will be presented each year to the Control and Risks Committee. With regard to *ex post* monitoring, the various risk factors, including the main climate-related variables that could have an impact on the Group's objectives and operations, will be periodically evaluated and revised.

These activities will be undertaken starting from year 2019, while at the operational level there are already processes in place to monitor the risk of damage to assets and infrastructures caused by climate-related extreme events or natural disaster, as well as the consequent risk of prolonged unavailability of such assets.

Process for managing risks and opportunities

Consistently with the Strategic Plan, the Business Lines submit investment proposals, in terms of financial and sustainability performance, for approval to the relevant **Investment Committees**, composed by Business Line senior management; moreover, Group Investment Committee approves investments above a certain threshold or concerning particularly innovative projects.

Investment Committee approval is based on a joint assessment of both return and risk aspects. The risk assessment includes a quantitative analysis of economic, financial and operational risk factors and a qualitative analysis of all risk categories in order to determine the potential impact on the investment return and the appropriate mitigation efforts. The units responsible for developing each project identify the specific factors that could influence the expected return on investment, including certain environmental and climate-related risks (e.g. an increase in the frequency of extreme environmental and climate-related events and changes in national laws and regulations regarding the combat against climate change). The Group is committed to further developing the investment analysis framework to explicitly include an assessment of each project contribution to the improvement of the Group's climate resilience.

Metrics and targets

The main financial, operational and environmental metrics and targets used to measure and manage risks and opportunities related to climate change are indicated below.

Financial metrics

	2018	2017	2018-2017	%
CO_2 reference price (euros)	13.0	5.3	7.7	-
EBITDA for low-carbon products, services and technologies (billion euros) (1)	14.5	13.4	1.1	8.2
Capex for low-carbon products, services and technologies (billion euros) (1)	7.5	7.6	-0.1	-1.3
% of Capex for low-carbon products, services and technologies out of the total (1)	89.0	88.9	0.1	-

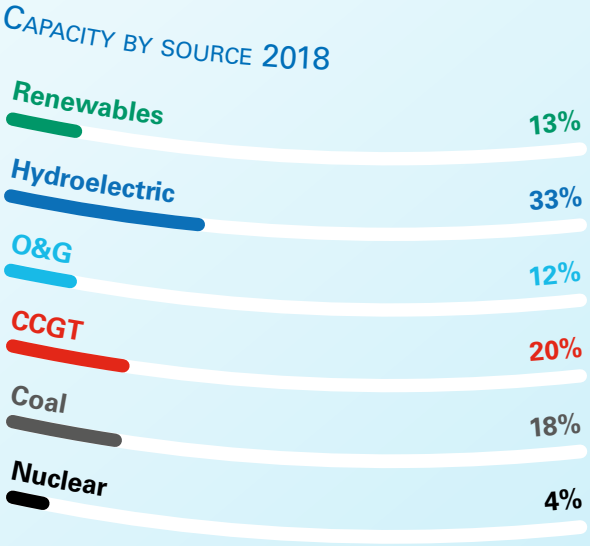
(1) The "low-carbon products, services and technologies" category includes the Enel Green Power, Infrastructure and Networks, Enel X and Retail (for 80%, excluding gas) Business Lines.

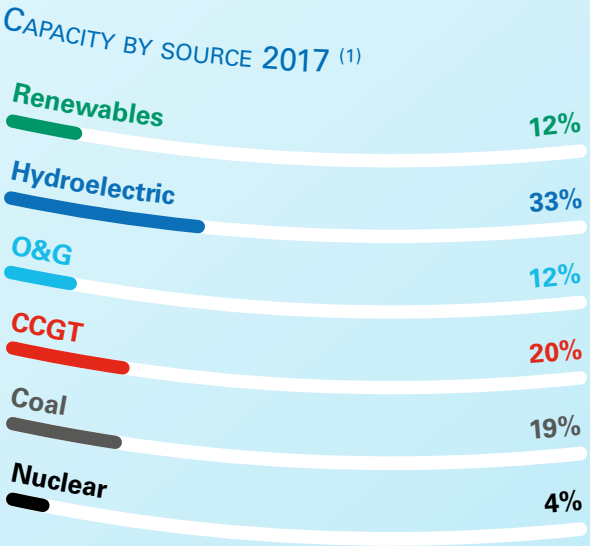
Net installed capacity

EU1

At the end of December 2018, the Group's net installed capacity amounted to approximately 85.6 GW, up by around 0.7 GW compared to 2017, mainly due to the entry into operation of new renewable energy, wind and solar plants in Brazil, Mexico and the United States, solar plants in Colombia and wind farms in Peru.

The value of the difference in Group capacity between 2018 and 2017 only partially reflects the additional capacity from renewable sources in 2018, which amounts to 2.7 GW. This additional capacity gradually compensated for some renewable energy plants no longer being in the consolidation perimeter and instead being included in the BSO (Build, Sell and Operate) process. Managed capacity, therefore included some renewable energy plants in Italy, Canada, the United States, Mexico and Australia for a total of 4.2 GW. Considering the managed value as well, total capacity of the Group was equal to around 90 GW (31% hydroelectric, 17% other renewables, 11% oil and gas, 19% CCGT, 18% coal and 4% nuclear).





(1) As regards O&G (Oil and gas) and CCGT (Combined Cycle Gas Turbine), figures for 2017 were restated following the turbogas plants reclassification.

Electricity production

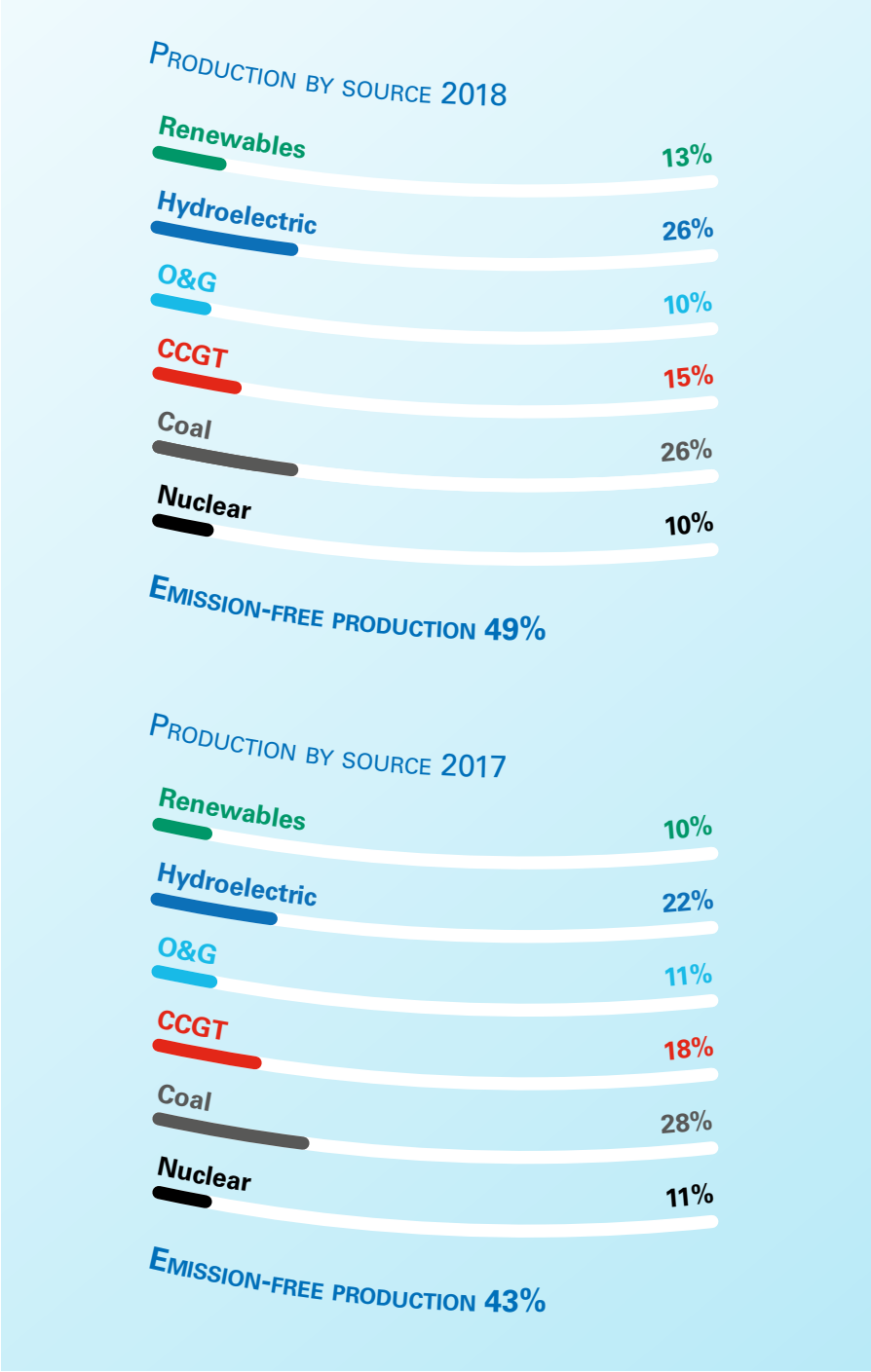
EU2

Production in 2018, equal to about 250.3 TWh, was stable overall compared to the figure for 2017, but reflected a different distribution internally of thermoelectric and renewable sources. Thermal production recorded a decrease (equal to 10%), in particular due to the component from coal and combined cycles. In particular, this reduction was due to coal production in Italy (-14%) and Spain (-10%) and from combined cycles in Spain and South America, following the unavailability of some plants due to maintenance. In the renewables sector, there was a significant increase in hydroelectric generation (equal to 10.5 TWh compared to 2017) mainly due to a greater water availability in Europe (in Italy equal to 31% and in Spain 68% compared to 2017). In America, the increase due to a greater generation from hydroelectric power was recorded in Argentina, Chile and Brazil, also due to activity of the Volta Grande plant, already included in the Enel perimeter since 2017. The increase in production from renewable sources was also considerable, from wind power (equal to 24% compared to 2017) and solar power (equal to 90%), with the entry into operation of new plants in North, Central and South America.

Considering also the managed production of around 9.4 TWh, the total value

is around 260 TWh (26% hydroelectric, 16% other renewables, 9% oil and gas, 15% CCGT, 25% coal, 9% nuclear).

49% of the energy produced by the Group in 2018 was emission-free. Hydroelectric, solar, wind and geothermal power generation facilities produced a total of about 99 TWh from renewable sources in 2018, representing over 39% of the energy produced by Enel during the year, thus avoiding the emission of some 62 mil t of CO_2 into the atmosphere. Nuclear power production (equal to 10% of total production) made it possible to avoid releasing a further 17 mil t of CO_2.



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Additional operating indicators related to climate change

	2018	2017	2018-2017	%
Average thermal generation yield (%) [1]	40.1	40.7	-0.6	-
Total direct consumption of fuel (Mtoe)	37.0	41.3	-4.3	-10.4

(1) The percentages are calculated according to a new methodology that does not consider Italian O&G plants that are marginal/being decommissioned. The figures do not consider consumption and generation from cogeneration relative to thermal power production facilities in Russia. The mean yield is calculated from production facilities and is weighted on production values.

Greenhouse gas emissions

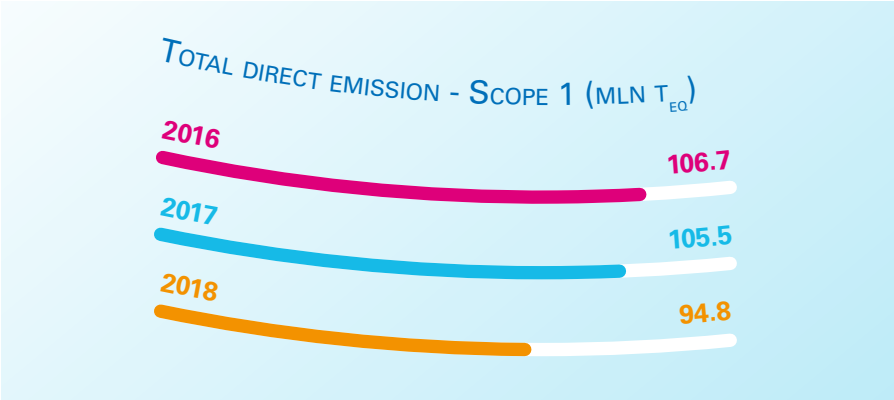
103-2 103-3 305-1
305-2 305-3 305-4
305-5 305-6

In 2018, direct emissions of CO_2 equivalent (**Scope 1**) amounted to approximately 95 million equivalent tons, registering a decrease of 10% compared to 2017. This result is due to lower thermal production compared to the previous year, with a decrease in coal production (-9% compared to 2017) and production from combined cycles (-14% compared to 2017). The percentage of thermoelectric emissions of CO_2 below EU-ETS was equal to 57% of Scope 1.

The SF_6 is used in high- and medium-voltage electrical equipment for its insulating and electric arc extinguishing properties and is, as of yet, irreplaceable in these applications. The quantities released into the atmosphere in 2018 amounted to 7,349 kg, equivalent to 173,000 t of CO_2 equivalent. In percentage terms, SF_6 contributes 0.18% of the Group Scope 1 emissions, i.e. an extremely small quantity.

Under Scope 1, Enel also considers the emission of ozone-depleting substances according to the Montreal Protocol, including for example chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs). The emissions of these substances in 2018 corresponded to around 24,000 t of CO_2 equivalent[3].

Scope 2 emissions (about 1.09 mil t_{eq}) relate to indirect emissions deriving from the generation of electricity purchased and consumed by the Company. Scope 2 includes CO_2 emissions associated with the consumption of electricity purchased in the network for civil uses (in offices, for example) and for pumping in hydroelectric plants. The Scope 2 emissions indicated above are calculated according to the "location based"[4] model.



Since 2016, all electricity supplies for Italian production sites and offices have been from renewable sources. In 2018, this supply was certified with the issue of renewable energy certificates by the competent certification body.

Scope 2 emissions, indicated according to the "market based"[5] criterion, are equal to 1.62 mil t.

Scope 3 emissions are generated as a result of the Company's activities and are not derived from sources controlled or owned by the Company itself. For Enel, this value is mainly linked to fugitive emissions of methane from coal mines in the extraction phase and to emissions from the transport of fuels used for the operation of its plants. 2018 shows a value of about 6.8 mil t of CO_2 equivalent, down about 5% compared to 2017 (7.1 mil t of CO_2 equivalent) due to the decrease in coal thermal activity.

With a view to accuracy and covering GHG reporting, Enel is preparing the best way to calculate Scope 3 relative to the sale of gas and electricity.

An estimate of Scope 3 emissions relative to the gas and electricity market where Enel operates in Europe (gas and electricity) is given below. Enel estimates that the contribution of emissions from network losses from distributed energy in Europe amount to around 350,000 t. However, the highest contribution is due to emissions generated during the final phase of use of sold products. The Group estimates that for gas on the European market this value is approximately 23 mil t, and that a similar emissions value is produced from customers' use of electricity.

3 The value obtained is calculated by converting the tons of each individual gas detected (CFC, HCFC, R22 and freon) by applying the value of the reference average Global Warming Potential of the gas families (source: IPCC, WG1AR5_Chapter08).

4 The calculation of Scope 2 according to the "location based" method is based on the location of the enterprise. It is the result of the calculation of greenhouse gas emissions arising from the production of electricity in the area where it is consumed. This figure is obtained by multiplying the electricity consumption of an enterprise (indicated in kWh) within the boundaries of the reference country, and average greenhouse gas emissions by kWh in the same country (source: Greenhouse Gas Protocol Scope 2 Guidance, 2015).

5 The calculation of Scope 2 according to the "market based" method is based on the market on which the enterprise carries out operations. For companies operating in European countries, the reference market is the European market (EU). Companies can obtain this figure by calculating the emissions of the power plants they are supplied by. The origin of the electricity must be certified by "contractual instruments that meet minimum quality criteria". In Europe, the only way to prove the origin of electricity is Guarantees of Origin. Businesses that use electricity whose origin is not certified by these Guarantees must carry out the calculation referring to emissions associated with the residual mix (source: Greenhouse Gas Protocol Scope 2 Guidance, 2015).

Specific CO_2 emission

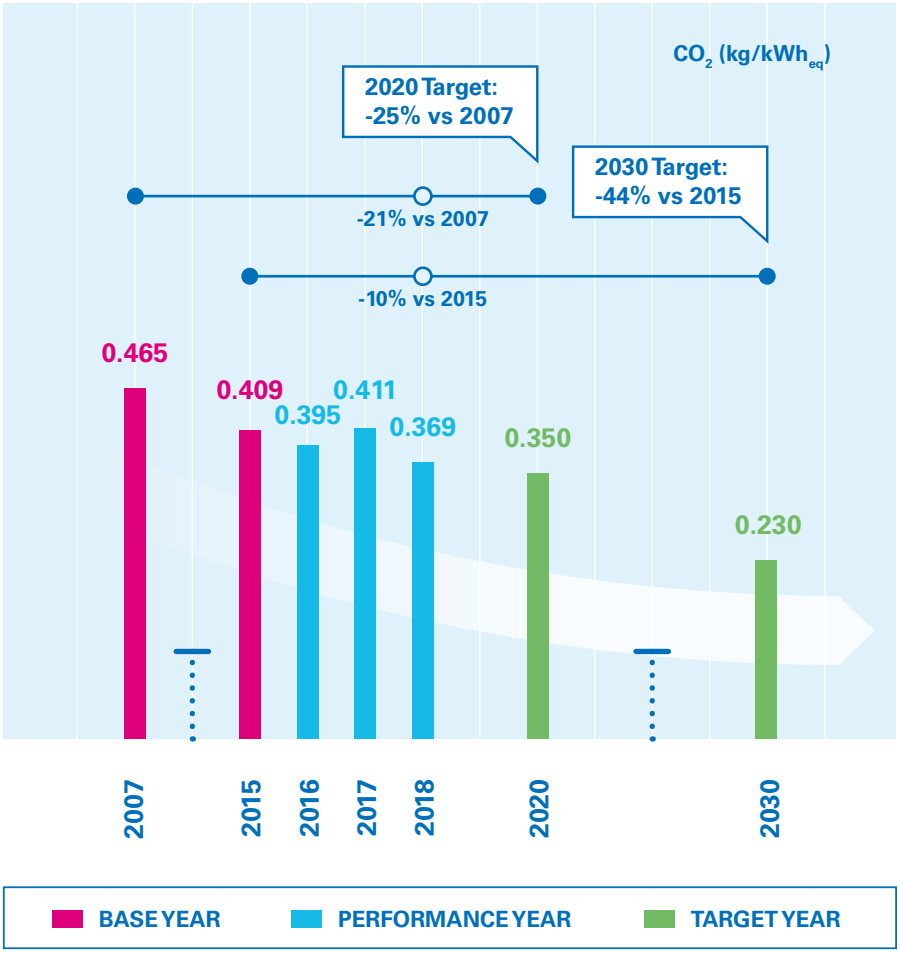
Specific emissions of CO_2 were equal to 0.369 kg/kWh_{eq} in 2018, down considerably on 2017, due to the decrease in Group net thermal production, offset by a greater production from renewable sources. Considering the managed production, the value of Enel's specific emission is equal to 0.356 kg/kWh_{eq}.

SPECIFIC CO_2 EMISSIONS, TARGET AND PERFORMANCE (kgCO_2/kWh_{eq})

Compared to 2007, which is the base year for Enel's target to reduce specific CO_2 emissions by 2020, specific emissions have decreased by 21%. Considering the managed capacity, specific emissions are down a total of 23%. The 2020 target for CO_2 emissions lower than 0.350 kg/kWh_{eq} has also been recognized as "science-based"[1], meaning that it is on track for the achievement of global decarbonization targets.

Enel has set the target of achieving a reduction of CO_2 specific emissions equal to 0.23 kgCO_2/kWh_{eq} by 2030, based on the best forecasts currently available.

The Group strategy for the period 2019-2021 works towards this target, envisaging additional capacity from renewable sources of 11.6 GW (including managed capacity), which will bring total renewable capacity to a value of 53.9 GW by 2021 and consequently an increase in emission-free production to 62%, compared to the current figure of 51%, up over 2017 (equal to 45%).



(1) "Science-based target" is an initiative of the Carbon Disclosure Project (CDP), UN Global Compact (UN-GC), World Resources Institute (WRI) and WWF (World Wildlife Fund) to stimulate companies to set greenhouse gas emission reduction targets that are in line with scientific requirements 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 against 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 energy generation.

Additional environmental indicators related to climate change

	2018	2017	2018-2017	%
Specific water requirement for total production (l/kWh$_{eq}$) [1]	0.38	0.44	-0.06	-13.6
Water withdrawal in water-stressed areas (%) [2]	12	9	3	-
Production with water use in water-stressed areas (%) [2]	8	8	-	-

(1) Following the adoption of the new GRI Standard 303, the figure indicated previously referring to specific consumption now refers to specific requirement. Requirement means the total amount of water withdrawn, including the re-use of external waste water, necessary for operation of the plant. The specific requirement from total production is calculated as total water consumption by simple thermal generation and co-generation of electricity and heat and nuclear generation as a ratio of total simple thermal generation and co-generation of electricity and heat (including the contribution of heat in MWh equivalent), renewable generation and nuclear generation. This figure does not include water used for open-cycle cooling, as the water is put back into the original water body. As regards the figure for 2018, the change in value in water drawing requirement is due to the change in the reporting criterion for the nuclear sector where cooling water returned to the receiving water body is no longer accounted for, as already recorded for all plants that adopt an "open cycle" cooling system. Based on recalculation, the total water withdrawn in 2017 was equal to 112.2 mil m^3.

(2) The World Resources Institute (WRI) defined a "Water-Stressed Area" as an area where the annual availability of water *per capita* is less than 1,700 m^3.

Targets

In addition to the objectives included in the "Strategy" section, the following targets related to the fight against climate change are reported below.

Targets

Emission-free generation (% incidence on the total) [1]	62 in 2021
Specific CO_2 emissions from total net production (kgCO_2/kWh$_{eq}$) [2]	<0.350 in 2020 (-25% compared to 2007) 0.23 in 2030 (-44% compared to 2015)
Net renewable capacity (GW) [3]	53.9 in 2021
Net thermal and nuclear capacity (GW)	39.5 in 2021
Net renewable production (TWh) [1]	132 in 2021
Net thermal and nuclear production (TWh)	124 in 2021
Specific water requirement for total generation (l/kWh$_{eq}$) [4]	-35% in 2030 (compared to 2015)

(1) Includes production from managed capacity.

(2) Specific emissions are calculated considering the total emissions from simple thermal generation, combined electricity and heat, in proportion to the total simple renewable, nuclear and thermal generation, combined electricity and heat generation (including the contribution of heat in MWh$_{eq}$).

(3) Includes managed capacity.

(4) Following the adoption of the new GRI Standard 303, the figure indicated previously referring to specific consumption now refers to specific requirement. Requirement means the total amount of water withdrawn, including the re-use of waste water, necessary for operation of the plant. This figure does not include water used for open-cycle cooling, which is entirely put back into the original water body.

The targets defined by Enel in its strategy to tackle climate change include certain assumptions – such as a benchmark price of CO_2 of 18 euros in 2021 – which result in the following forecasts, among others:

- EBITDA for low-carbon products, services and technologies[6] equal to 17 billion euros in 2021;
- Capex for low-carbon products, services and technologies[6] equal to 7.7 billion euros in 2021;
- Percentage of Capex for low-carbon products, services and technologies equal to approximately 90% in 2021.

6 The "low-carbon products, services and technologies" category includes the Enel Green Power, Infrastructure and Networks, Enel X and Retail (excluding sale of gas sales) Business Lines.

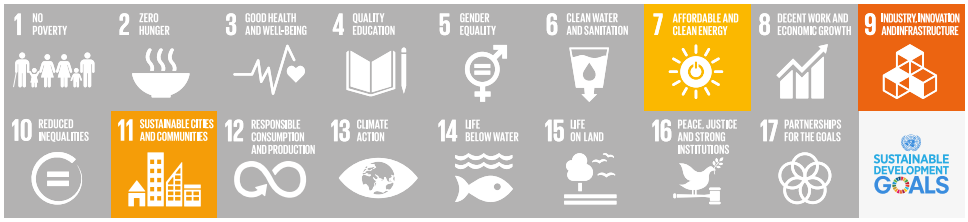
Operational improvement for a better service (1/2)

102-15

Plan 2018 > 2020 Asset optimization

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Innovation of large infrastructure, mainly through digitalization of distribution networks, smart meters installation and charging stations 7 9	+20 mil smart meters	43.8 mil customers with smart meters installed and integrated in the system (+6.3 mil vs 2017)[1]	I Operational efficiency T Technologies and digitalization E Climate change G Partnerships
	+300 thousand charging stations	49 thousand charging points[2]	
Cabling ratio 9	63%	60%	I Operational efficiency E Environmental management S Safety management
Network losses 7 9	Value lower than 5%	4.7%[3]	I Operational efficiency E Environmental management

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Operational improvement for a better service

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Innovation of large infrastructure, mainly through digitalization of distribution networks, smart meters installation and charging stations 9 11	46.9 mil customers with smart meter installed and integrated in the system 5.4 billion euros of investments in asset digitalization in 2019-2021 455 thousand charging points	I Operational efficiency T Technologies and digitalization E Climate change G Partnerships
Cabling ratio 9	67%	I Operational efficiency E Environmental management S Safety management
Network losses 7 9	Value lower than 4.9%	I Operational efficiency E Environmental management

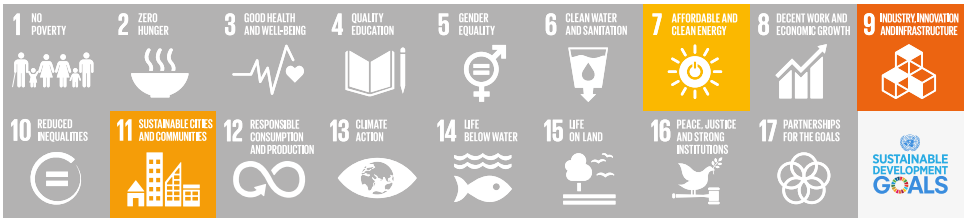
1 Includes 1.2 mil new smart meters installed and 5.1 mil second-generation smart meters replaced in Italy. Following the adoption of a new methodology, data relative to 2018 and 2017 have been restated.
2 Public and private charging points installed.
3 Includes technical (for Joule effect) and non-technical (energy thefts) losses of E-Distribuzione (Italy).

Operational improvement for a better service (2/2)

Plan 2018 > 2020 Asset optimization

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Acquisition of new customers on free electricity and gas market 7	+14.7 mil customers	+1.5 mil customers	I Industrial growth I Customers
Incentivization of transactional operations in the web customers area[1] 9	9 mil operations	2.6 mil operations	T Technologies and digitalization S Social inclusion I Customers
Customer Satisfaction Index for Enel Energia SpA on the Italian free market 11	93% in 2018	90.2[2]	I Customers
Initiatives to promote responsible consumption 11		Fidelity Program Enel Premia 3.0 (250 thousand customers involved in sustainability issues)	I Customers T Technologies and digitalization S Social inclusion E Climate change
Commercial offers increasingly aligned with customers' needs and integrated services 11		Commercial offers for home based bands hourly/ sizes: 70 thousand contracts for "Bioraria" activated in 2018 and 550 thousand for "Sempre con te"	I Customers S Social inclusion

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Operational improvement for a better service

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Incentivization of transactional operations in the web/app customer area[2] 9	17 mil operations	T Technologies and digitalization S Social inclusion I Customers
Customer Satisfaction Index for Enel Energia SpA on the Italian free market 11	93% in 2019	I Customers
New brand positioning inspired by the concepts of simplicity, transparency, proximity, reliability with: > flexible offers more dynamic for the customer's needs > customer relationship increasingly personalized and digital 7 9 11	> Commercial offers based on the concept of flexibility thanks to the new 1G and 2G meters > 100% renewable energy offers > App updating: unique interface for customer's management and engagement	T Technologies and digitalization S Social inclusion I Customers

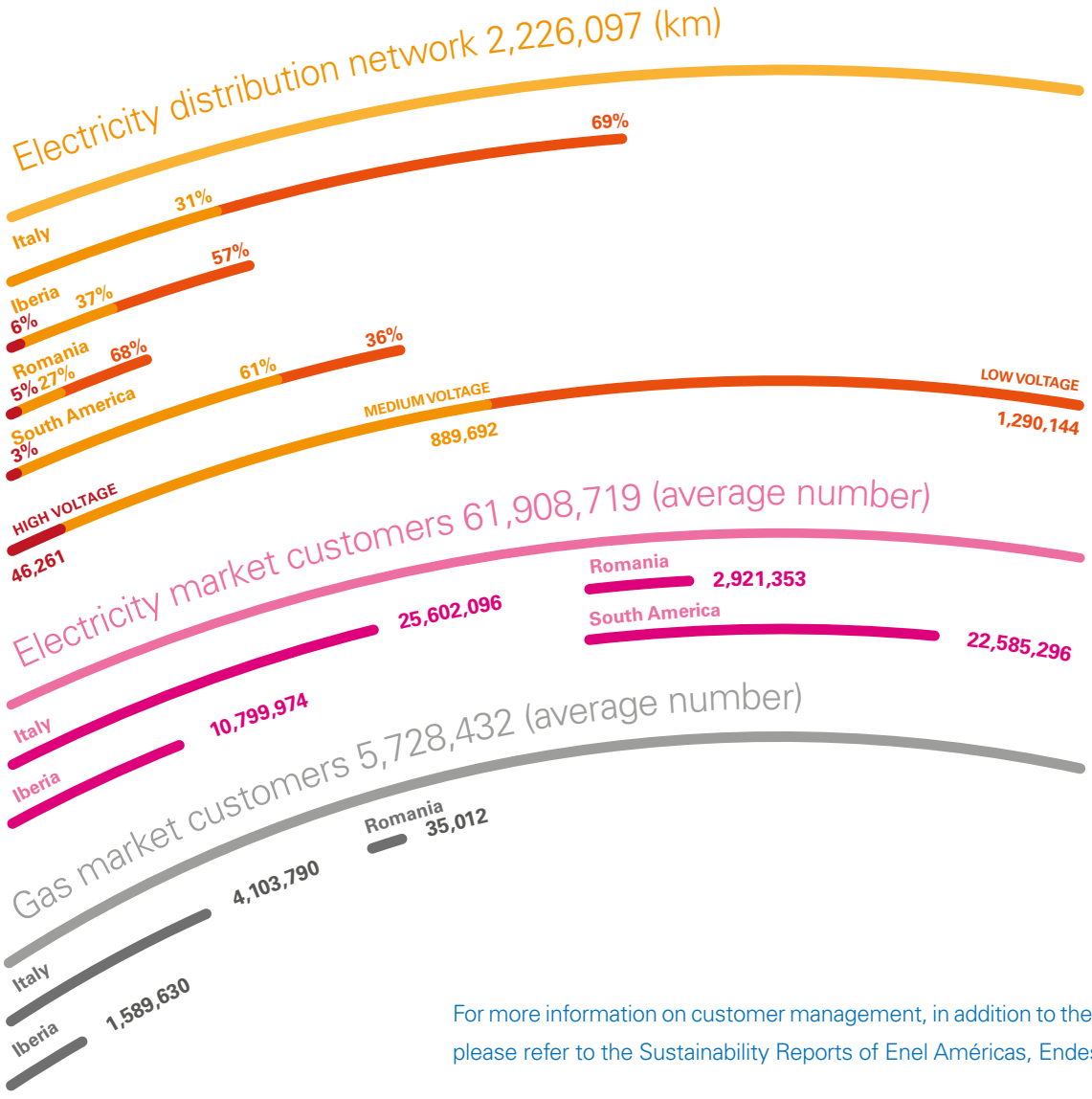
1 Italy.
2 The 2018 ICS (Customer Satisfaction Index), due to a methodological change in the calculation, has an annual and no longer half-yearly reporting as for 2017 and 2016. The negative drop recorded on the free market is linked to the replacement of the IT management platform with a more advanced (CRM Sales Force) platform. The learning curve of the telephone operators was reflected in the quality of the service provided.

Operational improvement for a better service

See the Appendix
Performance indicators
102-7 EU4

In 2018, the electricity transported on the Group's distribution network equaled 485.4 TWh (460.7 TWh in 2017), the average number of electricity and gas customers was approximately 68 million, an increase from 2017, mainly due to the acquisition of Eletropaulo in Brazil. Energy sales amounted to 295.4 TWh in 2018, an increase of about 11 TWh (+4%) compared to 2017. Enel also manages a demand response capacity of approximately 6.2 GW.

Enel's constant attention to customers and commitment to provide quality products and services are important factors that characterize the Group's relations with its customers in the different countries in which it operates. Reliability, security and continuity in distribution, together with quality, efficiency and transparency in the sale of energy characterize every phase of the customer relationship.



For more information on customer management, in addition to the following paragraphs, please refer to the Sustainability Reports of Enel Américas, Endesa and Enel Chile.

Operational excellence and quality in distribution

103-2 103-3
DMA EU (former EU7)
DMA EU (former EU23)

Enel plays a fundamental role in the energy transition process, from a centralized to a distributed business model. Smart grids, distributed energy systems and the demand response service allow a high degree of flexibility in the management of network peaks and a better integration of renewable energy, generating virtuous synergies between Enel's various businesses and making the grid a key element. Its continual improvement is central to the economic and social development of communities, as well as to the daily life of citizens, in full coherence with the commitments made to the United Nations sustainable development objectives and with Enel's policy of creating shared value. The power grid enables a wide range of services, not only thanks to the continuous digitalization process, but also to its quality, efficiency, reach and widespread coverage.

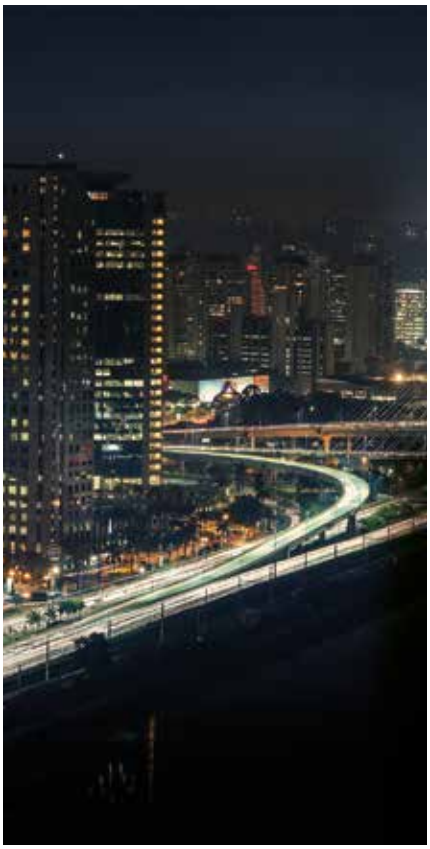
The **Enel Distribuição Goiás** (formerly CELG-D) distribution company in Brazil was acquired in 2017, and in March 2018 the new company logo was launched, reflecting a long process of improving the company's safety, efficiency and service quality standards. In 2018, the company **Eletropaulo** was also acquired, with its 7 million customers, making Enel the main operator in the country and accelerating its growth strategy in large metropolitan areas.

It is Enel's responsibility to ensure a continuous and safe supply of energy to the national electricity systems of the countries in which it operates as a distributor. The quality of the supply is closely linked to the reliability and efficiency of the transmission and distribution infrastructure, which must be able to meet the required demand levels. Enel works continuously to develop and improve the efficiency of the distribution network, in coordination with the other parties that, for various reasons, operate on the network infrastructure.

Enel carries out network maintenance and modernization on the existing infrastructure in all the countries, aimed primarily at reducing the number and duration of service interruptions. The work can involve changing the network structure, replacing technically inadequate line components, increasing the network's degree of self-control through automation and carrying out remote work on secondary substations. Regarding 'commercial' losses, the digitalization of the network and the use of the "Remote Operator" system – combined with the use of smart meters – allow greater effectiveness in checking power usage, while also reducing fraud. Network digitalization and the spread and application of processes, technologies and procedures in the different countries where Enel operates are essential elements.

Innovative digital technologies make it possible to monitor the entire network, act quickly to resolve any faults and ensure an optimal supply of energy. Remote control systems are fundamental for managing the distribution networks, enabling local operating centers to carry out any necessary operations to ensure the continuity of the electricity supply service.

Global infrastructure and networks have crossed the boundary between real and virtual, creating new management



methods that make the most of opportunities offered by the latest technologies. In October 2018, Enel inaugurated the I&NNOVATION SPACE in Rome, a space open to everyone, to share and talk about technological innovation in the world of networks. The **Network Digital Twin** project was presented in the first exhibition. This is the "digital twin" of the network representing the physical network infrastructure, updated in real time. This digital model is a complementary solution to the existing systems in the control centers. It generates and interprets historical data, thanks to sensors spread across the network in an IoT logic (smart meters, fault detectors, etc.) and image acquisition tools, such as satellites and drones. It has many ap-

plications: monitoring the infrastructure status, predictive and fast maintenance processes, optimized emergency management and resilience.

2018 closed with 43.8 million customers with smart meters installed and integrated in the system and the new 2019-2021 Strategic Plan foresees 46.9 million by 2021. The meter is a crucial point in the innovation of distribution networks, it represents an important urban redevelopment tool and is a fundamental enabler of advanced home automation. An awareness campaign to spread specific information began at the same time as the first smart meters were installed. This was done as this technology can enable energy savings of up to 10%, thanks to the possibility of having real time consumption information.

The importance of customers and the customer experience are fundamental pillars of Enel's industrial strategy and digitalization helps optimize the relationship with energy end users. In this continually evolving system, customers take on a central role thanks to the use of electronic tools which make consumption transparent and promote the efficient use of energy.

Enel is also experimenting with new methods of customer participation and involvement. One example is crowdworking in the State of Goiás in Brazil, a vast region with a low population density and logistically complex. An app has been developed that enables Enel people to acquire traditional meter readings from a photo taken on a smartphone, and in the future it will be possible to document other aspects relating to the network status. The trial was extended to Peru and we will subsequently evaluate the possibility of rolling it out across all the countries where we are present in South America.

As Enel wants to know what its stakeholders think of the services it provides, it carries out surveys to measure their satisfaction. Specific communication channels are in place in the various countries where it operates, also in line with the provisions of standards and regulations. In Italy, for example, a call center and innovative services are in place, increasing the ability to respond and provide faster, more detailed information to customers. In addition to the call center, the e-Notify service is available, which sends communications and notices, for example, to E-Distribuzione customers who want to be informed about any works planned in their area. The new chatbot, Eddie, was launched in February 2018, a virtual assistant designed to provide information and communicate with customers.

COLOMBIA: THE "COMPARTIR" AND "GRAN SABANA" PROJECTS

More people migrate to urban areas every day, in search of opportunities and a better future. This is the case of the city of Bogotá. The "**Compartir**" project, will cover an area of 1.23 hectares and provide for a 1.57 km transmission line, making it possible to meet the new electricity demand of the Municipality of Soacha, south of Bogotá, and guarantee the continuity of the service even in contingency situations. The construction license was obtained in May 2018 and work began in September. Specific programs were defined to minimize, as far as possible, any impacts that the project might have, and both internal and external people involved in the project were specifically trained. Multiple meetings were held with the local community to ensure its active participation in the project and promote a culture of responsible electricity use and consumption. A reception point was also set up to answer any questions that the community had about the project.

The "**Gran Sabana**" project was launched to the North of Bogotá, with the aim of meeting the energy needs of industrial customers in the various Municipalities in the Cundinamarca area. About 130 people participated in the construction phase, including engineers, specialized electricians and logistics personnel. The substation will be completely automated and controlled remotely, a factor that allows a better response in the case of contingency. The construction of Gran Sabana involved the development of an environmental management plan to guarantee the care and conservation of the local flora and fauna. In particular, 142 species of amphibians and 82 of reptiles were saved, 1,100 trees from 80 species native to the Andean forest ecosystem were planted and 37 species of birds were recorded.

For further information: https://www.enel.com.co/es/subestaciones-electricas.html.

Quality of service and promotion of responsible and conscious consumption

102-43 102-44

The leadership of a company like Enel necessarily depends on customer care and high-quality service: aspects that not only refer to the supply of electricity and/or natural gas, but above all to the intangible aspects of the service, relating to customer perception and satisfaction.

Among the many actions, the following can be highlighted:

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

Customer satisfaction

102-43 102-44 103-2 103-3 418-1

The focus on quality of service remained in place this year, as shown by the results of the customer satisfaction surveys carried out in all the countries in which Enel is present as an electricity seller or distributor.

In **Italy**, the Customer Satisfaction Index (CSI) for 2018 is equal to 92.4[1] (92.3 in 2017) for the regulated market and 90.2[2] (91.3 in 2017) for the free market. Furthermore, surveys are carried out on a monthly basis, regarding the satisfaction of customers who received a response to a written or verbal complaint. The survey is conducted through telephone interviews, carried out after sending the reply or during the call when the customer is given a response.

In **Iberia**, excellence in customer care is the main value in its commercial relationships at the subsidiary Endesa, which pursues maximum efficiency in its customer care channels, tools and platforms through a process of constant innovation and improvement. 20 key indicators are monitored monthly to ensure compliance with the improvements identified during the previous year. The CSI shows a constantly rising trend over the years, reaching a value of 7.2[3] for the free market in 2018 (7.0 in 2017).

In **Romania** customers can express their opinions through a contact center, e-mail and on the website. The information is collected monthly and the results are used to improve service quality and corporate processes. The overall satisfaction index was 87[4] (88 in 2017) for the free market, while the regulated market was 86[5] (84 in 2017).

In **South America** customer satisfaction indicators are essential for the definition of strategies and new products. In Brazil, customer satisfaction is measured each year through a specific index calculated by the Brazilian association of electricity distributors (ABRADEE - Associação Brasileira de Distribuidores de Energia Elétrica). The index is obtained following a sample survey carried out with consumers and covering aspects such as: energy supply, information and communication, bill, customer care and image. In Peru, a series of interviews is carried with customers who have used the contact point services, applying a direct and personal survey technique using structured, standardized questionnaires.

Finally, in Colombia, a customer satisfaction survey model is in place that is designed to measure market perception of the supply of products and services, and which seeks to concentrate efforts and resources to improve customer satisfaction. The quality satisfaction index (ISCAL) – the key elements of which include the commercial relationship and invoicing – has remained at an excellent level in recent years, thanks to the development of the customer relationship plan.

1 The value is calculated on a scale of 1 to 100. Following a change in methodology, the 2018 CSI (Customer Satisfaction Index) value is collected annually and no longer each semester, as occurred for 2017 and 2016. For better comparison with data from previous years, the 2017 value, given in the 2017 Sustainability Report and relating to the first semester, has been updated with the CSI value of the second semester 2017.

2 The value is calculated on a scale of 1 to 100. Following a change in methodology, the 2018 CSI (Customer Satisfaction Index) value is collected annually and no longer each semester, as occurred for 2017 and 2016. For better comparison with data from previous years, the 2017 value, given in the 2017 Sustainability Report and relating to the first semester, has been updated with the CSI value of the second semester 2017. The drop recorded in the free market is related to replacement of the customer management computer platform with a more evolved tool (CRM Sales Force). The learning curve of the telephone operators was reflected in the quality of the service provided.

3 The value is calculated on a scale of 1 to 10.

4 The value is calculated on a scale of 1 to 100.

5 The value is calculated on a scale of 1 to 100.

Complaint management

102-17 102-43
103-2 103-3

In all the countries where Enel operates, customers have several channels available to submit complaints or requests for information (mail, website, toll-free number). Enel constantly monitors the feedback received in order to understand the customer's perception and any critical issues in progress and implement the appropriate corrective actions.
In **Italy**, through the company Enel Energia, the Enel Group ensures the commercial quality control of all the contact channels by carrying out systematic monitoring of sales and management processes. The goal is to ensure compliance with the requirements under current legislation, with privacy regulations and with the regulations protecting workers' freedom and dignity. The reports are managed through dedicated channels and evaluated by a specific working team so that the most appropriate actions can be taken.
In **Iberia**, complaints are managed both centrally, by the "Atención de Reclamaciones" (Complaint Management) unit, and at local level through six regional units, in order to detect any service disruptions in advance and decide the best way to resolve the issue, improving process efficiency. In 2018, a digitalization process was launched to ensure greater efficiency and reduce average resolution times.

Care of vulnerable groups

102-43 102-44 103-2
103-3

Enel is close to citizens in order to improve and maintain access to electricity in the most disadvantaged areas and among the poorest populations. In all the countries where the Group operates there are forms of support, often linked to government initiatives, helping certain sections of the population pay for electricity and gas costs, to provide equal access to energy.
In **Italy**, since 2008 for the electricity sector and since 2009 for the gas sector, state aid is available for domestic customers in economic hardship and – for the electricity sector only – for customers who use electro-medical life-saving equipment (so-called "social bonus"). The bonus is financed by state resources and with specific rates set by the Authority. Bonus applications are managed by the Municipalities and, where approved, the customers see a credit on their bill which varies depending on income and the number of household members.
In 2018, the social bonus was received by approximately 430,000 Enel Energia and around 330,000 Servizio Elettrico Nazionale customers. In general, protection is provided in cases where the energy supply is disconnected: customers who have an electronic meter are not completely disconnected in the event of non-payment, but their available power is reduced compared to the contracted power, it is only completely disconnected if the non-payment persists.
In **Iberia**, the new social bonus regulation came into force in 2018 with discounts of 25%, 40% or even 100%, depending on the customer's level of vulnerability. In addition, since 2015, various agreements have been signed with local/regional authorities and tertiary organizations in order to avoid cutting supply to customers recognized as "vulnerable" by social services. The number of agreements increased by 18% in 2018, from 229 in 2017 to 272 in 2018. The bonus was issued to 108,125 customers, compared to a potential coverage of 10 million families in 26 regions. Furthermore, from 2018, Endesa offers customers in vulnerable groups the opportunity to pay their energy bills in installments without applying interest and has specific assistance channels for customers.
In **Chile**, Enel Distribución Chile's "oficina móvil" (mobile office) has actively contributed to customer care for the most vulnerable sectors, bringing the Company closer to their homes. In 2018, the mobile office carried out a total of 229 visits to various municipalities.

A transparent relationship with customers

102-16 103-2 103-3 417-1
DMA EU (former EU24)

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

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

Specific customer care channels have been set up in all the countries where the Group operates: physical, telephone and online, to provide continual information about the products and services offered. Access to information has also been improved through the use of social media channels, such as Facebook and Twitter, and specific apps. In order for communication with customers to be truly transparent, correct and effective, Enel undertakes to ensure that any cultural, linguistic, illiteracy or disability barriers do not affect an equal access to information for customers. Innovation and digitalization are also key elements (see the chapter "Open Innovability and digitalization").

In **Italy**, in addition to the www.enel.it site, which enables users to create and maintain customer relationships from both a commercial and managerial perspective, a dedicated Enel Energia app is planned, to manage customers simply and immediately, with access to all the data relating to bills, consumption, the state of payment, etc. It is also possible to activate or modify the services associated with the various supplies, to stay informed about new offers and promotions and to access the dedicated loyalty program. As part of the "Enel Social Services" program, developed in collaboration with the Presidency of the Council of Ministers, Servizio Elettrico Nazionale sends the bill in Braille to visually impaired customers. In addition, on the Enel Energia website (www.enel.it) the chat function is active for hearing impaired customers and there is also a guide with visual and audio content to explain the bill.

In **Iberia**, new features and payment methods, a section dedicated to privacy management, a chat function from the app and innovative ways of displaying consumption and invoices were added to the www.endesaclientes.com website in 2018. All commercial communications, invoices and information sent by Endesa to its customers can be received in two languages: Spanish and Catalan. The www.endesaclientes.com website is also available in Spanish, Catalan and English. Endesa seeks to overcome any barriers, whether physical, social or linguistic, thanks to its commitment to digitalization. Customer contact points are on the ground floor to guarantee access for people with disabilities.

In **Romania**, the website www.enel.ro includes an English version for non-Romanian customers and a Hungarian version is also being built, while in **Chile** new digital platforms have been implemented to provide the same information and the same level of customer focus, regardless of whether the customer chooses to be assisted in person, remotely or digitally.

In all the countries where it operates, Enel acts in compliance with the current regulations on **protection of customer privacy**. The Company is also committed to careful monitoring of all the third-party companies that might use the personal data of its customers. Specific clauses are included in contracts with partners who use personal data to perform specific activities, such as for example sales or customer satisfaction surveys. Customer data is an expression of the personality and identity of the individual, and must therefore be treated with due caution and guarantees. Enel considers personal data to be both a common good and a corporate asset, for this reason the Group has created the role of Data Protection Officer to guarantee full respect for the privacy of all the individuals with whom it interacts. For further details, see the chapter "Corporate governance".

Commercial offers, and energy-saving products and services

103-2 103-3
DMA EU (former EU24)

In all the countries where Enel operates, a vast range of high-energy-performance products has been launched to guarantee savings in terms of both consumption and emissions.

Endesa and UTE (Unión Temporal de Empresas) signed an agreement in 2018 with the Municipality of Vitoria, in order to modernize 42 public buildings by installing innovative electrical solutions and replacing the internal lighting system with a more efficient one. The implementation of the project will result in energy savings of 1,281,000 kWh/year and a reduction in CO_2 emissions of 493.2 t/year.

In **Italy**, the "Piano Italia" Project, designed to promote the electrification of mobility and sustainable transport, has the objective of developing and installing a network of 28,000 charging points for electric vehicles by 2023. Still in Italy, Enel X's "**Energy Efficiency for apartment buildings**" project, aimed at all buildings with over eight residential units and centralized heating systems, and that are interested in increasing energy efficiency in the communal areas of the building. For further details on Enel X projects, see the next paragraph.

The New Power Economy: Enel X

DMA EU (former EU7)

Enel X was created in 2017, with the aim of driving the transformation of the energy sector and creating the New Power Economy. By changing the industry paradigms, Enel X helps customers transform energy into New Power, so that they grow, create value and drive progress. An open strategy, based on digitalization, sustainability and innovation. Enel X sees itself as a booster, or rather a circularity accelerator, within the new circular ecosystem of suppliers and customers, carving out an innovative and unique role in the market.

Transforming companies, to discover even more intelligent and innovative ways to make the most of energy, and as such bringing benefits to customers, employees and stakeholders. Transforming cities, reinventing the way they work, giving citizens access to better and faster services, creating a cleaner and more sustainable urban environment. Transforming homes to make them safer and more efficient. Transforming transport, to be able to travel anywhere in a more sustainable and cleaner way, accelerating the revolution of electric mobility.

The goal of Enel X is to offer an open and flexible platform, with the aim of generating a system capable of connecting: urban ecosystems, industrial districts and production chains, mobility needs and individuals. These are connections that take on different forms each time: distribution systems and energy storage batteries, low-energy smart and LED lighting solutions, electric mobility and fast charging services, tools for intelligent energy management and equipment in the homes, buildings and cities, software to control the energy exchange in distributed self-production systems (Demand Management & Re-

sponse).

Enel X is structured in four Global Product Lines in order to deliver new solutions and be ready for the future:

- **e-City**: for public lighting, artistic lighting, energy efficiency, safety and fiber optics;
- **e-Home**: for the development of smarter homes, cutting energy consumption and guaranteeing greater well-being, as well as for renewable generation with integrated solutions that also include storage;
- **e-Industries**: to offer an integrated and tailor-made service to our customers, from strategic consulting to energy monitoring systems and efficiency-related technologies, from distributed generation to the smart use of batteries, as well as island-based and grid-connected microgrid solutions and the most advanced demand response systems;
- **e-Mobility**: promoting e-mobility with increasingly innovative solutions, through recharging infrastructures, new technologies and second life battery services.

Alongside the four Global Product Lines, the "**Innovation & Product Lab**" has been created to design, develop and test new products and services, with the contribution of customers.

Enel X has developed a strategy based on creating partnerships and dynamic acquisitions, so as to look ever further and intercept new technologies. Examples of this include:

- **Demand Energy Networks** - American developer of an advanced software platform for the smart and optimized management of energy storage systems of resources distributed at customer sites;
- **EnerNOC** - world leader in smart energy management services and in enabling customers to access energy markets through demand response systems;
- **eMotorWerks** - specialized in the supply of charging systems for electric vehicles and solutions that maximize the value of the vehicles themselves, generating revenues from the supply of services to the network.

Enel X has clearly directed its long-term strategy towards Demand Side Management services through these acquisitions and in 2018 it established itself as **a world leader in the Demand Response market**.

In addition, in June 2018 Enel signed an agreement with the Sixth Cinven Fund for the purchase of 21% of the capital of a NewCo set up for the acquisition of **Ufinet International**, which represents a growth platform in Latin America in the ultra-wideband sector.

Through its subsidiary Enel X Italia, in July 2018 Enel acquired **YouSave**, an Italian company active in the field of energy efficiency and specialized in services for industries, tertiary and public administration, with a particular focus on energy digitalization.

Among the various innovative projects developed by Enel X during 2018, "**JuiceLamp**" is the new product that is part of the package of charging solutions for electric vehicles, developed to meet different usage needs: domestic, corporate, for public spaces or included in the urban context.

JuiceLamp is a solution that integrates public lighting with the recharging infrastructure: it is an "intelligent streetlight" with LEDs which, in addition to ensuring high efficiency and remote management, also allows two cars to "fill up" at the same time with energy of up to 22 kW of power in alternating current. It is equipped with the best connectivity technology available: it can be activated via the app or a card and is set up for contactless payments.

JuiceLamp can also be integrated with other Enel X products such as video surveillance, air quality monitoring and fiber connectivity or urban WiFi. The solution immediately sparked the interest of the Municipality of Pescara, where the product is being installed; it will be offered in other Italian cities through public tenders. With different types of pole design, the new product is designed to be integrated into the different contexts (urban, residential, commercial) where it will be installed.

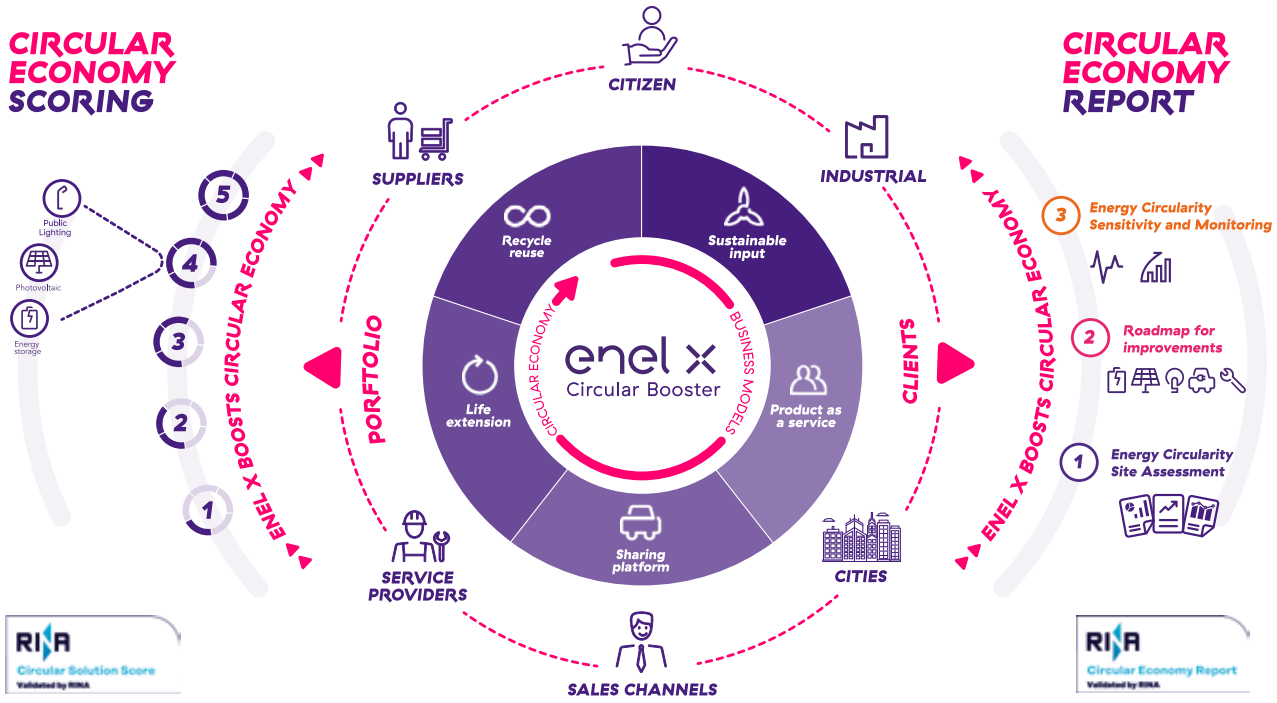
In 2018 the "**Energy efficiency for apartment buildings**" offer was also launched. Energy efficiency makes it possible to reduce environmental impact and consumption, while saving money on both bills and the cost of redevelopment. Thanks to the Ecobonus, a new concession that is added to the tax deductions already granted for energy efficiency improvements to buildings, it is possible for apartment buildings to transfer the entire amount of the fiscal incentive, leaving them to cover only a small part of the total restructuring costs.

This will make it possible for apartment buildings to undergo work that requalifies the entire structure and benefits from a series of advantages: the reduction in consumption and of CO_2 emissions, the consequent reduction in costs, as well as the reduction of costs incurred to carry out the work and, last but not least, a proportional increase in the real-estate value due to the energy class improvement. Enel X's solution has already been launched for several apartment buildings in the cities of Milan and Turin, and the launch campaign is underway across the country.

Finally, Enel X is active in providing various forms of insurance (life insurance, health insurance and damage insurance) and, mainly in South America, in providing financial services, including credit cards.

ENEL X, ACCELERATING CIRCULARITY

Eco-design-focused technological solutions, working on the modularity, repairability and recyclability of products and services offered, as well as on consumption models based on sharing and on the product as a service. This is Enel X's sustainable innovation: an ever-evolving circular laboratory.



Changing perspective means transitioning from a linear economy to a circular one based on sustainable solutions (renewables, reuse and recycling) and the circular use of assets to maximise their use (through sharing solutions and product as a service) and enhance their in the end-of-life phase.

Enel X positions itself as a **circular economy booster**, through both an internal and external approach, proposing a program that aims to increase the level of circularity of its solutions and of companies and public administrations.
The Circular Economy Boosting Program starts by measuring circularity levels using the **Circular Economy Score**, with regard to the portfolio of Enel X solutions, and the **Site Energy Circularity Assessment**, for industrial companies and public administrations. Once the initial situation has been assessed, a robust methodology is applied to identify all the opportunities for boosting circularity.

Circular Economy Score

Enel X has developed the Circular Economy Scoring Mechanism, an innovative method to measure the level of circularity of solutions and products. The result of this evaluation process is the assignment of a circularity score on five levels, the **Enel X Circular Economy Score**, which is subject to third-party verification and then made available to the end customer.

This score is the starting point of the Enel X Circular Economy Boosting Program on the product portfolio side, which uses a "circular intelligence" activity (analysis of the market context, consumer preferences and competition, scouting of innovations and startups) to produce a list of opportunities for enhancing the solution's circularity.
The circular opportunities that the technical experts consider to be really interesting and feasible, from a business perspective, are submitted to the Product Line manager, who will decide which should be developed and marketed.
At the end of the boosting process, the solutions under consideration are measured again on the Circular Economy Score, to find out how much their circularity has increased with respect to the starting point.

Circular Economy Clients Report

Enel X also offers its Circular Economy Boosting Program to external clients, in particular to its industrial customers and public administrations, creating an Energy Circular Economy Report. The report provides:

- → greater awareness of the energy performance;
- → new energy saving opportunities, by identifying potential energy efficiency opportunities, which also bring cost savings through Enel X solutions;
- → communication with a greater impact, using robust storytelling of the client's efforts towards sustainability and the circular economy.

The report, designed for business customers and public administrations, is structured as follows:

1. ***Assessment***
   - **a.** *City or Corporate CE assessment*: broad spectrum analysis which, in the case of the public administrations, evaluates the level of energy circularity in the direct management of its real estate assets; in the case of corporate customers, qualitatively evaluates the level of maturity and diffusion of the circular economy principles;
   - **b.** *Site Energy CE assessment*: detailed quantitative analysis applied to a specific site, with a focus on energy aspects;
2. ***Roadmap for Improvement***: a targeted selection of the most suitable solutions in relation to the analyzed site, in order to obtain the maximum circularity score;
3. ***Energy Circularity Sensitivity and Monitoring***: an evaluation of the percentage increase in the level of circularity based on the circular solutions covered by the development plan.

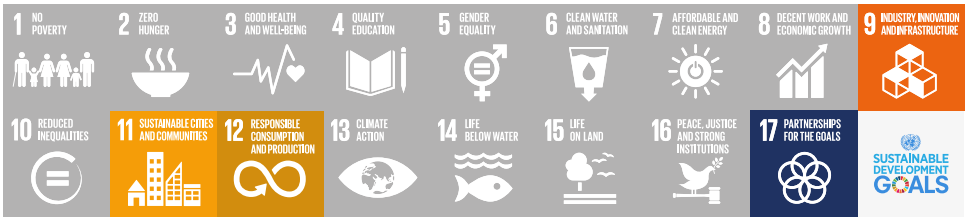
Open Innovability and digitalization

102-15

Plan 2018 > 2020 Innovation and digitalization

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Coverage of web applications exposed to internet with advanced cyber security application solutions 9 11	100%	89%	T Cyber security
Setting up of Enel's CERT[1] and acknowledgment by national CERT[1] 9 11	Acknowledgment in 8 countries[2] in 2018 and affiliation with the international organizations[3]	Acknowledgment in 8 countries[2] in 2018 and completion of affiliations with the international organizations[3]	T Cyber security
Disseminating the information security culture and changing people's behavior in order to reduce risks 9 11	15 cyber security knowledge sharing events held per year	15 events held	T Cyber security
Information security verification activities (Ethical Hacking, Vulnerability Assessment, etc.) 11	350 verification activities per year	500 verification activities carried out	T Cyber security
Activities to reduce CO_2 emissions 12	-15 mil pages printed (2017-2020) Dissemination of telepresence video communication systems Launch of activities to reduce PC, laptop and monitor downtime	-53 mil pages printed[4] ~50 thousand meetings in video communication ~38 mil hours of PC, laptop and monitor downtime in Italy	T Technologies and digitalization S Social inclusion
Promoting global partnerships and supporting high-potential startups 9 17	> Opening at least 3 new Innovation Hubs and 3 Innovation Labs > Implementation in the business of 50 projects with startups	> Opening of 2 new Innovation Hubs (Catania, Pisa) > 15 projects with startups implemented in the business	G Partnerships I Industrial growth T Technologies and digitalization S Social inclusion

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Innovation and digitalization

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Digitalization Capex (assets, customers, people) 9 11	5.4 billion euros	T Technologies and digitalization I Operational efficiency I Industrial growth S Social inclusion
Coverage of web applications exposed to internet with adavanced cyber security appllication solutions 9 11	100%	T Cyber security
Disseminating the information security culture and changing people's behavior in order to reduce risks 9 11	15 cyber security knowledge sharing events held per year	T Cyber security
Information security verification activities (Ethical Hacking, Vulnerability Assessment, etc.) 9 11	350 verification activities per year	T Cyber security
Activities to reduce CO_2 emissions 12	-16 mil pages printed (2019-2021) Dissemination of telepresence video communication systems through a centralized platform Activities to reduce PC, laptop and monitor downtime	T Technologies and digitalization S Social inclusion
Promoting global partnerships and supporting high-potential startups 9 17	> Opening at least 3 new Innovation Hubs and 3 Innovation Labs > Implementation in the business of 50 projects with startups	G Partnerships I Industrial growth T Technologies and digitalization S Social inclusion

1 Cyber Emergency Readiness Team.
2 Italy, Spain, Romania, Argentina, Brazil, Peru, Colombia, Chile.
3 First and Trust Introducer.
4 2017-2018 cumulated data.

Open Innovability and digitalization

See the Appendix
Performance indicators
DMA EU (former EU8)

To foster new uses of energy, new ways of managing it and making it accessible to an increasing number of people in a sustainable manner, Enel has made innovation and digitalization key elements of its strategy, to grow in a rapidly changing environment ensuring high safety standards, business continuity and operational efficiency. It is a path that involves traditional business and the development of new models and technologies, a path that relies on creativity, passion, ideas and technologies both from within and outside the Company.

The Open Innovability ecosystem

Enel operates through an Open Innovability model, where the solutions, as well as being innovative, guarantee long-term sustainability for Enel's business and for the communities in which the Company operates. It is an ecosystem based on sharing, which allows you to face challenges by connecting all areas of the Company with startups, industrial partners, small and medium-sized enterprises, research centers, universities and solver ecosystems, through crowdsourcing platforms.

Enel has **91 active innovation partnership agreements**, including 8 global agreements which cross over several Business Lines. In addition to Enel's traditional activity fields, such as conventional generation and renewables, they have promoted the development of new e-mobility, microgrid, energy efficiency and industrial IoT solutions. The network of hubs where startups have the opportunity to test their solutions with the support of Enel's structures and knowledge, was expanded during 2018. There are **6 Innovation Hubs** (Silicon Valley, Tel Aviv, Madrid, Moscow, Santiago de Chile and Rio de Janeiro) and **3 Innovation Hub & Labs** (Catania, Pisa and Milan). 28 bootcamps and scouting activities dedicated to specific technologies of interest to the Group were organized through the Innovation Hubs in 2018.

Innovation activities are managed, in compliance with current regulations and with the Enel Compliance Programs, by the Innovability Function in collaboration with the various Holding Functions and Business Lines in all the countries in which the Group operates. There are dedicated structures on an individual Business Line level, in order to facilitate the development and dissemination of innovative solutions. A three-year **innovation plan** is defined each year to support the Group's strategic priorities. To be defined as innovative an idea must be sustainable, replicable and satisfy one or more specific needs. The plan is submitted for approval by the Group Innovation Committee which is chaired by the CEO and shared with the top management. Each Business Line then puts all the activities in place that are instrumental in achieving the specific targets, using all the Open Innovation tools, such as the relationships with startups, sellers and academic partners, the involvement of internal innovation communities to explore frontier solutions, the development of patents and corporate entrepreneurship, the strengthening of internal creativity and internal and external crowdsourcing initiatives. The innovation process is monitored by specific indicators, which take into account the number of innovative opportunities generated and how they are processed during all phases.

Innovation priorities for the three-year period 2019-2021 include: new digital solutions for the business, internal processes and customer management; automation of plant construction, management and maintenance phases; development of new products, innovative services and new technologies for energy production; innovation in management and customer interaction; *in situ* safety operations; sustainable management of water resources and other natural resources.

The digital gateway: openinnovability.com

The online crowdsourcing platform "openinnovability.com" is a digital space where dialogue is always open and ideas know no limits. In 2018, the platform had **over 17,500 users**, and can rely on the relaunch of challenges even on third platforms that reached about 400,000 solvers: **27 innovation and sustainability challenges** were launched and about **250 proposals were received from Enel people** (+7% compared to 2017) and **almost 600 from external users** (+69% compared to 2017).

Identifying a need, launching a challenge, sharing it externally, evaluating the received proposals and, finally, rewarding the best ones, even financially. These are the five steps set out by the crowdsourcing process. The challenges are inspired by the UN Sustainable Development Goals (SDGs), to allow greater access to energy and open up to new technologies and new business needs, inspired by the Open Power vision. The following are some of the challenges launched over the last year:

- "**Hands-free charging for Electric Vehicles**" refers to solutions to make recharging vehicles simpler, shorter and more convenient in a "hands-free" mode;
- "**A solution to reduce range anxiety in Electric Vehicles**" aims to find creative technological solutions that make recharging infrastructures increasingly accessible and within reach, to learn about their geographic location in advance and, as a result, reduce anxiety for drivers of electric cars;
- **recycling and re-use of wind turbine blades (SDG 11, 12, 13)**. The average operating life of wind turbines is around 20 years. The metal parts of the turbines are easy enough to recycle and re-use, while the small non-metallic portion of the components, or wind turbine blades, present some difficulties. These are mainly composite materials, in addition to some other minor components/materials, making this task particularly challenging. As the first generations of wind turbine technologies approach the end of their life cycle and must be dismantled, Enel Green Power is looking for the best methods available to recycle and/or re-use wind turbine materials, in order to be increasingly sustainable, with a view to the circular economy;
- **augmented reality initiatives dedicated to customers**. 56 ideas were collected from 17 countries, and a special internal commission analyzed the business models that were submitted and selected the best proposals in terms of innovation, feasibility and potential. Both winning ideas have a focus on efficient and conscious consumption management, offering consumers tools to increase awareness and management of their current consumption, including integration with IoT technology (the first idea), and offering proactive guidance for consumers for energy efficiency (the second one).

The culture of Innovability

The process of change can't be separated from the development of specific activities concerning innovation culture and corporate entrepreneurship at a global level. The "**Innovation School**" continued in 2018, with the aim of providing Enel people, involved in innovation activities, with skills and knowledge on innovative work methods. About **100 Innovation Ambassadors** from various Functions and business areas in Italy, Brazil and Colombia were chosen from within Enel, with the aim of making innovation part of daily activities through specific work methods. The "**My Best Failure**" project also continued. This aims to encourage innovative experimentation. In 2018, Enel also set up a new corporate entrepreneurship program, "**MAKE IT HAPPEN!**", which was officially launched in the first few months of 2019. The initiative involves all the people who work in the Company and enables them to propose, share and develop innovative ideas, as well as improvement proposals which contribute to the creation of the Enel of the future. In the scope of promoting creativity and lateral thinking, the "**Enel Idea Factory**" project continued. Launched in 2014 its objective is to support all areas of the company in solving challenges by using new work methods and creative techniques, whilst promoting integration and collaboration. Last year, 25 creative sessions were held and 915 participants from all the Group countries (and 33 external participants) were involved, generating around 400 ideas and giving rise to various company initiatives.

The innovation communities

Energy storage, Blockchain, drones, augmented and virtual reality, 3D printing, artificial intelligence, wearables and robotics are the sectors and technologies that are addressed by the innovation communities, which involve different areas and expertise within the Company (about 200 people).

- **Drones -** In recent years, Enel has intensified the use of drones in its asset monitoring and maintenance activities, inspecting solar fields, wind farms, dams and hydroelectric basins, components closed in traditional plants and distribution lines. The aim of this is to increase the efficiency of operational and maintenance processes and above all reduce the exposure of workers to risks.
- **Storage** - In addition to guaranteeing continuous support for current activities, storage systems enable the opening of new frontiers for sustainable business. Using storage systems ensures the improvement of reliability levels and the increase of quality indicators of distribution. Together with traditional generation, it also guarantees network balancing and stability of system loads at a national level. The use of batteries proves to be vital in supporting micro grids, in particular for the distribution service on smaller islands. The "Ginostra" project is under development, this will see the installation of a photovoltaic system with a hybrid battery/hydrogen storage system that will cover the entire energy needs of the small community on the island of Stromboli, using a renewable source.
- **Blockchain** - In 2018, experts from all the Enel business areas joined the community to assess the potential of Blockchain in each sector that the Group operates in. Work groups continued at Italian level, led by the Politecnico di Milano, at European level with eurelectric and at a regional level in Spain with the Alastria consortium. The pilot phase of the "Enerchain" trading project ended in 2018, it will address the challenges arising from the transition to an operational phase in 2019.
- **Augmented Reality** - In 2018, several pilot projects developed on what had been launched in 2017. Tests are currently underway regarding the usability of commercial devices that are currently available and their integration with personal protective equipment, with the aim of scaling up tests to an operational level.
- **Wearables, robotics, 3D printing and artificial intelligence** - Most of the uses studied for **wearables** relate to safety applications, such as sensors for verifying the correct use of personal protective equipment, locating personnel on construction

sites to avoid interference, or devices to help people carry out their 'hands-free' tasks without having to interact with smartphones or paper manuals, that can be distracting. In the field of **robotics,** the main applications concern the construction and automated maintenance of photovoltaic fields or other inspection and maintenance activities in areas that may present risks to personnel. **3D Printing** involves the manufacturing of mechanical components, in order to repair valuable components that are subject to wear (turbine blades, burner elements) and to redesign and create innovative components with complex geometries and special materials. The community dedicated to **artificial intelligence** is the largest and covers a wide range of applications. Virtual assistants had the greatest focus in 2018, for use in call centers, to support internal operations and for network management optimization activities, such as identifying non-technical losses (energy theft) or damaged components in power lines through the analysis of aerial photographs.

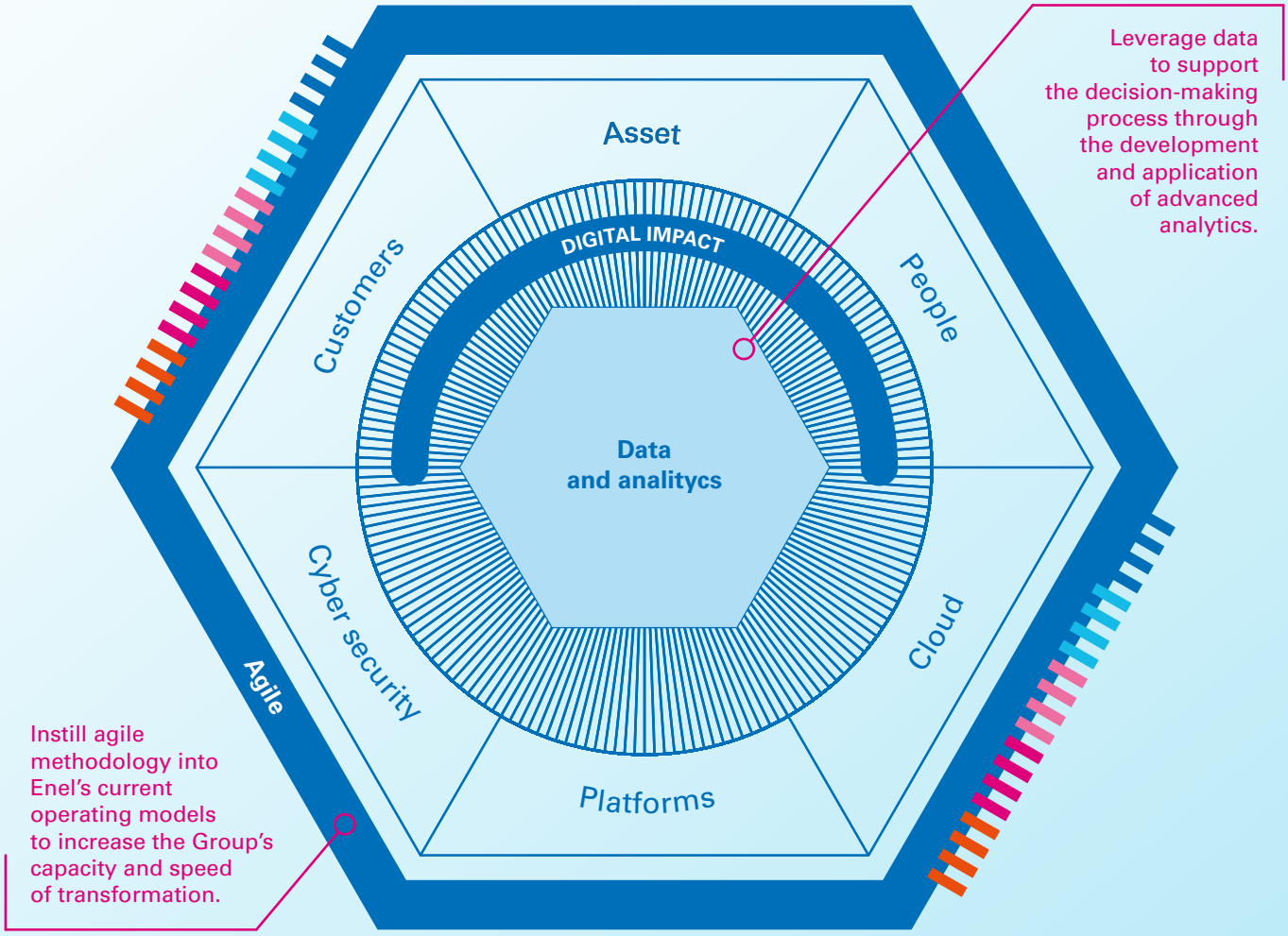
The digital transformation

Technological progress is revolutionizing the entire energy value chain, creating new business models and enabling important economic, environmental and social benefits. Data is a fundamental aspect, by nature it is potentially infinite and inclusive, which allows for the creation of new connections. Developing support tools and skills within the Company is necessary to manage data and derive value from it, to satisfy explicit needs and anticipate latent needs.

Robotics, artificial intelligence, cyber security, Big Data and cloud are among the most frequently used technologies in which Enel is investing. In fact, **the 2019-2021 Strategic Plan sets aside 5.4 billion euros for investment** in digitalization, in the three main lines: Customers (0.6), People (0.3) and Assets (4.5).

Enel has defined its **digital strategy** and a path that includes the entire value chain, since 2016. Foundations have been laid to enable the transformation of the Company, using the cloud, plat-

The guidelines and the enabling factors



forms and cyber security as enabling factors. The strategy for the coming years targets large-scale digitalization to maximize value. The main activities concern:

- ever increasing diffusion methods and agile culture;
- continuous improvement;
- Strengthening **data driven culture** to drive change;
- focus on the **execution** of digital initiatives;
- sharing the **best internal practices** with other areas;
- enhancement of **digital impacts**.

The strategy is based on sustainability and aims to meet **the United Nations Sustainable Development Goals** (SDG 9, 11, 12, 17). The digitalization of customer contracts, development of virtual contact channels, reduction of physical movement of people working in the Company through virtualization of asset management operations, improvement of worker and data security, and protection of critical Group infrastructure are just some of the examples that contribute to the development of Enel's sustainable business model.

Enel's digital transformation is driven by the "**Global Digital Solutions**" team, which directs the strategic choices, defines the development paths and guarantees their implementation, together with all the Business Lines and Holding Functions. The operating model encourages an agile work approach to anticipate market demands. Constant attention is paid to internal and external

customer satisfaction, to ensure innovation and flexibility as well as fast adaptation times and reactions to company changes. The structure was updated in 2018, to be even more cutting-edge and to make the **digital hub** a key factor. Real digital solution development centers integrate all the necessary resources and skills for creating value and working in an agile way.

Machine learning and predictive analysis

The digitalization and development of innovative tools based on machine learning technologies enable predictive analyses to be carried out, for the maintenance of the electricity distribution network and power generation plant components. Any anomalies can be detected in advance and interventions made to prevent equipment failure. Reducing the risk of malfunctions has a significant impact, both economically and also on the environment and people safety. The Group's first **Predictive Center** was inaugurated at the Civitavecchia plant (Italy) at the end of 2018. Specialized in preventative monitoring, it uses a network of sensors and Big Data algorithms to analyze machine data from global thermal production plants in real time, foreseeing and moving up possible failures and malfunctions. The **Schneider Avantis PRiSM** is one of the tools that has been implemented. Its "job" is to learn the operational profile of each piece of equipment, monitored during all the plant's different environmental and operational scenarios. The data generated from the sensors is entered into the advanced software modeling process and compared to the real time operating data, to detect any deviations from the expected results. A plan is in place to roll out machine learning tools in thermal generation plants, to migrate from a control to a forecasting approach.

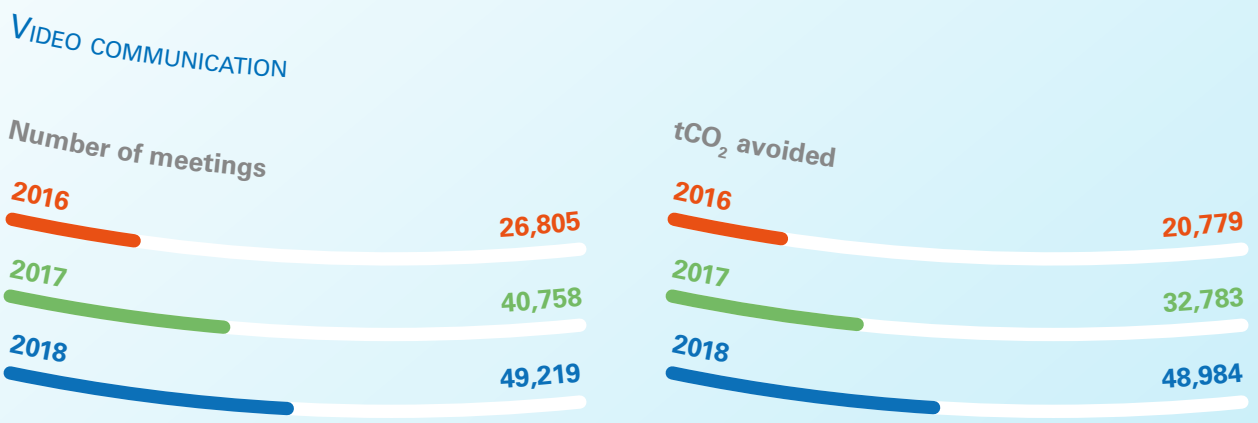
The **digI&NItaly** project is also ongoing, aimed at redesigning the network's digital processes. In Italy, the project plans to test the use of advanced IoT sensors in 25 substations. There are two types of sensors: electrical (which measure voltage, current, etc.) and environmental (which measure humidity, temperature, ultrasound, etc.). The acquired information enables the various platforms to evaluate the network's operational performance, capture weak signals that could lead to potential failures and send real-time reports to personnel who can intervene promptly. The creation of a **Network Digital Twin**, a digital twin of the network, was also launched to increase efficiency, predictive maintenance and emergency response speed.

Cloud

The cloud was a key strategic enabler for Enel in 2018, enabling the use of both infrastructure and app-based resources when required, making full use of the access possibilities offered by the network and reducing waste linked to the consumption of unused resources. The percentage of Enel cloud applications in 2018 was 96%. The AWS (Amazon Web Services) cloud that Enel uses needs an average of about 16% of the energy required by traditional on-premise infrastructure, creating an average reduction in CO_2 emissions of about 88%. It is housed in green data processing centers that are powered by 50% renewable energy.

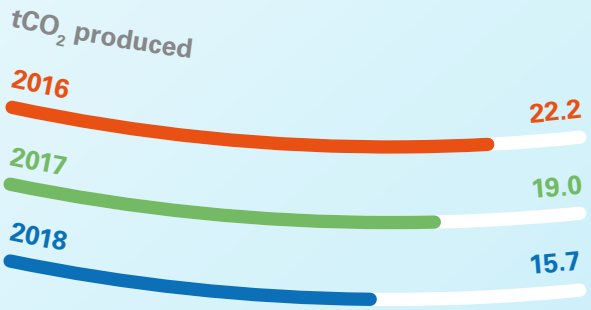
People: the contribution of shared IT services to decarbonization

A transformation process must revolve around people and their needs must be satisfied. A digital transformation process was therefore launched for the people working at Enel, a new way of rethinking business processes based on the experience of working for the Company, following an integrated mindset and making the most of new opportunities offered by digital technology. The project aims to improve the digital skills and engagement of people in the provision of products and services, in a more integrated and intuitive way. For more information see the "Our people and their value" chapter.



In 2018, the cloud-based video communication service (Blue Jeans) used Internet connectivity to share content and was even accessible on the move, from one's personal computer, smartphone or tablet. This made it possible to save on travel and business trips by reducing carbon dioxide emissions

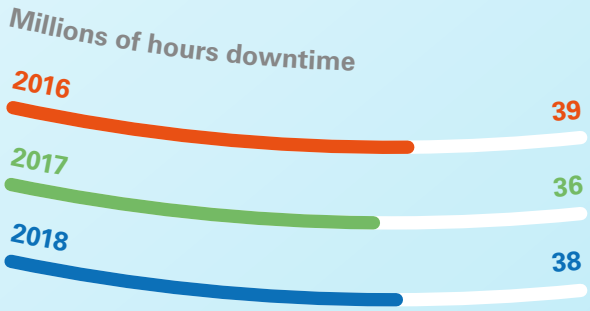
Printing service

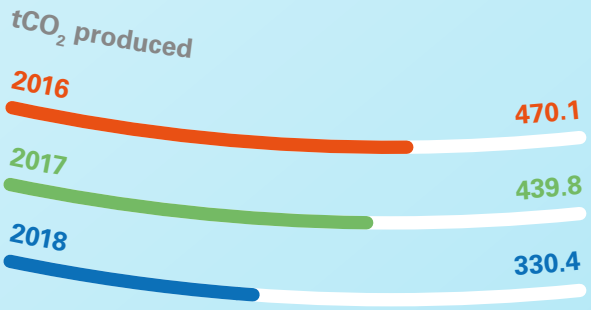


A printing service has been operating in all Enel offices for some time now. In addition to using new-generation printers, designed for more environmentally friendly use, the service was conceived on an advanced business model that has allowed Enel to evolve from the concept of product to that of service. The unique aspects of this service, together with a more rational use of printed documents and digitalization, have led to a reduction in paper consumption over the years and consequently a lower impact on the environment. In particular, based on the number of printed pages and the printers' technical specifications, the quantity of CO2 associated with the electricity consumption of printers while printing is calculated by applying each country's emission coefficient (data source: Enerdata), which takes into account the specific mix of energy sources present1.

1 Extract from Enerdata, June 8, 2018. It considers data from the following countries: Italy, Spain, Russia, Romania, Brazil, Chile, Peru, Colombia.

PC Power Management - Italy





In 2018, electricity consumption outside normal working hours[2] continued to be monitored. This is related to the IT workstations (desktops, laptops, monitors) of Enel people working in Italy. This measurement is possible thanks to a Microsoft[3] feature available on the workstations, which made it possible to identify when they were turned on and not used. Following the analysis, specific awareness actions were defined aimed at mitigating electricity consumption. While showing an increase in hours of inactivity, the new IT tools made available to Enel people have enabled a reduction in emissions.

[data source: Blue Jeans]

2 Monday-Friday (from 7pm to 7am); Saturday and Sunday. The monitoring excluded servers and personal computers that must always remain on (for example, GESI application, Enel Points, Power Exchange, etc.). Specifically, the indicator represents the amount of CO_2 associated with the electricity consumption of desktops, laptops and monitors, to which the average CO_2 emission value is then applied per unit of electricity produced (gCO_2/kWh) relative to the mix of sources in Italy.
3 System Center Configuration Manager.

Cyber security

Digitization opens up new opportunities but brings with it various security challenges. The ability to cope with cyber attacks is particularly important in the electricity sector, where service continuity is of fundamental importance: a large-scale blackout could have an impact on individuals, businesses, institutions and essential services. Enel has adopted a systemic and holistic model that enables increased resilience and the ability to respond to possible attacks for all assets.

Policies and management model

A dedicated **cyber security unit** was established in September 2016, reporting directly to the Chief Information Officer (CIO), whose manager is responsible for covering the role of Group **Chief Information Security Officer** (CISO). With support from the different Business Lines, the CISO is responsible for designing the cyber security strategy, directing and monitoring initiatives and coordinating the relative investment activities for the entire Group. The **Cyber Security Risk and Response Managers** support the cyber security unit, guaranteeing the constant involvement of the Business Lines in the key risk assessment processes, defining response criteria in the event of an attack and the actions to be taken. The CISO and the Cyber Security Risk Managers have set up the "**Cyber Risk Operating Committee**", in order to evaluate IT risks and minimize their threat within the Group. The "**Cyber Security Risks Committee**" was also set up in 2018, chaired by Enel's Chief Executive Officer, with the aim of addressing and approving the IT security strategy, as well as periodically checking the progress of its implementation. The cyber security strategy and initiatives are also the subject of periodic reporting to the Group's Control and Risks Committee.

Enel set up the "**Cyber Security Framework**" in 2017; it accurately directs principles, organization and operational processes for global analysis, prevention and management of cyber attacks.

The model is based on a systemic vision, that integrates the traditional Information Technology (IT) sector with Operation Technology (OT), it is linked to the industrial world and with the Internet of Things (IoT). In order to protect complex, multinational assets, the framework identifies a single risk management strategy. This requires decisions and activities to be based on business priorities (risk-based approach) and security measures to be an integral part of application processes and services, setting "upstream" and not "downstream" security standards (cyber security by design). The involvement of the Business Lines, the implementation of regulatory and legal guidelines, the use of the best available technologies and increasing people's awareness of the subject are all key in the execution of these processes. In this context, the new Cyber Security Risk Management methodology was also set in 2017, applicable to all IT, OT and IoT environments; it outlines all the steps necessary to perform a risk analysis and define a related mitigation plan, in line with the pre-set IT security targets.

For this purpose, Enel has set up a **Cyber Emergency Readiness Team** (CERT), in order to:

- prevent, detect and respond to cyber security incidents;
- collect and manage privileged information regarding threats, actors and carriers;
- ensure exchanges of information and collaborations in a secure environment and between identified actors.

The team is already active in the international cyber security community, in which the actors recognize each other in line with official agreements. In 2018, agreements came into effect with **8 national CERTs** (Romania, Italy, Chile, Argentina, Peru, Colombia, Brazil and Spain). In November 2018, the new **Enel CERT Global Control Room** was inaugurated in Turin, in a protected and dedicated setting. The Control Room adheres to the best global practices and enables the processing of confidential data in a physically and logically protected environment, with computer security procedures and controlled access, using the most advanced technologies.

The Enel CERT is also part of Trusted Introducer, which includes over 300 CERT in more than 60 countries, and in September it joined FIRST (Forum of Incident Response and Security Teams), the largest and most wide-ranging community in the sector, with over 400 members in more than 80 countries.

Cyber security incident

The CERT collects more than 1 billion events from over 3,500 data sources every day, correlates them, generates about 30,000 event alerts and in the end creates about a hundred cyber incidents. The incidents are classified according to a specific evaluation matrix (the Enel Cyber Impact Matrix), on a scale from 0 to 4, which takes their impact on company assets and the computer security tools in place into account. Most of the episodes identified do not have a significant impact on the Group's systems and are generally blocked automatically or semi-automatically, or managed by the company defenses (level 0/1). Those classified at level 2/3/4 have a potential impact on the Group and are managed by involving the interested parties.

During 2018, CERT responded to 39 computer security incidents with impact level "2" and 1 incident with impact level "3". In all the detected cases, all the procedures were activated and no damage was caused to the company assets. There were no computer security incidents with impact level "4".

If a cyber security incident posed a potential data breach, the necessary actions would be taken immediately in line with the Enel Group Policy on "Personal data management". If, on the other hand, it produced a crisis situation that could affect business continuity, ownership, reputation and profitability of the Enel Group, the necessary actions would be taken immediately, in line with the policy on "Management of critical events".

Each day in 2018, the CERT enabled Enel to block:

- **2.3 million incoming e-mails (malicious or spam);**
- **300 viruses;**
- **740,000 outgoing risk connections;**
- **340 attacks on Group portals.**

Enel detects over 1,000 Internet domains for the illegal use of the brand and over 100 hostile interventions each year using threat intelligence services.

In 2018, approximately **500 systematic verification activities** ("Ethical Hacking") were carried out, on a protection level achieved by IT and industrial systems and applications.

Main collaborations

In line with the Open Power approach, Enel promotes collaborations with private organizations, institutions, academies and universities to share best practices, operational models, develop potential channels for sharing information, and contribute to the creation of new standards, regulations and directives. Active participation in the standardization groups continued, specifically, in the context of the International Electrotechnical Commission TC57/WG15, "Data and Communication Security". During the annual World Economic Forum in Davos, Enel presented as a Case Study of the "Cyber Resilience in the Electricity Ecosystem: Principles and Guidance for Boards" report, produced in collaboration with the Boston Consulting Group. The document aims to provide the Boards of Directors with a series of general principles for organizational cyber-governance and additional strategies that will enable increased IT resilience on a Group level. As part of the activities carried out by the National Observatory for Cyber Security, Resilience and Business Continuity of Electricity Networks, Enel actively contributed to the drafting of the document "Principles, Guidelines and Good Practices for Management of Cyber Security, Resilience and Business Continuity of Electric Operators".

Finally, there have also been many collaborations with institutional partners, and participation in relevant national and international conferences, in order to maintain an active role in the industry's international community to share Enel's cyber security model.

Training and awareness

Enel periodically organizes training and information campaigns on IT security. **15 training and information events** were held in 2018. The awareness campaign on cyber security for hackers, which was launched in 2017 and aimed at all Enel Group people, continued. In December, the online course "**Cyber Security by Design**" was made available to all those involved in the development and management of IT applications.

Information on computer security issues is shared via the company intranet in a timely manner and all the relevant policies, organizational and technical documents are available.

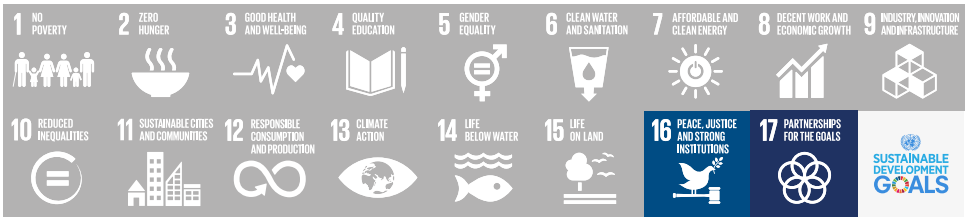
Corporate governance (1/3)

102-15

Plan 2018 > 2020 Sound governance

ACTIVITIES/TARGETS	2018 RESULTS	CATEGORIES
Monitoring implementation of the Board of Directors' Diversity Policy in 2018 16	Ensured full compliance with the policy[1]	G Board effectiveness
Constant alignment with international recommendations and best practices on governance 16	> Adoption of Diversity Policies by the Board and the Statutory Auditors > Permanent statutory change on the requirement of gender balance in the administration and control bodies > First Corporate Governance Roadshow held in January 2019 > Change in procedures relative to market abuse > Adoption of the Group Corporate Governance Guidelines	G Business ethics
Structured induction plan for the members of the Board and the Statutory Auditors during their terms of office 16	> Induction plan for the members of the Board and the Statutory Auditors > Execution of annual strategic summit in October 2018	G Board effectiveness
Monitoring and support in the concrete implementation of the Recommendations on Corporate Governance of the listed subsidiaries and promoting adoption of the Group's Corporate Governance manual 16	> Corporate Group Governance Guidelines approved by the companies subsidiaries listed in Argentina, Chile, Romania, Russia and Spain[2] > International seminar presentation of the guidelines held in Madrid (October 2018) > Monitoring on the implementation of the 2015 Recommendations on Corporate Governance	G Business ethics
Execution of the Board Review with the support of an independent advisor 16	> Confirmed the support of an independent advisor > Process launched at the end of 2018 and completed in February 2019	G Board effectiveness

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Sound governance

ACTIVITIES/TARGETS	CATEGORIES
Diversity Policy - Monitoring implementation of the Board of Directors' Diversity Policy 16	G **Board effectiveness**
Recommendations and best practices - Constant alignment with international recommendations and best practices on governance 16	G **Business ethics**
Induction Plan - Structured induction plan for the members of the Board and the Statutory Auditors during their terms of office 16	G **Board effectiveness**
Engagement - Continuous engagement on corporate governance issues with the proxy advisors and the main institutional investors 16	G **Business ethics**
Board Review - Execution of the Board Review with the support of an independent advisor 16	G **Board effectiveness**

1 Further details are available on the 2018 Corporate Governance Report.
2 At the end of 2018 the Corporate Guidelines are expected to be approved also in Brazil and Peru. Therefore, they will be approved in all the countries in which there are listed companies.

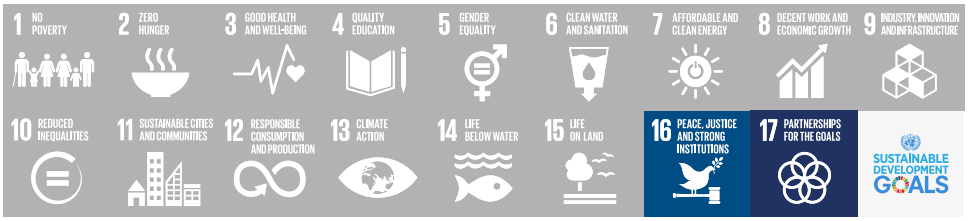
Corporate governance (2/3)

102-15

Plan 2018 > 2020 Sound governance

ACTIVITIES/TARGETS	2018 RESULTS	CATEGORIES
Achievement of ISO 37001 anti-corruption certification for main Italian companies and extension to the Group foreign companies 16	Certification obtained by the main Italian and foreign Group companies[1]	S Anti-corruption G Business ethics
Continuos improvement of "Compliance Program"/Prevention models on penal risks 16	Model adopted in accordance with local law and related changes in Argentina, Mexico, Peru and Spain	G Business ethics
Further extension of training on Model 231 and Enel Global Compliance Program 16	> Launch of the online course for non-Italian subsidiaries' employees > Adoption in the process of finalization for EnerNOC and its subsidiaries of Enel X Business Line > Induction activities by meetings with top management	S Training G Business ethics
Due diligence on human rights - Implementation of action plans and continuous results monitoring 16 17	67% of the total actions adopted	S Human rights G Business ethics

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Sound governance

ACTIVITIES/TARGETS	CATEGORIES
Anti-corruption certification - Achievement of ISO 37001 anti-corruption certification for main Italian companies and extension to the Group foreign companies 16	S Anti-corruption G Business ethics
"Compliance Program" - Continuous improvement of "Compliance Programs"/Prevention models on penal risks 16	G Business ethics
Training - Further extension of training on Model 231 and Enel Global Compliance Program 16	S Training G Business ethics
Due diligence on human rights - Implementation of action plans and continuous results monitoring 16 17	S Human rights G Business ethics

1 At the moment the certification process has been successfully completed for Enel Green Power SpA (in extension to some foreign subsidiaries of the latter), Enel Global Trading SpA, Enel Produzione SpA, E-Distribuzione SpA, Enel Italia Srl, Enel Sole Srl, Enel.si Srl, Enel Energia SpA, and, regarding the perimeter of the Group's foreign companies, for Endesa SA, Enel Américas SA, Enel Generación Chile SA, Enel Chile SA, Edesur SA, Codensa SA, Emgesa SA.

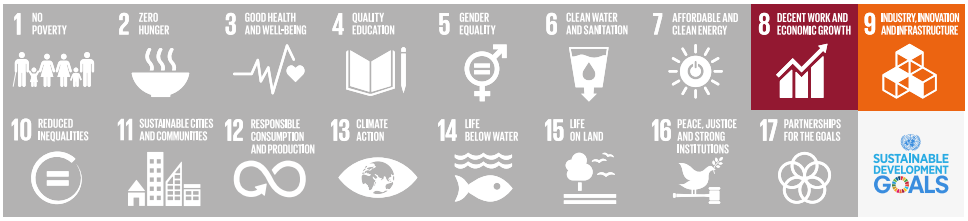
Corporate governance (3/3)

102-15

Plan 2018 > 2020 Economic and financial value creation

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Cash cost reduction 8 9	-7% 2018-2020	Reduction of Opex equal to 1%[1]	I Operational efficiency
Growth EBITDA 9	3.6 billion euros[2] 2018-2020	Total increase of EBITDA: 0.4 billion euros in the face of an increase linked to the growth equal to 0.7 billion euros[3]	I Industrial growth
Growth investments 9	14.6 billion euros 2018-2020	14.7 billion euros of investments for the asset development on a total of investments equal to 8.5 billion euros[4]	I Industrial growth

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Economic and financial value creation

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Reduction of Opex 8 9	**-8%** **(in nominal terms)**	I **Operational efficiency**
Total incremental EBITDA 8 9	**+3.2 billion euros**	I **Industrial growth**
Total investments 8 9	**27.5 billion euros**	I **Industrial growth**

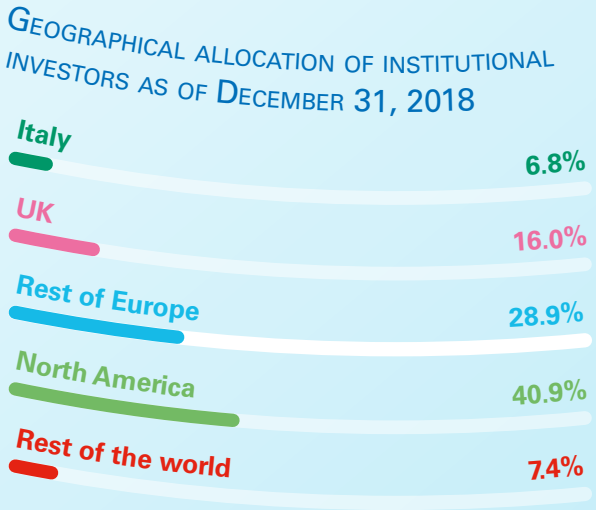
1 The result takes into account the redefinition of the objective as "Reduction of Opex". This value is expressed in nominal terms with rounded values. It excludes one-off 45 million euros in 2017 and one-off 94 million euros in 2018.
2 Net of connection fees.
3 In nominal terms, rounded values. Excluding one-off 45 million euros in 2017 and one-off 94 million euros in 2018.
3 The 2018 value includes 378 million euros related to BSO in Mexico.

Corporate governance

See the Appendix
Performance indicators

102-5	102-18	102-21
102-26	102-27	102-43

Since 1999 (the year of its listing), Enel has been listed on the "Mercato Telematico Azionario" organized and managed by "Borsa Italiana SpA", which includes main international investment funds, insurance companies, pension funds and ethical funds, also thanks to the implementation by Enel and the Group of the best international transparency and corporate governance practices. The Company records the highest number of shareholders among Italian companies; in addition, the Enel Group includes 14 other companies issuing shares listed on the Argentine, Brazilian, Chilean, Peruvian, Russian, Spanish and US stock exchanges.



Socially Responsible Investment (SRI) funds continued to grow again in 2018. Enel's share capital includes 169 SRI funds (160 in 2017), who hold about 10.5% of total shares outstanding (8.6% in 2017), equal to 13.7% of the free float (11.3% in 2017).

ENEL AND THE FINANCIAL MARKET

Enel believes it is consistent with its own specific interest, and its duty to the market, to ensure a constant and profitable relationship with the majority of shareholders and with institutional investors. This relation, based on mutual understanding of roles, aims to increase the relative level of understanding of the activities carried out by the Company and the Group. In this context, Enel maintains a dialogue with investors based on the principles of fairness and transparency, in compliance with EU and national regulations on market abuse, as well as in line with international best practices. Since the listing of its shares on the Stock Exchange, Enel has deemed it appropriate to set up corporate structures dedicated to dialogue with institutional investors and with the majority of shareholders. As such, the Investor Relations unit was set up, currently located within the Administration, Finance and Control Function, and an area in the Corporate Affairs Unit, which is in turn located within the Legal and Corporate Affairs Function.

In 2018, meetings with investors (road shows, one-to-one, conferences, etc.) amounted to around 660, with a weekly frequency of almost 15 meetings. About 6% of these meetings were dedicated to specific in-depth studies on ESG (Environmental, Social and Governance) issues. Nine roadshows were organized, one of which was specifically addressed to ESG investors. Non-financial issues are increasingly part of the valuation elements included by institutional investors in their investment choices. The topics of greatest interest are value creation, good governance, the reduction of CO_2 emissions and more generally the analysis of risks and opportunities arising from climate change.

Specific meetings are also held with investors on these issues, through the Investor Relations unit, in coordination with the Innovability Function. Furthermore, on the Company's website (www.enel.com, "Investors" section), information of an economic-financial, environmental, social and governance nature can be found. This includes updated data and documents of particular interest, for a multidisciplinary and integrated vision. In 2018 a new app was also launched that allows investors to access the information on the site in a simpler and more interactive way.

THE SUSTAINABLE CAPITAL MARKETS DAY 2018

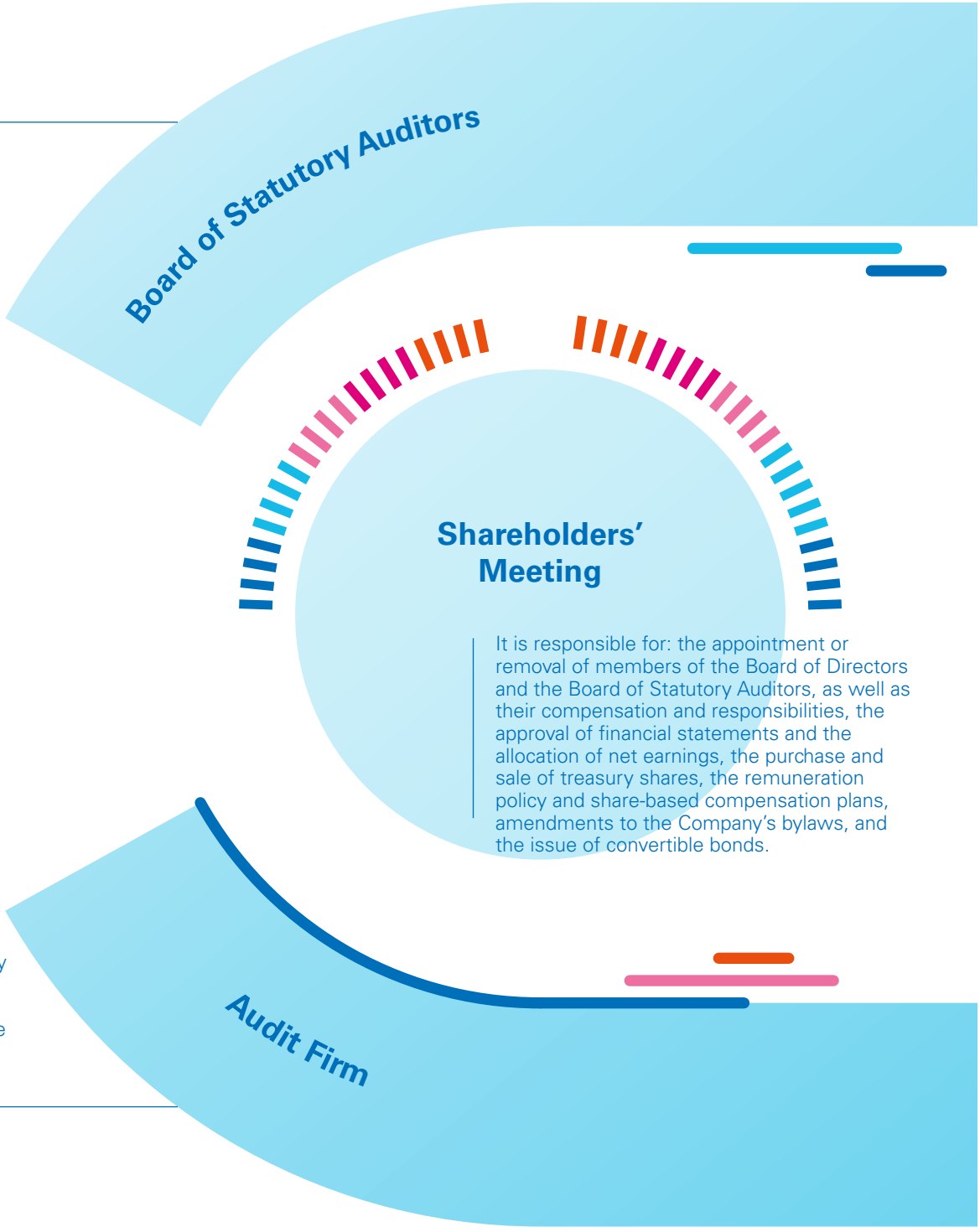
The day the Group presented its 2019-2021 Strategic Plan to investors and the media was a carbon neutral occasion, with a positive impact from an environmental and social perspective. With the collaboration of the Treedom startup, over 440 trees were planted in Colombia and 300 pomegranate plants in Sicily, as part of agroforestry projects that aim to reduce the greenhouse effect, protect the biodiversity of the area and develop entrepreneurial skills of local communities (https://www.treedom.net/en/organization/enel/event/capital-markets-day).

The corporate governance model

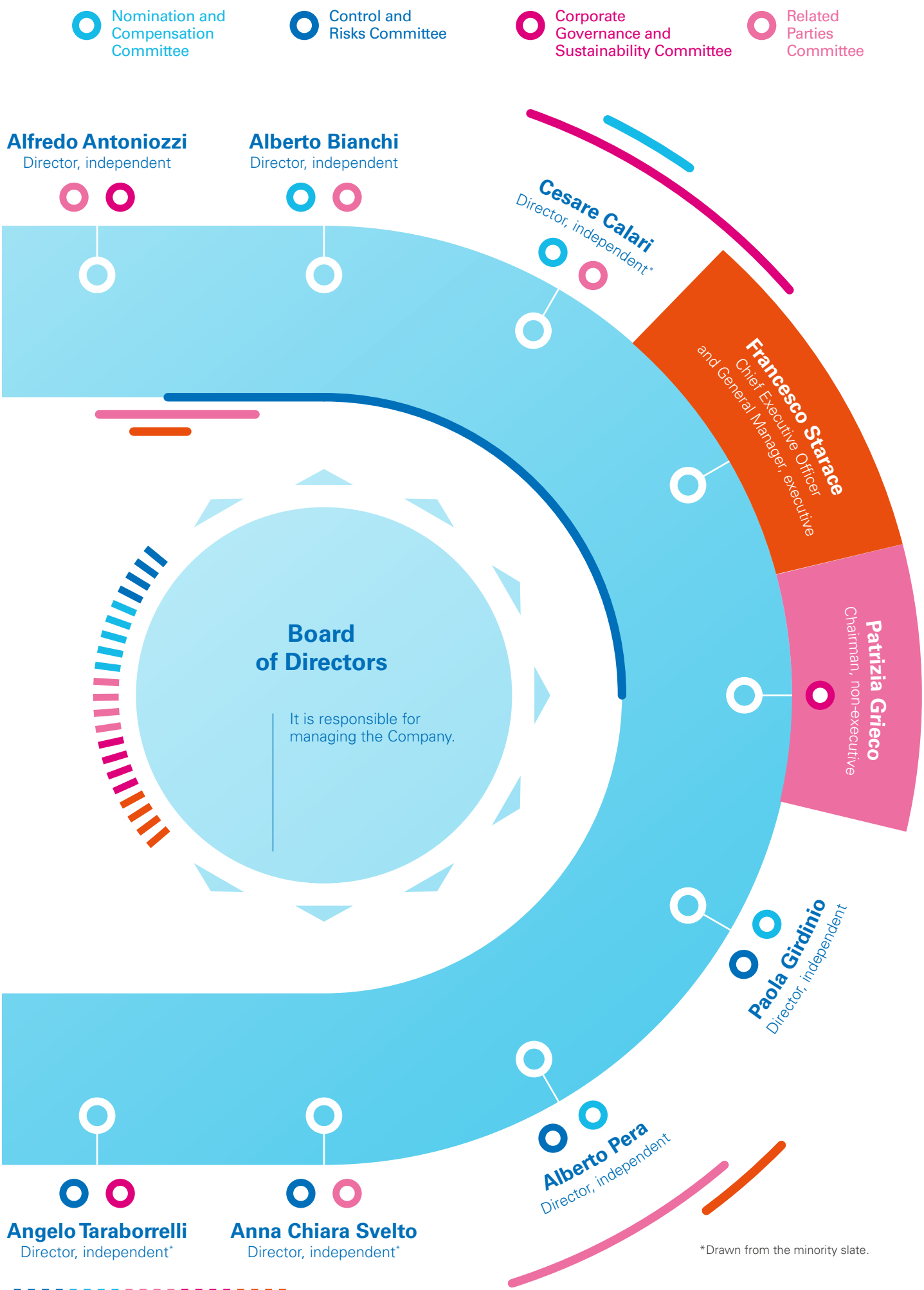
102-18 102-19 102-20 102-22
102-23 102-24 102-26 102-32

The corporate governance structure of Enel complies with the principles set forth in the Corporate Governance Code for listed companies[1] (the "Corporate Governance Code"), as last amended in July 2018, adopted by the Company, and is also inspired by international best practice.

The corporate governance system adopted by Enel and its Group 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.



1 The code is available in its current edition on Borsa Italiana's website https://www.borsaitaliana.it/comitato-corporate-governance/codice/codiceeng2018.en.pdf.



*Drawn from the minority slate.

Board of Directors

102-15	102-18	102-19	102-20	102-22
102-23	102-24	102-26	102-27	102-28
102-32	102-33	103-2	103-3	405-1

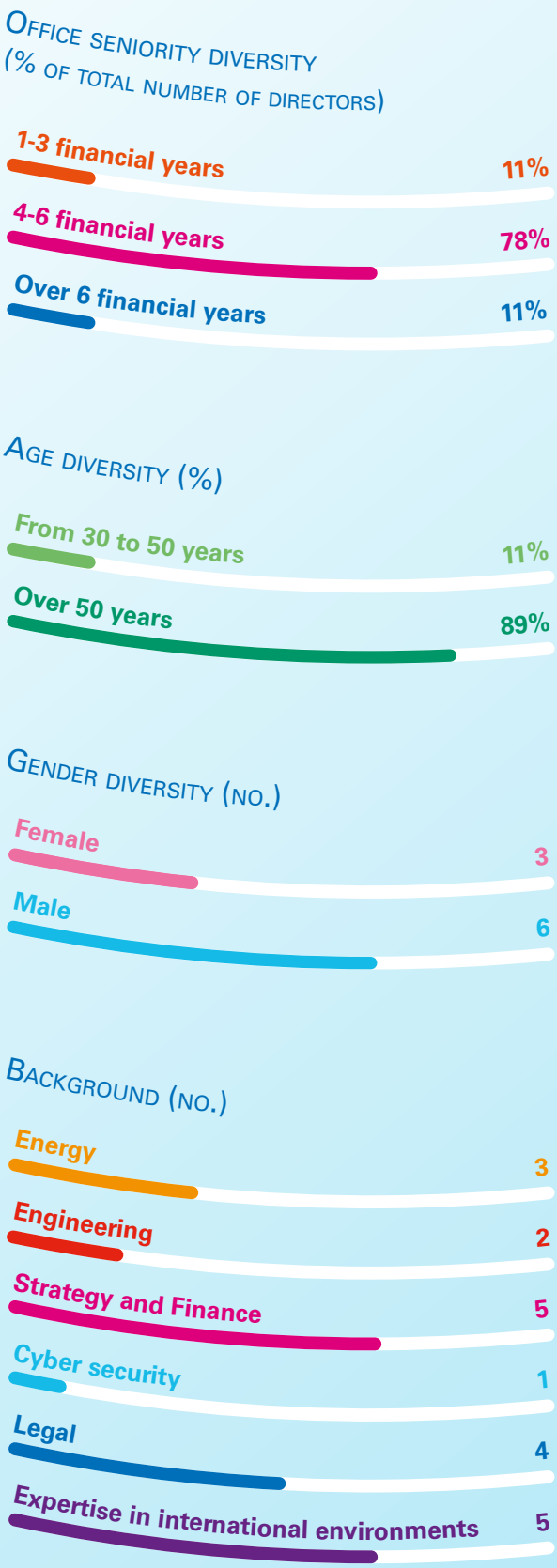
The Board of Directors was appointed by the Ordinary Shareholders' Meeting on May 4, 2017 and consists of nine members. Patrizia Grieco, Francesco Starace, Alfredo Antoniozzi, Alberto Bianchi, Paola Girdinio and Alberto Pera were drawn from the slate submitted by the shareholder Ministry of the Economy and Finance (at that time holding 23.59% of the Company's share capital) and voted by the majority of the share capital represented at the Meeting (about 49.98% of the voting capital), while Cesare Calari, Anna Chiara Svelto and Angelo Taraborrelli were drawn from the slate submitted by a group of 21 institutional investors (at the time in the aggregate 1.88% of the Company's share capital) and voted by the minority of the share capital represented at the Meeting (about 49.43% of the voting capital).

During 2018, the Board of Directors met 18 times, with each meeting lasting on average 2 hours and 30 minutes and with an average director attendance rate of 98.8%. The Board was constantly involved in issues related to governance, sustainability, the Code of Ethics and Model 231. The Board of Directors set up within the Board itself the following four committees:

- Nomination and Compensation Committee: with an appropriate preliminary investigation, this committee is responsible for supporting the Board of Directors, through proper inquiry, the assessments and decisions of the board on the size and composition of the Board itself, as well as the remuneration of the executive directors and of the executives with strategic responsibilities;
- Control and Risks Committee: with an appropriate preliminary investigation, this committee has the task of supporting, through an adequate review process, the assessments and decisions of the Board of Directors regarding the Internal Control and Risk Management System and the approval of periodic financial reports;
- Corporate Governance and Sustainability Committee: this committee assists with preliminary functions, both proposing and consultative in nature, the Board of Directors on its assessments and decisions related to the corporate governance of the Company and the Group and to sustainability issues;
- Related Parties Committee: this committee has been assigned the essential task of issuing reasoned opinions on the interest of Enel – as well as of the companies that Enel controls, either directly or indirectly, and that may be involved in the transactions – in the completion of transactions with related parties, expressing an assessment on the beneficial nature and essential fairness of the relevant conditions, after receiving timely and adequate information in advance.

With regard to succession plans for executive directors, in September 2016, the Board of Directors, upon proposal of the Nomination and Compensation Committee, together with the Corporate Governance and Sustainability Committee, shared the contents of a specific "contingency plan" aimed at regulating the steps to be taken to ensure that the Company's activities are regularly managed in the event of early cessation of the Chief Executive Officer before the expiry of the ordinary term of office (the so-called "crisis management" case).

In order to ensure an adequate appreciation of merit and an effective managerial continuity, the Enel Group has also adopted a system for the management



of development plans aimed at fostering the identification and differentiation of the profiles for successions in the managerial positions.

In January 2018, the Board of Directors, upon proposal of the Corporate Governance and Sustainability Committee and of the Nomination and Compensation Committee, in implementation of the provisions of the Italian Consolidated Financial Act, approved a Diversity Policy that describes the optimal features of the composition of the Board itself, in order for it to exercise its functions in the most effective way, taking decisions with the concrete contribution of several qualified points of view capable of examining the issues under discussion from different perspectives. In January 2018, the Board of Statutory Auditors also approved a specific Diversity Policy that describes the optimal characteristics of the Board itself.

At the end of 2018 financial year and during the first two months of 2019, the Board of Directors carried out, with the assistance of a specialized consultancy firm in this area, an evaluation of the size, composition, and functioning of the board itself and its committees (board review), in compliance with the most advanced corporate governance practices followed abroad that have been adopted under the Corporate Governance Code. As part of this board review, specific aspects were analyzed concerning the Board's handling and management of sustainability. The board review was carried out according to the "peer-to-peer review" method, i.e. by assessing not only the functioning of the body as a whole, but also the style and content of the contribution provided by each director. The Board of Statutory

Auditors also carried out – at the end of 2018 and during the first two months of 2019 – a self-assessment of the size, composition and functioning of the Board itself. This best practice was adopted for the first time, even in the absence of a specific recommendation in the Corporate Governance Code, and following the "peer-to-peer review" procedure.

The Company also organized a specific induction program to give directors adequate knowledge of the Group's business activities, its dynamics and evolution, market trends and the legal framework; Statutory Auditors also took part in this program. Initiatives in 2018 concerned, among others, analysis of the 2018-2020 Sustainability Plan, strategies adopted in the Enel Group targeting innovation, and the organization and activities of the Enel X Global Business Line, which is active in developing low-carbon services and products. Further details on the corporate governance system are included in the Corporate Governance and Ownership Structure for 2018, available on the Company's website (www.enel.com).

In view of the end of its term of office, the outgoing Board of Directors has given shareholders guidance on the managerial and professional profiles, whose presence in the new Board of Directors is deemed appropriate, in compliance with the recommendations of the Corporate Governance Code. The guidelines, published in 2017 (the year when the current Board was appointed), requires, among others, the Chairman to have a proper background on corporate governance, having shown a remarkable sensitivity on governance and sustainability in previous positions. Moreover, the other seven non-executive directors should have diverse, complementary skills and experience on specific fields, such as corporate governance and/or sustainability and/or digital innovation and/or technology and research. The complete guidelines in question, updated by the outgoing Board of Directors on March 2, 2017, is available on the website www.enel.com.

Similar guidelines were recently approved for the first time by the Board of Statutory Auditors, in view of the approaching end of its term of office, even though no specific recommendation in this regard is given in the Corporate Governance Code. As part of these guidelines, reference was made to the board review conducted by the Board of Statutory Auditors which stressed the importance of auditors having experience in large multinationals, as well as expertise and experience in financial reporting and/or Internal Control and Risk Management System and/or sustainability and/or digitalization. The complete guidelines, approved by the outgoing Board of Statutory Auditors on March 29, 2019, is available on the Company's website (www.enel.com).

Remuneration policy

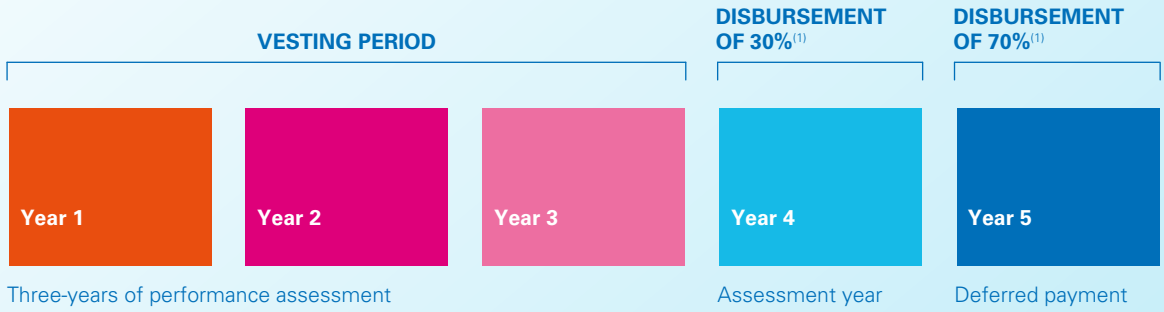
102-28 102-35 102-36 102-37

Enel's 2019 remuneration policy, adopted by the Board of Directors on the proposal of the Nomination and Compensation Committee, has been defined taking into account the best national and international practices, the indications emerging from the favorable vote of the Shareholders' Meeting of May 24, 2018 on the 2018 remuneration policy. It also takes into account the results of the engagement on corporate governance issues carried out by the Company between December 2018 and February 2019 with the main proxy advisors and institutional investors present in Enel's share capital. In line with the recommendations contained in the Corporate Governance Code, Enel's remuneration policy for 2019 is aimed at attracting, motivating and retaining the resources with the most suitable professional qualities to successfully manage the Company, at encouraging the achievement of the Company's strategic targets and sustainable growth, as well as aligning the interests of management with the priority target of creating sustainable value for shareholders in the medium to long term and at promoting the Company's mission and values.

The remuneration policy adopted for the 2019 financial year provides for the Chief Executive Officer and General Manager and for key management personnel (referred to as DRS – Dirigenti con Responsabilità Strategiche):

1) a fixed component;
2) a short-term variable component (MBO) to be recognized on the basis of the achievement of specific performance targets. Specifically:
   - the following short-term targets are envisaged for the Chief Executive Officer:
     a. ordinary consolidated net income;
     b. Funds from operations/Consolidated net financial debt;
     c. Group Opex;
     d. occupational health and safety;
   - for DRS, specific and objective annual targets are identified, linked to the reference business and differentiated according to the functions and responsibilities assigned;
3) a long-term variable remuneration linked

LTI (Long-Term Incentive) Plan



(1) In the event of achievement of the performance targets.

to the participation in specific multiannual incentive plans. In particular, for 2019, the long-term variable remuneration is linked to participation in the 2019 Long-Term Incentive Plan ("2019 LTI Plan"), which provides for the following three-year performance targets:

a. Average Total Shareholder Return (TSR) of Enel compared to the average TSR of the EUROSTOXX Utilities - EMU index[2] in the three-year period 2019-2021;

b. ROACE (Return on Average Capital Employed);

c. CO_2 emissions of the Enel Group.

The 2019 LTI Plan also provides that any premium accrued is represented by a share component, to which can be added - depending on the level of achievement of the various targets - a monetary component. In particular, it is envisaged that 100% of the basic premium of the Chief Executive Officer and General Manager and 50% of the basic premium of the DRS will be paid in Enel shares, previously acquired by the Company.

The disbursement of a significant portion of the long-term variable remuneration (equal to 70% of the total) is deferred to the second consecutive fiscal year of the three-year period referenced in the 2019 LTI Plan (i.e. deferred payment).

The 2019 LTI Plan sets a target for CO_2 emissions (grams per kWh equivalent produced by the Group in 2021) introduced in 2019 and, as part of the short-term variable remuneration plan, a target linked to safety in the workplace, with the aim of promoting the application of a sustainable business model.

A detailed description of the policy for 2019 and of the remuneration paid in 2018 is provided in the 2019 Remuneration Report available on the Company's website (www.enel.com).

2 Index managed by STOXX Ltd. containing the main utilities of the countries belonging to the euro area (EMU).

Internal Control and Risk Management System

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The Internal Control and Risk Management System ("SCIGR") of Enel and of the Group consists of the set of rules, procedures, and organizational entities aimed at allowing the main corporate risks within the Group to be identified, measured, managed, and monitored. The SCIGR is an integral part of the more general organizational and corporate governance structures adopted by the Company and by the Group and is based on Italian and international best practices. In particular, the system takes into account the recommendations of the Corporate Governance Code and is consistent with the "Internal Controls – Integrated Framework" model issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Report"), the internationally recognized benchmark for the analysis and integrated assessment of the effectiveness of the SCIGR.

The SCIGR provides for control actions

at every operating level and clearly identifies duties and responsibilities, so as to avoid duplications of tasks and ensure coordination among the main persons involved in the SCIGR itself. It ensures the necessary separation of operating and control activities, so as to prevent or – if that is not possible – attenuate conflicts of interest. It also guarantees the traceability of the tasks of identifying, assessing, managing, and monitoring risks, ensuring over time the reconstruction of the sources and elements of information that support such tasks.
The SCIGR is divided into three distinct types of activities:

- "line" or "first level" controls, consisting of all the control tasks that the individual operating units or companies of the Group perform on their processes in order to ensure that operations are carried out properly;
- "second level" controls, which are entrusted to specific corporate Functions and aimed at managing and monitoring typical categories of risk;
- internal audit activity ("third level" controls), aimed at checking the structure and overall functionality of the SCIGR, including by monitoring the line controls, as well as the second-level ones.

The SCIGR is subject to periodical tests and checks, taking into account the evolution of corporate operations and the situation in question, as well as current best practices.
The different types of risk are included in the chapter "Setting priorities", 2018 Consolidated Non-financial Statement and 2018 Annual Report, available on the Company's website (www.enel.com).
For a detailed description of the tasks and responsibilities of the main persons involved in the SCIGR, as well as the coordination among such persons, please see the Guidelines of the Internal Control and Risk Management System available on the Company's website (www.enel.com, "Investors" section).

COUNTERPARTY ANALYSIS

Through the analysis of counterparties, an assessment is made of any reputational risks for the company resulting from the establishment and/or continuation of business relationships or collaboration with third parties (suppliers, business partners, etc.). In December 2016, the first edition of the operational instructions for counterparty analysis was finalized, thus promoting common criteria for carrying out the activity and standardizing the models used to acquire the requests and deliver the evaluation to the other units. In 2017, all the relevant countries adopted operating instructions, in some cases issuing a localized document and activating country-specific contracts.

Tax transparency

Enel is an industrial group whose main activity translates into the generation, distribution and sale of electricity. For this reason, the choice of countries where the Group operates is guided by business choices and not purely by tax reasons. In Enel's organizational model, the Tax Affairs unit of the Holding performs, among others things, the role of defining the Group's tax strategy by identifying, analyzing and managing the various optimization initiatives, monitoring the most important tax issues, and providing support to the various Business Lines. Alongside the Holding Function, the Tax Affairs units of the various countries, acting in accordance with the values and principles of the tax strategy defined by the Holding, are responsible for managing compliance, tax planning, and tax monitoring at the local level.

The tax strategy

The Enel Group's tax strategy should be viewed as a set of principles and guidelines inspired by values of transparency and observance of the law. Approved by the Board of Directors, it enters into force from the first day after its approval and is published on the Enel Group's website (www.enel.com). In addition to approving the Enel Group's strategy, the Board of Directors ensures that is applied and understood throughout the Company through the governing bodies.

Tax Control Framework

The Tax Control Framework, of which the tax strategy is a part, defines the procedures for managing the tax component. It is also one of the tools for preventing offenses from which corporate criminal liability may derive pursuant to Legislative Decree 231/01 and related reputational risks. In this vein, the Tax Control Framework integrates the provisions of the organizational and management model, adopted by the Italian companies of the Group, and the provisions of the Enel Global Compliance Program, addressed to the foreign companies of the Group.

Tax transparency and reporting

Enel has adopted a **Total Tax Contribution** model for Italy and the main countries in which it operates, thus providing information on the major portion of the taxes paid and any withholdings. The first document prepared, disclosing data for 2018 and 2017 and available on the Enel website (https://www.enel.com/investors/sustainability-performance underlines) the importance the Group ascribes to fiscal matters and their social role. Furthermore, from 2018, the Group has presented a **Country-by-Country Report** in compliance with the indications of the OECD Transfer Pricing Guidelines (the so-called "three-tiered approach", based on the Master File, Local File, Country-by-Country Report). The report shows the data collected from all the companies that are part of the Group, such as revenue, profits (or losses) before income taxes, the income tax paid and accrued. This document, prepared by Enel SpA, is sent by the Italian tax authorities to the other EU Member States as well as to any other jurisdiction with which there is an agreement on these matters. Lastly, the Enel Group promotes participation in the **co-operative compliance regimes** to consolidate transparency before the tax authorities, through a constant and preventive dialogue with a view to a common assessment of situations that are liable to pose fiscal risks. Inclusion in this regime is predicated on the Company having set up an adequate system for reporting, management and control of fiscal risks, integrated within a larger system of internal control, in line with international best practices. Enel has participated in this regime with its Parent Company Enel SpA and its main Italian subsidiary, E-Distribuzione SpA, a firm that operates in the regulated market for electricity distribution and metering.

The information related to the 2018 Total Tax Contribution (2018 TTC) in the main countries in which the Enel Group operates is indicated below.

	UM	Italy	Spain	Brazil	Chile	Colombia	Argentina	Peru	Russia	Romania	TOTAL
Total Tax Borne [1] (cash accounting)	**mil euros**	**1,485.3**	**1,439.2**	**885.5**	**210.2**	**366.7**	**77.6**	**121.8**	**37.7**	**19.2**	**4,643.2**
Income taxes [2]	mil euros	776.2	144.8	167.6	164.4	262.4	30.5	94.3	8.3	11.4	**1,659.8**
Property taxes [3]	mil euros	125.9	71.0	18.8	2.4	1.6	0.4	11.8	19.7	2.6	**254.2**
Taxes on labor [4]	mil euros	545.1	124.4	110.8	-	13.0	22.9	1.8	9.7	2.8	**830.6**
Taxes on products and services [5]	mil euros	27.0	252.0	587.7	21.7	68.3	19.6	12.4	0.1	2.4	**991.2**
Environmental taxes [6]	mil euros	11.2	847.0	0.5	21.7	21.5	4.2	1.4	-	-	**907.6**
Total Tax Collected [7] (cash accounting)	mil euros	**8,217.2**	**2,115.8**	**2,177.0**	**196.3**	**55.6**	**123.8**	**90.5**	**57.5**	**173.9**	**13,208.2**
Income taxes [2]	mil euros	-	68.5	14.3	45.0	16.8	15.2	13.7	2.0	-	**176.0**
Property taxes [3]	mil euros	-	-	-	-	-	-	-	-	-	**-**
Taxes on labor [4]	mil euros	583.4	212.8	59.3	19.8	10.0	13.8	7.7	5.6	28.0	**940.3**
Taxes on products and services [5]	mil euros	7,633.7	1,291.6	2,103.4	128.2	18.0	94.9	69.1	50.0	146.0	**11,534.8**
Environmental taxes [6]	mil euros	-	543.0	-	3.3	10.8	-	-	-	-	**557.1**
Total tax contribution (cash accounting) - TTC	mil euros	**9,702.5**	**3,555.0**	**3,062.5**	**406.5**	**422.3**	**201.4**	**212.3**	**95.2**	**193.1**	**17,851.4**
Economic data [8]	**UM**	**Italy**	**Spain**	**Brazil**	**Chile**	**Colombia**	**Argentina**	**Peru**	**Russia**	**Romania**	**TOTAL**
EBT (excl. Dividends) [9]	mil euros	3,730.9	1,594.0	339.4	700.2	723.7	389.0	362.6	88.5	-42.8	7,885.5
EBT	mil euros	4,440.1	2,915.5	1,057.3	746.0	846.4	441.7	390.1	118.0	-35.0	10,920.0
Revenues	mil euros	61,742.0	20,195.0	10,506.6	3,247.6	2,518.4	1,298.0	1,270.0	1,002.6	1,744.9	103,525.0
TTC indicators	**UM**	**Italy**	**Spain**	**Brazil**	**Chile**	**Colombia**	**Argentina**	**Peru**	**Russia**	**Romania**	**TOTAL**
TTC index [10]	%	33.5	49.4	83.8	28.2	43.3	17.6	31.2	32.0	-55.0	42.5
TTC/Earnings [11]	%	15.7	17.6	29.1	12.5	16.8	15.5	16.7	9.5	11.1	17.2
Tax borne in relation to revenues [12]	%	2.4	7.1	8.4	6.5	14.6	6.0	9.6	3.8	1.1	4.5
Tax collected in relation to revenues [13]	%	13.3	10.5	20.7	6.0	2.2	9.5	7.1	5.7	10.0	12.8
Tax value distributed to the company [14]	%	64.8	59.8	76.2	33.5	38.7	31.1	41.5	40.3	69.0	61.9

(1) Taxes that represent a cost for Group companies and have an impact on the income statement.
(2) Taxes on company profits that are borne (with impact on profit and loss) and collected (without impact on profit and loss).
(3) Taxes (borne and collected) on the ownership, use or transfer of tangible or intangible property.
(4) Generally taxes, borne and collected, on employment (including income tax and social security payments). Taxes levied on the employer are considered taxes borne and taxes levied on the employee are considered taxes collected.
(5) Indirect taxes and duties (borne and collected) levied on the production, sale or use of goods and services, including taxes and duties levied on international trade and transactions.
(6) Taxes and duties (borne and collected) levied on the supply, use or consumption of goods and services that are considered harmful to the environment.
(7) Taxes that do not represent a cost because Group companies act as a substitute for tax.
(8) The information is represented in line with local GAAP, consolidated data at country level (where present) or alternatively the sum of the values of the companies in the perimeter have been considered.
(9) It is considered net of dividends in order to avoid distortions on the effective tax rate.
(10) Total Tax Borne (cash accounting)/EBT.
(11) TTC/Revenues.
(12) Total Tax Borne (cash accounting)/Revenues.
(13) Total Tax Collected (cash accounting)/Revenues.
(14) TTC/Value distributed (sum of: net interest, taxes, salariesand wages, income after taxes).

Values and pillars of company ethics

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The Enel Group's activities are supported by a sound ethical foundation: its constantly evolving nature is aimed at incorporating best practices at the national and international levels. Everyone who works at Enel and for Enel must respect and apply them in their daily activities. This system is based on specific compliance programs, such as: the Code of Ethics, Human Rights Policy, Zero Tolerance of Corruption Plan (ZTC Plan), Enel Global Compliance Program (EGCP), Model pursuant to Italian Legislative Decree 231/01 and other national compliance models that may be adopted by Group companies in accordance with local regulations.

Code of Ethics

In 2002, Enel adopted its Code of Ethics, which expresses the commitments and ethical responsibilities it follows in conducting business, by regulating and harmonizing corporate conduct according to standards based on the utmost transparency and fairness towards all stakeholders. The Code of Ethics is valid both in Italy and abroad, while taking into account the cultural, social and economic diversity of the various countries where Enel operates. Specifically, the document is divided into:

- general principles for stakeholder relations; they define the values that the Group uses as inspiration in carrying out its various activities;
- criteria of conduct towards each class of stakeholders; such criteria provide the guidelines and standards that Enel people are required to follow to ensure compliance with the general principles and to prevent the risk of unethical conduct;
- implementation mechanisms that describe the control system designed to ensure compliance with the Code and its continuous improvement.

Enel also requires all affiliates and subsidiary companies, main suppliers and partners to adopt an ethical behavior in line with the general principles of the Code.

Reports by stakeholders

Any violation or suspected violation of Enel Compliance Programs can be reported, including anonymously, through a single platform at the Group level ("Ethics Point") accessible at the following address: www.enel.ethicspoint.com.

Reports can also be sent by e-mail or regular mail. The Audit Function receives and analyzes these reports, performing the related checks and ensuring uniform treatment at the Group level, in compliance with company policies and local regulations.

The report management process is governed by the whistleblowing policy, "Management of anonymous and non-anonymous reports", which reiterates the guarantee of anonymity and protection against any form of retaliation and also ensures adequate protection against groundless reports made in bad faith for the purpose of harming people and/or companies.

KPI	UM	2018	2017	2016	2018-2017	%
Reports received [1]	no.	144	123	85	21	17.1
Violations related to incidents of [2]:	no.	30	31	21	-1	-3.2
Conflict of interest/corruption [3]	no.	10	7	6	3	42.9
Misappropriation	no.	7	15	7	-8	-53.3
Labor practices	no.	8	6	6	2	33.3
Community and society	no.	-	1	-	-1	-100.0
Other reasons	no.	5	2	2	3	-

(1) In 2018, there was an increase in the number of reports received due to the change in the scope of consolidation and internal communication as well as awareness activities regarding the use of the Code of Ethics channel.
(2) In 2018, the analysis of reports received in 2017 was completed, and for this reason, the number of confirmed violations for 2017 was restated from 27 to 31. Of the 4 confirmed violations, 2 concerned conflicts of interests/corruption and 2 misappropriation.
(3) Corruption consists of the abuse of power 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, extortion, collusion, conflicts of interest and money laundering.

In 2018, 144 reports concerning the Code of Ethics were received, up on 2017, mainly due to the change in the scope of consolidation in South America and the consequent communication campaigns. From the reports received, 10 episodes of violation were identified in cases of "conflict of interest" for which Enel adopted specific measures against the parties involved, in line with the relevant regulations, which involved 7 actions against employees and 6 actions against contractors. As far as cases related to labor practices are concerned, 38 reports were recorded, of which 8 were found to contain a violation: 1 case attributable to bullying, 5 concerning the company climate and 2 concerning health and safety breaches.

Active and passive anti-corruption management system

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In compliance with the 10th Global Compact principle, according to which "companies are committed to combating corruption in all its forms, including extortion and bribery", Enel intends to pursue its commitment to fighting corruption in all its forms, whether direct or indirect, by applying the principles expressed in the pillars of its anti-bribery management system.

Enel's Anti-bribery Management System (AMS) is based on the Group's commitment to fight corruption by applying the criteria of transparency and conduct as detailed in the ZTC Plan, which constitutes Enel's anti-corruption policy.

Together with the ZTC Plan, the pillars of the AMS are:

- the Code of Ethics;
- Models aimed at preventing the main crime risks (e.g. corrupt relations with public administrations and private individuals, environmental crimes, corporate offenses and, for Italian companies, manslaughter, serious personal injury or grievous bodily harm committed in violation of the rules on the protection of occupational health and safety) as described by the applicable regulations on corporate responsibility (the "Compliance Program") in the various countries in which the Group operates (e.g. Organizational Model 231 for Italian companies or the "Risk Prevention Model/Integrity Program" for Group companies in Spain and South America);
- the Enel Global Compliance Program ("EGCP"), a governance tool aimed at strengthening the Group's ethical and professional commitment to preventing offenses committed outside of Italy that might result in corporate criminal responsibility and risks to reputation. The EGCP applies to the

Group's non-Italian companies and supplements any Compliance Programs adopted by the same companies, in compliance with local regulations.

Without prejudice to the provisions of the aforementioned Compliance Programs and the specific regulatory provisions applicable to the crime of corruption in all its forms, the Enel Global Compliance Program complies with the main relevant legislation and the best corporate governance practices, constituting the general conduct framework for Enel people in the fight against corruption.

The areas with the most potential exposure to corruption (active and/or passive), both in relations with public administrations and in the private sector, include: (i) the negotiation and execution of contracts with third parties (public authorities, associations, companies, etc.); (ii) participation in tenders (public and private); (iii) selection of partners/consultants; (iv) management of financial resources; (v) management of gifts and hospitality; (vi) personnel recruitment processes; (vii) incentive mechanisms in top managers' compensation.

In relation to these risk areas, the aforementioned governance tools (ZTC Plan, Code of Ethics and the EGCP/Compliance Program) together with the current body of procedures outline an effective prevention system, which is an integral part of the Group's Internal Control System.

The organization of the AMS, along with the Internal Control and Risk Management System (SCIGR) guidelines approved by the Board of Directors of Enel SpA, establishes that the Chief Executive Officer, as Director responsible for Enel's SCIGR, represents – together with the first-line managers for relevant areas of responsibility – the Company's top management. The latter is responsible for ensuring that risks are correctly identified and mitigated. In particular, directly reporting Management structures (mainly Audit and Legal/Compliance), and consequently management as a whole contribute to the adoption and dissemination of the rules established in the pillars of the Anti-corruption Management System. In particular:

- the Legal/Compliance Function establishes guidelines on compliance and anti-corruption, providing support and advice for their interpretation and supervising the corresponding actions undertaken by the Group companies;
- by performing audits on company processes, the Audit Function assesses the adequacy of the SCIGR, reporting to the competent administrative and control bodies. Corruption risks are identified during the assessment performed by the Audit Function, which aims to guide the annual Audit Plan with a risk-based perspective. This risk assessment also provides for the mapping and assessment of active and passive fraud risk that could affect the organization;
- the People and Organization Function (Quality unit) supports the adoption and maintenance of the AMS in compliance with requirements of ISO 37001:2016, ensuring consistency of processes and adopting best-in-class methodologies.

On May 8, 2017, Enel SpA's AMS was certified as conforming to ISO 37001:2016 (international certification of anti-bribery management systems). The certification was confirmed in 2018 with a maintenance audit, another of which is being planned for 2019.

After Enel SpA obtained ISO 37001 certification for its anti-bribery management system, Enel gradually extended the ISO 37001 certification plan to the Group's main Italian and foreign subsidiaries, in keeping with what was defined in the last Sustainability Report. At present, the certification progress has been successfully completed, specifically for Enel Green Power SpA (also covering some foreign subsidiaries of the latter), Enel Global Trading SpA, Enel Produzione SpA, E-Distribuzione SpA, Enel Italia Srl, Enel Sole Srl, Enel.si Srl, Enel Energia SpA, and for the Group's foreign companies, Endesa SA, Enel Américas SA, Enel Generación Chile SA, Enel Chile SA, Edesur SA, Codensa SA and Emgesa SA.

ISO 37001 certification has been planned for the Group's main Italian and foreign companies for the 2019-2020 period, with a further expansion also in view of the current company perimeter and recent corporate acquisitions.

Since 2018, Enel SpA has also assigned the role of "Anti-bribery compliance function", established pursuant to ISO 37001:2016, to an internal committee. This committee comprises a representative from the Legal and Corporate Affairs, Audit, People and Organization (Quality unit) Functions, tasked – among others – with supervising the design and adoption by the Company of its own anti-corruption management system.

Human rights

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In recent years, a wide range of business and human rights policies and rules have been developed, including the adoption of the United Nations Guiding Principles on Business and Human Rights (UNGPs). These have recognized the key role of rights set out in the International Bill of Human Rights[3], for companies as well, entrusting the latter with a specific responsibility in this area. In particular, Principle 11 of the UNGPs states that "business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved"[4].

On February 5, 2013, Enel decided to accept the United Nations' "Protect, Respect, Remedy" framework through the approval by the Board of Directors of a policy dedicated to human rights that strengthens and deepens the commitments already established by company Compliance Programs. The policy, defined through a consultation process that involved the Enel people and relevant international experts, identifes eight principles that the people working in Enel SpA and in its subsidiaries must observe in carrying out all their activities; furthermore, Enel promotes respect of all principles within its business relationships and adherence to the same standards by its contractors, suppliers and business partners, paying particular attention to conflict-affected and high-risk contexts. The policy concerns two overarching issues: work practices and relations with communities and society. The policy is available online at www.enel.com.

Labor practices:

1. Rejection of forced or compulsory labor and child labor;
2. Respect for diversity and non-discrimination;
3. Freedom of association and collective bargaining;
4. Health and safety;
5. Fair and favorable working conditions;

Relations with communities and society:

1. Respect for community rights;
2. Integrity: zero tolerance of corruption;
3. Privacy and communication.

The identification of the principles is inspired by the Universal Declaration of Human Rights, the European Convention on Human Rights and several International Labour Organization (ILO) conventions on human and social rights, freedom of association and the right to organize, prohibition of forced and child labor, and occupational health and safety. The policy entrusts the Innovability Function with planning and coordinating the adoption of the due diligence process[5] jointly with the other relevant Functions, as far as their respective competence is concerned; reporting to the Control and Risks Committee on the adoption of the due diligence process; annually reporting on Enel's performance regarding its commitments in the Group's Sustainability Report. The policy represents a fundamental document for the management of business processes; each Business Line manager, in fact, must integrate the principles expressed in the policy so that the fundamental rights of all interested parties are not violated or impacted. During the execution of the due diligence process on the management system, described in the following paragraphs, the top management of the Group was interviewed, both at Holding and local level, to verify the level of knowledge and implementation of the policy. Finally, as part of the Sustainability Plan, there are specific human rights targets that are supervised and reported to the relevant committee.

3 United Nations General Assembly Resolution 217.

4 Original text of Principle 11 of the UNGPs: "Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved".

5 In the context of the Guiding Principles on Business and Human Rights (Principals 17-21) these terms refer to a system of continuous management that a company implements in consideration of the sector in which it operates, its operating contexts, the size of the company and more, to ensure respect for human rights or to avoid being party to their abuse. This entails "identifying, preventing, mitigating and reporting" potential negative effects caused by the company.

The due diligence process

As required by UN guidelines and in accordance with the policy, Enel performed a specific human rights due diligence process on the entire value chain in the various countries in which it operates. Specifically, the process was redefined in 2016 in line with best international practices and includes four phases:

1. risk assessment as perceived by key stakeholders at the country level regarding labor, local community and environmental rights;
2. impact assessment aimed at identifying and analyzing the organizational and risk control systems;
3. development of action plans in order to address any areas of improvement that emerged in the previous phase;
4. monitoring of action plans and remedies.

Perceived risk assessment at the country level

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To become familiar with the context in which Enel operates in the field of human rights and identify the most relevant issues in terms of risk, numerous experts from different sectors, such as civil society, academic institutions, citizens, customers and suppliers, were consulted in the various countries where Enel operates. This consultation allowed the Company to classify each of the issues included in the Human Rights Policy according to the level of perceived risk resulting from the combination of the severity and likelihood of an actual violation. The risks were then cataloged according to a defined scale of values: acceptable risk (minimum level), risk to be monitored, high priority risk, high risk (maximum level). The analysis showed that:

- the topics related to corruption and environmental impacts present a "high priority risk" assessment that requires companies to equip themselves with advanced safeguard and monitoring mechanisms;
- diversity, child labor, the impacts on local communities and best practices in terms of health and safety had an assessment of "risk to be monitored". The topic of diversity is particularly important in Italy, while in terms of impact on local communities, a greater focus is demanded by South American countries. The topic of health and safety is instead perceived across the board as a fundamental topic in all the countries of the Group.

Impact assessment

The second phase of the due diligence process aimed to evaluate Enel's human rights practices and policies and identified possible areas of improvement and recommendations in order to comply with the provisions of UNGPs and the relevant Enel policy. Practical examples to support the implementation of due diligence have also been defined as part of this activity.

The process involved top company managers both to strengthen the level of awareness of respect for human rights and to integrate the principles of the policy in the main strategic choices. A standard self-assessment tool has also been developed for all countries, divided into two main sections:

- self-assessment of general human rights management procedures, to assess compliance with UNGPs;
- self-assessment of human rights performance management, to assess Enel's processes and procedures against its policy.

This phase of the process has been developed with the support of Business for Social Responsibility (BSR), a leading global non-profit organization in the development of sustainable business strategies and solutions that works with a network of over 250 member companies and other partners.

The analysis focused in particular on the evaluation of the Company's existing human rights management practices with respect to best practices regarding due diligence processes in accordance with the requirements of the United Nations principles.

The policies, procedures, systems and practices in place within the Group in each of the areas of the value chain were evaluated through the analysis of more than 100 indicators. The results showed that Enel has a robust set of mechanisms and management systems to ensure that human rights are respected and that existing risks are properly managed.

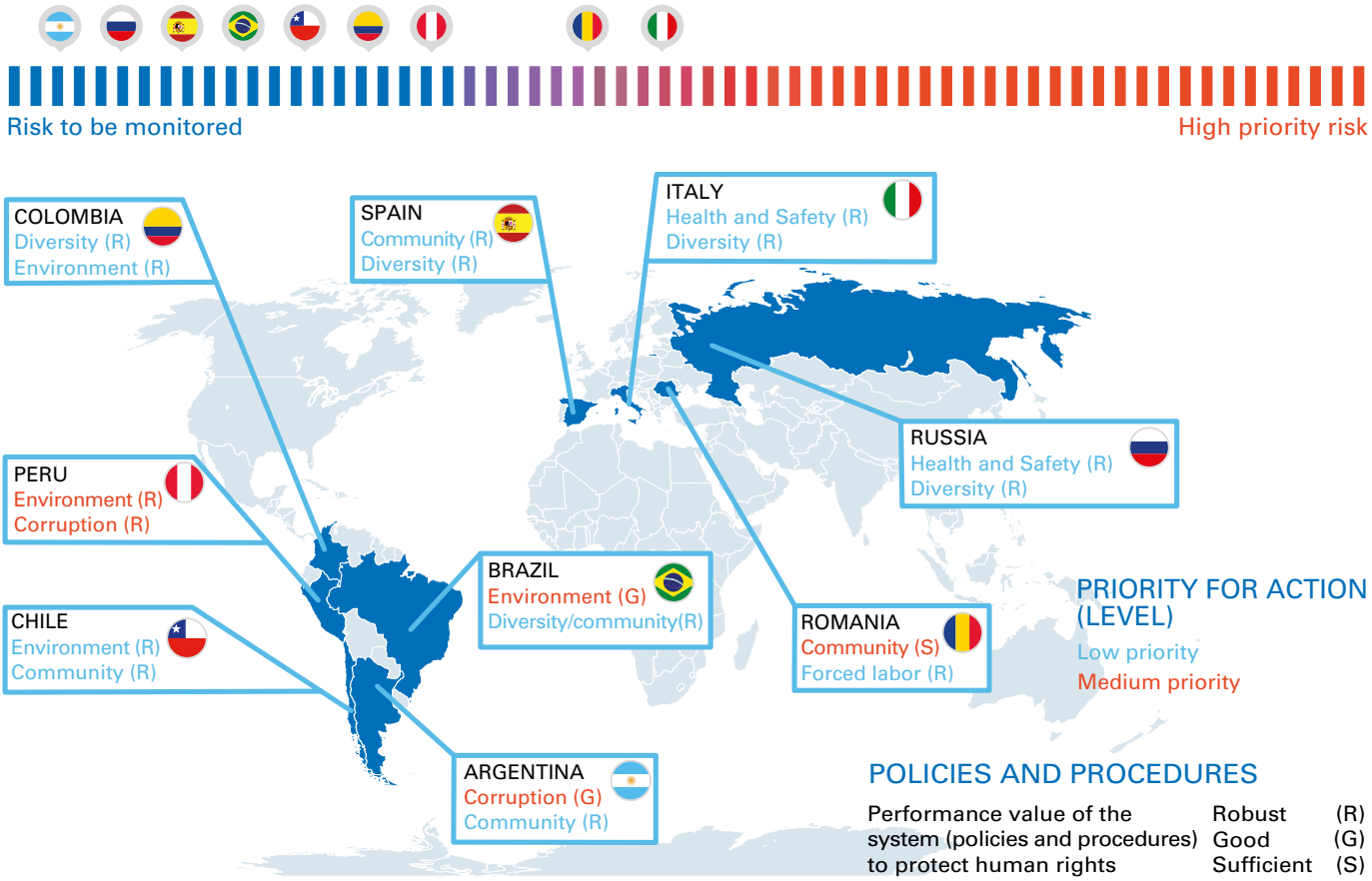
Below is a summary table of the topics covered by the policy, showing an assessment of their perceived risk and their level of protection.

Topics	Average perceived risk	System to protect human rights	Main policies and procedures to protect human rights
Labor practices			
Freedom of association and collective bargaining	Acceptable risk	Robust	Enel commits to respecting freedom of association and collective bargaining for all its workers. In particular, Enel recognizes their right to form or take part in organizations aimed at defending and promoting their interests; that they are represented by trade unions or other forms of representation; and the value of collective bargaining as a privileged tool for determining contractual conditions and governing relations between company management and trade unions.
Rejection of forced labor	Acceptable risk	Robust	The contracts govern working conditions in their entirety and clearly show all the terms included in the contracts that provide details on the rights of workers (working hours, salary, overtime, compensations, benefits). The terms are translated into workers' native languages and are supported with information contained in documents shared with the people. Human resources management systems and procedures ensure there are no minors in the workforce. Internships and school-to-work programs are also available.
Fair and favorable working conditions	Acceptable risk	Robust	
Rejection of child labor	Risk to be monitored	Robust	
Diversity and inclusion	Risk to be monitored	Robust	For details, see the chapter "Our people and their value".
Health and safety	Risk to be monitored	Robust	For details, see the chapter "Occupational health and safety".
Community and society			
Community relations	Risk to be monitored	Robust	For details, see the chapter "Communities and value sharing".
Environmental impacts	High priority risk	Robust	For details, see the chapter "Environmental sustainability".
Corruption	High priority risk	Robust	For details, see the paragraph "Active and passive anti-corruption management system".

Average perceived risk: average of perceived risk levels identified in the countries being analyzed.
Risk reference scale: 1. High risk; 2. High priority risk; 3. Risk to be monitored; 4. Acceptable risk.
Performance value reference scale of the system (processes, policies and procedures) to protect human rights: Robust (R) (75%-100%); Good (B) (50%-75%); Sufficient (S) (25%-50%); Needs improvement (M) (0%-25%).

The map below shows for each country the level of perceived risk and the main topic areas to be monitored in the field of human rights, with an indication of the relative level of assessment of the policies and procedures in place. In all the cases highlighted, however, the level of priority to be given to improvement actions was medium or low.

Risk perception



Areas of improvement and action plans

During the due diligence process, opportunities for improvement were identified to strengthen the Company's commitment to respect human rights in the conduct of its industrial and commercial activities. Specific action plans have been developed for each country where Enel operates, together with an improvement plan to be managed centrally aimed at harmonizing and integrating processes and policies at the global level and applied at the local level. In total, around 160 actions have been planned, covering 100% of the operations and sites. The implementation of these plans started in 2018 and is expected to be completed by the end of 2019: in December 2018, 67% of all planned actions had been completed. Below are some examples of actions that have been or are being developed. At a global level, both an operational procedure relating to the management of human rights due diligence and a new policy on "harassment in the workplace" are being issued, which will apply to Enel people, suppliers and partners. This policy enshrines a series of behaviors considered intolerable by Enel and for which sanctions, even severe ones, are provided for in the event of violation. In particular, two macro-categories of harmful behavior have been identified: (a) moral harassment (e.g. discrimination on the basis of gender identity, age, disability, nationality, ethnicity, color, political opinions, religious opinions, language, marital status, sexual and personal orientation, etc.); (b) sexual harassment: (unwanted sexual advances; jokes, teasing, insinuations or sexually explicit or sexually oriented jokes; condescending or paternalistic attitude with sexual implications that undermine dignity, etc.). Finally, an analysis category dedicated to human rights aspects in the vendor rating of suppliers was also added to the purchasing processes (for more details see the chapter "Sustainable supply chain"). In December 2018, an innovative training course was launched specifically dedicated to the subject, described in the following section "Training and information". In **Spain**, a Community Relationship Function has been set up at the individual plant level; in **Italy**, the policy's advertising channels were strengthened, also through publication on the institutional website; in **Romania**, workshops were organized with the different areas of the Infrastructure and Networks Business Line in order to

define the most appropriate ways of involving stakeholders; in **Russia**, information on human rights performance was included in the periodic presentations to top management. In South American countries, too, numerous actions have been taken following the approval of the due diligence improvement plan: in **Argentina** and **Brazil**, communication campaigns were carried out to promote and disseminate the use of the reporting channel (see also the section on "Reports by Stakeholders"); in **Peru**, a procedure dedicated to the management of reports has been issued (operating procedure no. 655); in **Chile**, specific training sessions dedicated to top management were organized; in **Colombia**, training sessions were organized with coal suppliers to raise their awareness of human rights issues. Analyses were also carried out on individual sites.

Finally, with respect to labor rights topics, these are on average perceived to be less risky and the operations and processes that they control also comply with both the principles of the most common international guidelines and the Group's internal policies. However, minor areas of improvement have also been identified on these issues in some countries, as shown in the table below.

Topic	Business Lines	Countries	Areas for improvement
Freedom of association and collective bargaining	Global Procurement	Chile, Colombia, Italy, Peru, Romania, Russia	Controls on the performance of suppliers with an active contract.
Rejection of forced labor	People and Organization/Legal and Corporate Affairs/Global Procurement	Argentina, Brazil, Colombia, Peru, Romania, Russia	Apply the due diligence process for any recruitment agencies used.
Rejection of child labor	Global Procurement/Legal and Corporate Affairs	Chile, Romania, Russia	Supplement controls of suppliers, to check for any previous involvement in violations.

Security

103-2 103-3 410-1

"Taking the Voluntary Principles on Security and Human Rights as its reference, Enel is committed to ensuring that private security forces operating to protect Group personnel and property in their areas of activity act consistently with applicable national laws and international rules and standards, while encouraging law enforcement agencies to act in the same manner" (paragraph 2.2.1 of Enel's Human Rights Policy). In general, according to national regulations, the security service can only be entrusted to public or private forces in the absence of legislative provisions.

Security management at Enel is entrusted to a dedicated Holding Unit and to specific units in the various countries in which the Group operates. The principles of action concern:

- Proactivity: continuous collection of data and information for the detection and interpretation of weak signals;
- Holistic Vision: integrated assessment and management of security risks for all potentially exposed assets (people, infrastructure, intangible assets);
- Open Power: cooperation with Business Lines, reference institutions and other operators of critical infrastructure;
- Resilience: adoption of measures to ensure the continuity of the system's operation and not only its passive protection;
- Integrated Response: coordinated incident management between all the components involved (communication, security, institutional affairs, technical lines).

In all cases where it is not possible to rely on public forces and it is necessary to resort to private security guards, Enel ensures that all human rights assessments are made, that the workers of security service providers have received appropriate training, that contracts include human rights criteria and that adequate equipment is provided to security guards.

Training and information

During 2018, approximately 800,000 hours of training on sustainability issues were provided, of which human rights is a fundamental part. In particular, the courses mainly addressed environmental and occupational health and safety is-

sues, with an average of 11.9 hours training *per capita*, up from the 2017 figure (8.2 hours). A new online training course on human rights was also launched. This course is Enel's way of renewing its commitment to this topic, involving all Company people by sharing experiences and good practices that highlight the key role played by human rights. Lastly, to mark the 70th anniversary of the Universal Declaration of Human Rights, an internal communication campaign was run on the 30 articles of the Declaration, involving top management and internal and external experts, who illustrated examples of the principles being adopted in business processes.

For further details see the following chapters: "Sustainable supply chain" (forced and child labor), "Our people and their value" (diversity), "Community and sharing of value" (Relations with local communities) and "Occupational health and safety" (occupational health and safety).

Data protection

103-2 103-3 418-1

The protection and processing of personal data represents a major challenge in the era of digitalization and globalization of markets in terms of responsibility in managing the data as well as an opportunity to improve the service that Group companies provide. In order to respond to this challenge and in line with the new General Data Protection Regulation (GDPR) EU 2016/679, the Enel Group adopted a structure in 2017 to guarantee that the privacy of all the natural persons with whom it interacts is fully respected by appointing Data Protection Officers ("DPOs"). The DPO structure is integrated into the Group's legal area and reflects the matrix-based model of Enel's organization. Among other things, the DPOs support the business areas in adopting a "privacy by design" approach, thanks to which the protection of personal data is a building block in the design of any business initiative or business process. The DPOs provide advice to Enel's Data Controllers and Data Supervisors through risk assessment methodologies such as the privacy impact assessment, a tool required by EU Regulation that allows the riskiest processing operations to be evaluated and the appropriate security measures.

Enel's priority is to go beyond regulatory compliance. Data subjects' rights are better protected if the quality, quantity, speed and accuracy of the data, fundamental features of Enel's information assets, are guaranteed. Data quality is a prerequisite for technological innovation and sustainability. The use of highly sophisticated technologies, such as cloud computing, Big Data, AI, Data Analytics and the Internet of Things, allows us to offer more and more customer-tailored products and services, while at the same time requiring great responsibility in terms of privacy protection.

European Group Companies managed about 14,000 communications related to personal data protection and cooperated with national authorities receiving 77 requests of clarifications. In 2018 no "data breaches" have been recorded. In Italy Enel Energia and Servizio Elettrico Nazionale managed two incidents related to personal data, promptly notified to the Data Protection Authority. In Romania one incident was recorded which involved the companies Enel Energie Muntenia and Enel Energie SA.

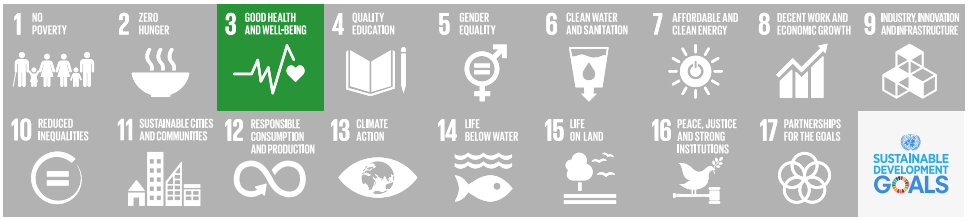
Occupational health and safety

102-15

Plan 2018 > 2020 Occupational health and safety

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Extra Checking on Site (ECoS) 3	120 ECoSs in 2020	242 ECoSs carried out	S Safety management S Supply chain management
Global awareness programs on prevention and health promotion 3	17 programs in 2020	15 programs completed	S Training
Harmonization and alignment with the Group best practices for on-site checking procedures and investigation of all accidents and significant near misses, identifying preventive and corrective measures 3		51 significant events and over 230 corrective and improvement actions, with relative sharing between Function managers of the Business Lines	S Safety policies S Safety management
Transversal initiatives on Business Lines dedicated to strengthening employees and contractors' awareness and commitment on health and safety and promotion of safety culture 3		SHE 365 project, which has generated 120 initiatives shared between Business Lines, involving: > 5,369 suppliers in 23 countries > 27 thousand Enel employees	S Training
Integration of safety into policies, processes and procedures 3		> Review of companies' qualification process on safety issues > Drawing up of the "HSE Agreement"[1] > Introduction of supplier's qualification process "Safety Supplier Assessment", which provides the execution of specific audits on security issues at the supplier's premises	S Safety policies
Further reduction in injury rates[2] 3		LTIFR 0.18 (-14% compared to 2017)	S Safety management

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Occupational health and safety

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Extra Checking on Site (ECoS) 3	150 ECoSs in 2021	S Safety management S Supply chain management
Global awareness programs on prevention and health promotion 3	18 programs in 2021	S Training
Reduction in injury rates compared to previous years 3		S Safety management
Strengthening of transversal initiatives on Business Lines and/or Countries dedicated to enhance employees and contractors' awareness and commitment on health and safety issues 3		S Training
Improvement of operational activities control system, in order to optimize its guidelines, execution methods, analysis of results and consequent improvement actions 3		S Safety management S Safety policies

1 The document aims to be a single homogeneous collection of H&S and environmental clauses for each Business Line, country and type of contract.
2 This objective has been updated in the metrics, without changing its substance, because of the modification of GRI indicators related to injuries.

Occupational health and safety

See the Appendix
Performance indicators

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					EU18
DMA EU (former EU21)			DMA EU (former EU16)		

Enel considers people's health, safety and mental/physical integrity to be a precious asset that must be protected at all times – whether at work, home or in their free time. It is committed to developing and promoting a sound safety culture everywhere in order to ensure a healthy work environment. Each person is responsible for his or her own health and safety, as well as the health and safety of those with whom they interact. As set forth in Enel's "Stop Work Policy", any risky situation or unsafe behavior must be promptly reported and stopped. Enel's safety culture is based on each person's constant commitment, the integration of safety into processes and training, the reporting and analysis of any near misses, the stringent selection and management of contractors, quality controls, the sharing of experiences within the Group and the comparison with top international players.

Enel has a Statement of Commitment to Health and Safety, signed by the Group's top management, that is based on the following fundamental principles:

- compliance with the law, the adoption of best standards and sharing experiences;
- the creation, implementation and continuous improvement of the Occupational Health and Safety Management System in compliance with the BS OHSAS 18001 standard;
- the reduction of accidents, occupational diseases and other incidents through the implementation of appropriate prevention measures and verification of their adequacy and effectiveness;
- the assessment of all health and safety risks and the adoption of a systematic approach to eliminate them at the source or, when this is not possible, to minimize them;
- the promotion of information initiatives to disseminate and consolidate a culture of health, safety and organizational well-being;
- the adoption of work methods inspired by quality and spreading them through decisive and effective training that aims to firmly unite technical and safety aspects;
- direct efforts by managers to strength-

en a sound culture of safety leadership;
- the adoption of safe and responsible conduct at all levels of the organization;
- the design of workplaces and the provision of equipment and tools suitable for carrying out the work, ensuring the best conditions of health, safety, comfort and well-being;
- stringency in the selection and management of contractors and suppliers, and the promotion of their involvement in programs for the continuous improvement of safety performance;
- constant attention to local communities and to all those who work or come into contact with the Group's activities by sharing a culture of health and safety protection;
- annually defining specific and measurable targets and continuously monitoring them to verify that they have been achieved through the involvement of top management.

In January 2019, Enel also revised the Health and Safety Policy in line with the principles set forth in the Statement of Commitment to Health and Safety and in the Code of Ethics.

In compliance with the Policy, each Group Business Line has put in place its own Health and Safety Management System that complies with BS OHSAS 18001, which is based on identifying hazards, the qualitative and quantitative assessment of risks, planning and adopting prevention and protection measures, assessing the effectiveness of such measures and adopting any corrective actions.

The Management System involves both Enel and contractor personnel working on the Company's own plants/sites. Each system involving both Enel and contractor personnel working on the Company's plants and sites has the following requirements in common:

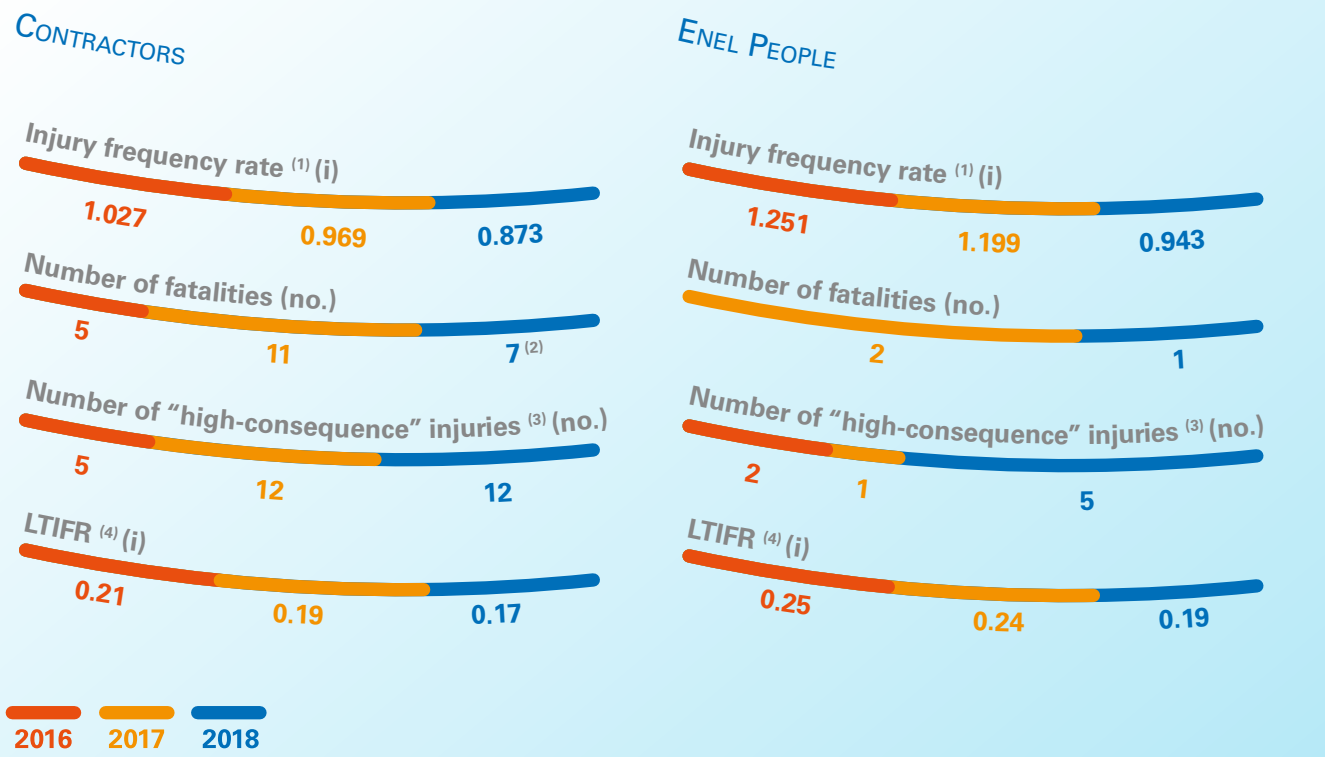
- the preventive assessment of risks and their elimination and/or reduction by applying the most up-to-date technical knowledge;
- the identification of the necessary prevention measures and the relative implementation program;
- the adoption of measures to mitigate residual risks, giving priority to collective measures over individual measures;
- the active, responsible and integrated actions of all individuals involved in safety, involving workers and/or their representatives, starting from the identification of the risk situations up to the choice of solutions to prevent and/or reduce them;
- the appointment, where required, of an occupational physician and monitoring the health of workers assigned to specific at-risk jobs;
- the preparation of an information and training program for workers in order to achieve greater awareness in dealing with risk situations;
- regular maintenance and cleaning of work environments.

In confirmation of the strategy and Enel's safety policies, during 2018 several initiatives were launched to strengthen the control system, especially as regards contractors, and the integration between the business areas and Health and Safety Functions, in order to identify potential areas at risk and prevent the occurrence of accidents through the use of innovative technologies.

In 2018, Enel invested 259.1 million euros in safety, in line with the expenditure for 2017.

In Enel's organizational model, the Health, Safety, Environment and Quality (HSEQ) unit of the Holding assumes an important role of oversight, direction and coordination, promoting the dissemination and sharing of best practices within the Group and external comparison in health and safety with the top international players in order to identify opportunities for improvement and ensure the constant commitment to risk reduction. Alongside the Holding Function, the HSEQ structures of the Global Business Lines direct and support the business on health and safety issues, define improvement plans and monitor their execution.

Safety rates[1]



(1) This rate is calculated by comparing the number of injuries (all injuries, including those with 3 or less days' absence) with the hours worked/1,000,000.

(2) Considering the activities managed in all the areas in which the Group operates, to which some of the companies consolidated with the equity method and companies for which the BSO (Build, Sell and Operate) mechanism has been applied, the total figure for fatalities is equal 8.

(3) Sum of: injuries which, at December 31, 2018, resulted in more than 6 months of absence from work and, of cases not closed, injuries considered severe (initial prognosis > 30 days).

(4) Lost Time Injuries Frequency Rate is calculated by comparing the number of injuries with the hours worked*200,000.

In 2018, the total injuries frequency rate confirmed the decrease trend in previous years, with a figure of 0.90[2] injuries per million hours worked, down by 14% compared to 2017.

In particular, the frequency rate for Enel people stood at 0.94 (-21% compared to 2017) and for contractors' personnel at 0.87 (-10% compared to 2017), confirming the effectiveness of the Group's safety strategy and policies.

One fatality occurred in 2018 involving an Enel Group employee (Colombia) and 7[3] fatalities occurred involving contractors (2 in Italy and 5 in South America). The causes are mainly electrical accidents.

In addition, 5 "high-consequence" injuries involving Enel Group employees were recorded (3 in Italy and 2 in Argentina) and 12 involving contractors (4 in Spain, 4 in Italy, 3 in Chile and 1 in Argentina) mainly of an electrical and mechanical nature.

Enel has a specific policy (Policy 106 "Classification, communication, analysis and reporting of incidents"), which defines the roles and procedures to ensure the timely communication of incidents and ensures the cause analysis process, the definition of improvement plans and their monitoring according to the event type. The Policy also includes details on the methods of communication and analysis of near misses that have the potential to cause severe damage.

According to the aforementioned policy, all severe and fatal injuries to Enel and contractor employees and non-severe events considered significant are investigated by a group of experts. The improvement measures resulting from the analyses are constantly monitored and followed until they are completed, and in the event contracting companies commit a breach, the appropriate measures are taken (termination of the contract, suspension of qualification, etc.).

In the case of particularly severe and fatal injuries, in order to define further strategic actions for the entire Group, a specific Steering Committee is also set up that involves the competent Company Functions/Business Lines. The Steering Committee has the goal of coordinating the improvement measures already identified and defining further strategic actions for the entire Group, to prevent the recurrence of similar events.

Moreover, an additional project for risk analysis and reduction was launched during the year. This project – the "Global Safety Dashboard" (GSD) – develops targeted analysis at a plant/unit level, using downstream KPIs (accidents and near misses) and upstream KPIs (controls and assessments) as input, and generating a classification of sites and areas for improvement with the greatest priority as output.

1 The rates and data in this chapter do not include companies acquired during 2018 (Eletropaulo, YouSave, Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución). Given the short time since they have been acquired, these companies will be consolidated as of the financial year 2019, in order to align systems and relative reporting procedures.

2 Considering the activities managed in all the areas in which the Group operates, to which some of the companies consolidated with the equity method and companies for which the BSO (Build, Sell and Operate) mechanism has been applied, the total figure for fatalities is equal to 9, and the Group frequency rate equal to 0.87.

3 Considering the activities managed in all the areas in which the Group operates, to which some of the companies consolidated with the equity method and companies for which the BSO (Build, Sell and Operate) mechanism has been applied, the total figure for fatalities is equal to 8 (2 in Italy, 5 in South America and 1 in Oceania – Australia).

Safety in the procurement processes

Safety is integrated into the procurement processes and the performance of the companies is monitored both in the preventive phase, through the qualification system, and during the execution of the contract, through numerous control processes.

In 2018, the qualification process was further consolidated and a new attachment to general contract conditions was prepared, which clearly defines the health, safety and environmental obligations of all suppliers. A "Safety Supplier Assessment" process was also introduced, with specific safety audits conducted at suppliers' premises in the case that specific critical aspects are identified.

For this reason, contracting companies are involved in many initiatives aimed at promoting a culture of safety. In particular, an induction session is carried out on the specific risks present before the contractors' personnel access the worksite. Enel people perform this session, which aims to highlight special risks due to the specific nature of the plants and the activities present that are not normally present in the Company's business.

Furthermore, in 2018, the **Extra Checking on Site (ECoS)** initiative continued, with 242 ECoSs completed, with an increase trend compared to the 120 planned. The ECoSs have the aim of evaluating the adequacy of the organization, commitment and processes in a pre-determined operative area. Expert HSEQ people external to the operating unit subject to the assessment, perform these controls, together with technical experts specific to the business and permit to plan and define corrective actions that are duly monitored.

Infrastructure safety and technological innovation

During 2018, some safety innovation projects continued, and other new projects were launched to improve processes, starting from personnel training and going on to the adoption of prevention and protection measures, up to the implementation and analysis of corrective controls.

A portable device was designed and developed to identify voltage at operating distances on low- and medium-voltage lines, preventing operator contact with live parts. A global initiative was launched to reduce road accidents of drivers during working hours and of all Company people who travel to work by car or motorcycle. The project includes dedicated apps for smartphones, driving simulators, special conditions for purchasing protective equipment and special insurance rates if a black box is installed. Lastly, new virtual reality scenarios were developed for operational training on maintenance and safety.

Health

The Enel Group has defined a structured health management system, based on prevention measures to develop a corporate culture oriented toward the promotion of physical and mental health, organizational well-being and the balance between personal and work life. With this in mind, the Group carries out global and local awareness campaigns to promote healthy lifestyles, sponsors screening programs to prevent the onset of diseases and guarantees the provision of medical services.

In particular a policy has been established to prevent disease at a local level and provide assistance in the case of illness or accidents abroad; a smartphone application was also introduced for travel information, vaccination guide and a new global insurance policy was signed for Enel people traveling abroad. Furthermore, the Enel Group implements a systematic and continuous process of identification and assessment of work-related stress risks, in accordance with the "Stress at Work Prevention and Wellbeing at Work Promotion" Policy. This enables the prevention, identification and management of stress in work situations that may affect both individuals and broader sections of the organization, also providing a set of guidelines aimed at promoting a culture of organizational well-being.

Lastly, the Group offers its people special rates for: medical and health care, assistance for persons with disabilities or in the event of emergencies, and specific preventive medicine initiatives.

Developing a culture of safety: training and information

EU18

The health and safety awareness campaigns carried out over the course of the year focused on areas of specific relevance for the Company. This year the campaigns focused mainly on issues relating to personal health and the most common diseases, such as: hypertension, hepatitis, smoking, risk factors for cardiovascular diseases, skin cancer, etc. The campaigns were based both on the news published on the company intranet and on specific news reports on Enel TV and Enel Radio.

With regard to training, in 2018 Enel people were provided with over 726,000 hours of training, in addition to information and coaching on safety, with the aim of increasing workers' knowledge and specific skills throughout the Group.

The various issues covered included online training for safely driving both four- and two-wheeled vehicles and the "Safety Leadership" training session for managers.

In 2018, the **SHE 365** project was completed. It aimed to focus awareness on health, safety and the environment 365 days a year, at all organizational levels and in all Enel countries in a transversal and integrated manner.

The project had three main themes:

- **increasing supplier awareness;**
- **consolidating the commitment chain;**
- **facilitating the sharing of initiatives.**

100%

contractors working for Enel who have received training and information on health and safety from their employer

around 890,000 hours

of training and information for contractors[4]

4 The figure also includes training and induction courses provided by Enel people which are required to access the Group's construction and/or operating sites.

Safety of communities and third parties

103-2 103-3 416-1

Enel plants are built in compliance with the legal provisions and good practices. Plants, 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 on the external environment of the production activities, periodic measurement campaigns are conducted internally. Such efforts include measuring the electromagnetic fields of the distribution systems, as well as the level of noise, vibrations and dust generated by power plant machinery and distribution substations. The following aspects of environmental relevance are also monitored: atmospheric emissions, air quality, pollution of surface water, water quality, production, recycling, reuse and disposal of waste, soil quality, and impacts on biodiversity.

Managing emergencies

DMA EU (former EU21)

Enel has a shared crisis and critical event management system in the various countries where the Group operates.

This system provides for the assessment of the impact caused by the critical event through a standard 3-level reference scale. High-impact crises are managed centrally, while those with a medium or low impact level are managed within the specific organization of the individual countries.

For high-impact level crises ("Group Red Code"), it is envisaged to set up a central crisis committee active at the Security Control Room at the Viale Regina Margherita office in Rome to provide 24/7 support for the communication and the coordination of the information flows.

In addition, the crisis committee will define the strategies and actions to deal with the critical event and coordinate all activities to limit the damage to property, profitability and reputation of the Enel Group.

At Enel SpA there is a Security unit within the People and Organization Function at the Holding Company 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 people traveling 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.

Nuclear policy

As part of its activities in nuclear technologies, Enel is publicly committed to ensuring that its nuclear plants adopt a clear nuclear safety policy and that these plants are operated according to criteria that can ensure absolute priority to safety and protection of workers, the population and the environment.

Enel's nuclear safety policy promotes excellence in all activities of the plant, according to a logic that aims to go beyond mere compliance with applicable laws and regulations and ensure the adoption of managerial approaches that incorporate the principles of continuous improvement and risk management in safety. Enel does everything in its power to ensure that even operators of nuclear facilities in which Enel has a minority interest adopt and make public policies that guarantee the highest standards of nuclear and environmental safety, radioactive waste management, plant protection and the protection of workers, the general public and the environment.

Enel is committed to providing adequate resources for the implementation of the above safety policies and to supporting the nuclear safety cooperation policy of all operators in the sector worldwide.

Further details are available on Endesa's website (https://www.endesa.com/es/sostenibilidad/a201610-gestionactividad-nuclear.html) and in Endesa's Sustainability Report in the chapter "Environmental Sustainability", paragraph 1.6 "Managing Nuclear Activity".

Industrial relations for health and safety issues

103-2 103-3
403-1 403-4

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 at a national and divisional level. 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. 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 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. Further details on the commissions operating at the national and/or local level in the main countries are shown below.

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.
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 hygiene y seguridad*, which deliberate 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 involve contractors' representatives.
Brazil	All sites have a *Comissão interna de prevenção de acidentes*, composed of company representatives and workers representatives and focused on creating accident prevention initiatives.
Colombia	Two joint committees have been established (COPASST), one for distribution and one for generation, which deal with the promotion of occupational health standards.

Environmental sustainability

102-15

Plan 2018 > 2020 Environmental sustainability

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Reduction of SO_2 specific emissions 12	-30% vs base year 2010	0.73 g/kWh_{eq}[1] (-24% vs base year 2010)	E Environmental footprint
Reduction of NO_x specific emissions 12	-30% vs base year 2010	0.69 g/kWh_{eq}[1] (-18% vs base year 2010)	E Environmental footprint
Reduction of dust specific emissions 12	-70% vs base year 2010	0.16 g/kWh_{eq}[1] (-69% vs base year 2010)	E Environmental footprint
Reduction of specific water requirement[2] 6 12	-30% vs base year 2010	0.38 l/kWh_{eq} (-43% vs base year 2010)	E Water
Reduction of waste produced 12	-20% vs base year 2015	9 mil t (-15% vs base year 2015)	E Waste
Implementation of projects to minimize the impact of Enel sites in the habitat and the species included in the IUCN[3] "Red List" 14 15	Increase projects portfolio	Projects: 157[4] No. of Red List species: 195[5]	E Biodiversity
Development of biodiversity indicators and a reporting system in partnership with IUCN[3] 14 15		Defined methodological recommendations by IUCN[3] to develop with Enel data	E Biodiversity G Partnerships

I Industrial E Environmental S Social G Governance T Technological

Plan 2019 > 2021 Environmental sustainability

ACTIVITIES/SDGs	2030 TARGETS	CATEGORIES
Reduction of SO_2 specific emissions 12	-80% vs base year 2015	E Environmental footprint
Reduction of NO_x specific emissions 12	-40% vs base year 2015	E Environmental footprint
Reduction of dust specific emissions 12	-90% vs base year 2015	E Environmental footprint
Reduction of specific water requirement[2] 6 12	-35% vs base year 2015	E Water
Reduction of waste produced 12	-40% vs base year 2015	E Waste

1 Values including managed production. Regarding only consolidated production, the SO_2 and NO_x values are respectively 0.75 and 0.72 g/ kWh_{eq}, while the dust is equal to 0.17 g/kWh_{eq}.
2 Following the adoption of the new GRI 303, from this year the value indicated as specific consumption is indicated as specific requirement.
3 International Union for Conservation of Nature.
4 Active projects in 2018.
5 Excluding the species included in the IUCN LC category. Also including the LC category, in 2018 the total number of protected species of the Red List is 3,019.

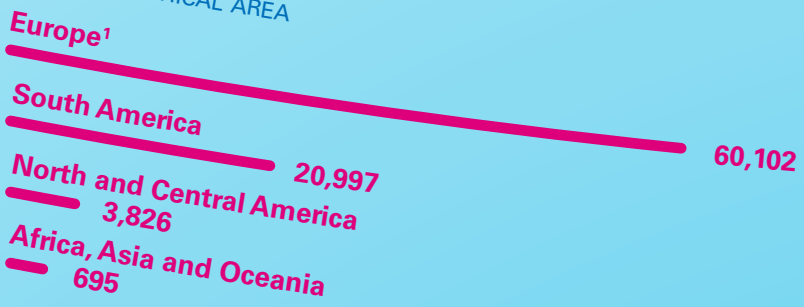
Environmental sustainability

See the Appendix
Performance indicators
102-7 EU1
EU2 EU4

Net installed capacity (MW)

By source

By geographical area



By year

High Voltage

Medium Voltage

	Argentina	Brazil	Bulgaria	Canada	Chile	Colombia	Costa Rica	Greece	Guatemala	India
Thermal[2]	2	1			8	2				
Renewable[3]	2	56	2	1	36	13	3	50	5	3
Nuclear										
Distribution substations	19,924	285,584			21,484	88,830				

Length of network (km)

Low Voltage

1,290,144

Energy production (GWh)

By source

Thermal	127,333
Renewable	98,940
Nuclear	24,067

By geographical area

Europe[1]	168,501
South America	67,897
North and Central America	12,433
Africa, Asia and Oceania	1,508

By year

2016	251,812
2017	249,876
2018	250,339

	Italy	Mexico	Panama	Peru	Portugal	Romania	Russia	Spain	USA	South Africa
	29			3	1		4	27		
	597	7	8	10		12		234	48	7
								3		
	583,266			10,401		23,447		135,246		

(1) Includes also Italy and Iberia.
(2) Thermoelectric power plants are reported according to a different technical criterion compared to 2017.
(3) The number of plants by country can vary according to the aggregation criterion used (for example, organizational or technological).

Environmental policy

103-2 103-3

Protecting the environment and natural resources, combating climate change, and striving to achieve sustainable economic development are all strategic factors in planning, carrying out, and developing Enel's activities, and are decisive in consolidating its leadership in energy markets.
Since 1996, Enel has observed a Group environmental policy which is based on **four key pillars:**

1. protecting the environment by preventing impacts to it;
2. improving and promoting the environmental sustainability of products and services;
3. creating shared value for the Company and stakeholders;
4. complying with legal obligations and voluntary commitments, promoting ambitious environmental management practices.

It also pursues **ten strategic objectives:**

1. **Organization-wide application of internationally recognized Environmental Management Systems based on the principle of continuous improvement and the adoption of environmental indicators to measure the environmental performance of the entire organization.**

   a. Annual compliance of ISO 14001 certifications present and extension to cover the entire Group perimeter.
   b. Rationalization and harmonization of certification in the various organizational areas; search for synergies and sharing of best practices with regard to environmental management.

Chapter: "Environmental sustainability"

2. **Reducing environmental impact by applying the best available technologies and best practices in the stages of plant construction, operation, and decommissioning, taking into consideration a life cycle analysis approach and the circular economy concept.**

   a. Environmental impact assessment for the construction of plants or significant changes.
   b. Study and application of Best Available Technologies (BAT).
   c. Protection and monitoring of the quality of surface water and groundwater in areas around the plants.
   d. Internal development and application of international best practices.

Chapter: "Environmental sustainability" – "Growth across low-carbon technologies and services"

3. **Siting industrial plants, infrastructure and buildings, while safeguarding the territory and biodiversity.**

   a. Development and updating of an Action Plan for Biodiversity.
   b. Development of biodiversity protection projects, taking into account the specific features of local environments (conservation of the habitats of protected species, reintroduction of particular species, replanting of native flora, in collaboration with research centers and nature observatories).
   c . Performance of bio-monitoring activities (land, seas, rivers).
   d . Use of technologies to protect biodiversity.
   e. Mitigation of the visual impact and of the impact on the landscape of generation plants and distribution networks.

Chapter: "Environmental sustainability"

4. **Leadership in renewables and in low-carbon electricity generation and efficient use of energy, water resources, and raw materials.**

   a. Growth in renewable energy production.
   b. Improvement of the efficiency of power plants.
   c. Reduction in grid losses associated with electricity distribution.

d. Efficient management of water resources for industrial uses, focusing in particular on "water stress" areas.

e. Value the by-products of electricity generation as raw materials for other production processes.

f. Promotion of services and products for energy efficiency in the end-uses.

Chapter: "Environmental sustainability" – "Growth across low-carbon technologies and services"

5. Optimal management of waste and wastewater and promotion of circular economy initiatives.

a. Reduction in waste production.

b. Reduction of polluting effect of wastewater.

c. Increase in the percentage recovery of waste and wastewater produced.

d. Qualified selection of suppliers of waste disposal services and use of IT systems for the traceability of waste.

Chapter: "Environmental sustainability"

6. Development of innovative technologies for the environment.

a. Implementation of systems for increasing plant efficiency and reducing emissions.

b. Promotion and development of smart grids as well as solutions based on the digital management of assets designed to improve environmental performances.

c. Development of innovative solutions for renewable energy production (photovoltaic, geothermal, wind, marine energy) including the integration of renewable energy and energy storage.

d. Promotion and development of electric mobility.

Chapter: "Environmental sustainability" – "Operational improvement for a better service"

7. Communication on the Company's environmental results to citizens, institutions and other stakeholders.

a. Publication of the Sustainability Report and open-data access to the Group's main enviromental parameters.

b. Communication with analysts and participation in various sustainability indexes.

c. Consultation and engagement with local stakeholders.

d. Dissemination of environmental initiatives through the Internet.

Chapter: "Environmental sustainability" – "Long-term sustainable growth" – "Communities and value sharing"

8. Employee training and awareness-raising on environmental issues.

a. Training on environmental issues.

b. Employee engagement in campaigns to raise awareness about the environment.

Chapter: "Environmental sustainability"

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

a. Use of qualification criteria for the selection of suppliers based on environmental performance.

b.Training initiatives and meetings to inform suppliers about the Enel expectations in terms of management of the environmental impacts due to activities to be undertaken, starting from the work start stage.

c. Assessment of suppliers based on the environmental performance achieved during the activities carried out on behalf of Enel.

Chapter: "Environmental sustainability" – "Sustainable supply chain"

10. Complying with legal obligations and voluntary commitments.

a. Guarantee that operations are carried out in compliance with the legal obligations and the commitments undertaken voluntarily, in the various countries.

b. Resolve any cases of non-compliance with regard to the obligations and voluntary commitments undertaken.

c. Consider further action and voluntary conduct to protect the environment, even if not part of our legal obligations.

Chapter: "Environmental sustainability"

Environmental governance

103-2 103-3

Protecting the environment and natural resources, combating climate change and contributing to sustainable economic development are strategic factors in the planning, operation and development of Enel's activities. They are also essential for consolidating the Company's leadership in the energy markets. Environmental targets are an integral part of the 2019-2021 Sustainability Plan, submitted to the Board of Directors for analysis and assessment through the Control and Risks Committee and the Corporate Governance and Sustainability Committee.

Since 1996 Enel has implemented a Group environmental policy, updated at the beginning of 2018 and included in the beginning of this chapter, which applies to each company structure and to the whole value chain[1].

Environmental activities are carried out within Enel through an organization that reaches across operational units, coordinated by a central Holding unit in terms of general environmental policy guidelines. In the Business Lines and Global Service Functions there are structures and figures in charge at various levels, guaranteeing the operational implementation of shared strategies and guidelines. In particular, the Staff Functions coordinate the management of the respective environmental issues, ensuring the necessary specialist support consistent with the Holding's guidelines, while the operating units manage the specific aspects of the various industrial sites.

Within the Group, the people devoted to management of environmental topics in 2018 totaled **567 Full Time Equivalent (FTE)**, marking an increase over last year (425 FTE).

As far as environmental expenditure is concerned, in 2018 the total financial commitment for protection and preservation of the environment was over 1 billion euros, subdivided into 783 million euros for operating expenses (771 million euros in 2017) and 392 million euros for investments (213 million euros in 2017). The increase in investments is mainly due to progress of the work on the renewable plants, notably hydroelectric and wind power installations. In particular, investments in environmental upgrading of thermal plants in 2018 amounted to around 82 million euros. As part of the policy for reduction of greenhouse gases, Enel participates in the European Union Emissions Trading Scheme - EU-ETS, the running costs for Italy of which were around 315 million euros (in 2017 they were 236 million euros). See also the chapter "Growth across low-carbon technologies and services".

1 The Enel Group environmental policy covers the whole value chain, and applies to: all the production phases for each product and service, including distribution and logistics, as well as the related waste management; each site and building; all relations with external stakeholders; all merger and acquisition processes; each key commercial partner (including partners related to unmanaged operations, joint ventures, outsourcing or third-party manufacturers); each supplier, including suppliers of services and contractors; all due diligence and merger and acquisition processes.

Environmental Management Systems

Application of **Environmental Management Systems** certified to ISO 14001 throughout the entire organization is one of the strategic environmental targets defined in the Group's environmental policy. In accordance with this target, at the end of 2018 nearly all operating assets (power plants, networks, services, real estate, sales, etc.) were covered by an active, certified Environmental Management System. Pre-certification activities were started for new plants and installations.

Given the complexity and variety of operations carried out, the Group decided to adopt management systems based on a modular approach. A management system was therefore defined at a Holding level, ISO 14001:2015 certified in 2018, to steer and coordinate Business Lines on environmental topics. Each Business Line then introduced its own Environmental Management System focusing on its own specific activities. The management systems introduced satisfy the new requirements introduced in the latest edition of the standard (14001:2015). In particular, with regard to the requirements related to analysis of the context, the systems used the analyses presented in the Sustainability Report (see the chapter entitled "Definition of priorities") which take into account both the external and internal context.

At the main thermal generation sites, from geothermics or from biomass-

es in Europe, Enel has also obtained EMAS (Eco-Management and Audit Scheme, https://corporate.enel.it/en/stories/a/2016/10/emas-certifications) registration.

Moreover, in compliance with the four fundamental principles on which the environmental policy is based, most specifically with the commitment to "protecting the environment by anticipating impacts", in 2018 the Group's new "**Stop Work Policy**" was defined, in which all workers are requested to take prompt action and stop activities not only when there are health and safety risks, but also in the case of risks for the environment.

ENEL STOP WORK POLICY

At Enel we are constantly working to promote and consolidate **a culture of health and safety** for everyone involved in our activities wherever they are in the world. We are raising awareness of risks and promoting responsible behavior in order to ensure that work is carried out to a high quality standard without accidents or injuries, because everyone who works with us represents our most precious resource, deserving of our protection.

We are committed to **protecting the environment**, with the conviction that preventing risks and promoting responsible behavior is key to defending our wellbeing and that of future generations.

We therefore ask each and every one of you to **intervene quickly and stop any activity that might jeopardize your health and safety** or that of others or, similarly, that might **cause harm to the environment**. Specifically, these are activities that could be detrimental to the quality of environmental elements (air, soil, water, flora and fauna), or to a site's archaeological and artistic heritage.

We also ask you to **promptly report** to your immediate superior or to a higher local Enel representative, any unsafe behavior and any action, omission, or situation that could potentially lead to a workplace injury or environmental damage.

The order to **Stop Work** must be applied **without fear of consequences**. No blame or responsibility will be attributed to an employee or subcontractor who reports in good faith a situation of particular risk or who stops work, even if this action should subsequently prove to have been unnecessary.

Our daily commitment is to the health and safety of workers and the protection of the environment, which take priority over any other need.

Francesco Starace
Chief Executive Officer
and General Manager

Training is one of the strategic targets of the Group's policy and an integral part of the Environmental Management System. In addition to annual planning of training needs for each production unit, in 2018 an environmental training program was launched aiming to increase the expertise of technical personnel and awareness of those responsible for operational management. The program began in Thermal Generation in Italy and will be extended as from 2019 to the other Business Lines and other Countries. In 2018, an overall total of 32,000 hours of training were given on Environmental Management System issues, such as water and waste management, environmental rehabilitation, and preventive action.

Environmental risk analysis

102-15

During 2018, the renewed Environmental Management System previously described was further endowed with three important tools able to increase it safeguards even more:

- **Environmental Risk and Opportunity Assessment Policy**, able to integrate divisional approaches synergistically into a single shared, organic and harmonious model. The new policy will guarantee more effective classification and management of risks and opportunities for the environment and the organization. The chosen approach, increasingly more directed towards the whole life cycle of products and services, involves analysis of processes and operational activities conducted at each site or in each territorial area, as well as aspects regarding checking of regulatory and voluntary compliance, governance and strategic guidelines related to the central Functions of the organization;
- **Policy on Extra Checking on Site (ECoS)**. ECoS is a tool for planning and conducting site visits by groups of inter-divisional experts in support of operating plants and structures, with the aim of identifying improvement plans and sharing best practices. With an approach organized in precise assessment clusters, ECoS analyze workplaces, management and control systems, the organizations and practices used in the environmental, as well as health and safety areas;
- **Group Policy on Classification and Analysis of Accidental Environmental Events**. Accidental environmental events are classified by type and significance based on an estimate of their possible impact on the environmental matrices and any sensitive targets (ecosystems and protected areas), as well as their possible negative effects on the organization. Depending on their classification and significance, the policy identifies the procedures to be carried out for their communication, analysis of their causes and monitoring of subsequent corrective action and improvements.

Emissions

305-1 305-7

Constant reduction of environmental impacts associated with the running of our power plants is a strategic target pursued by Enel by **applying the best available technologies and international practices**, thus by adopting an approach that is not limited merely to compliance with regulations.

Greenhouse gas emissions

Reduction of greenhouse gases is one of the priority targets indicated in the environmental policy, pursued by gradual expansion of renewable energy production and improvement of infrastructure efficiency.

In particular, greenhouse gas emissions deriving from Enel's industrial activities are mainly due to emissions of carbon dioxide (CO_2) resulting from thermal generation and, more marginally, to leakage of sulfur hexafluoride (SF_6) from the distribution network. CO_2 specific emissions in 2018 were 0.369 kg/kWh$_{eq}$[2]. For further details on greenhouse gas emissions see the chapter "Growth across low-carbon technologies and services".

2 Value related to consolidated production only. With regard to the value including the managed capacity, CO_2 emissions are 0.356 kg/kWh$_{eq}$.

SO_2, NO_x and dust

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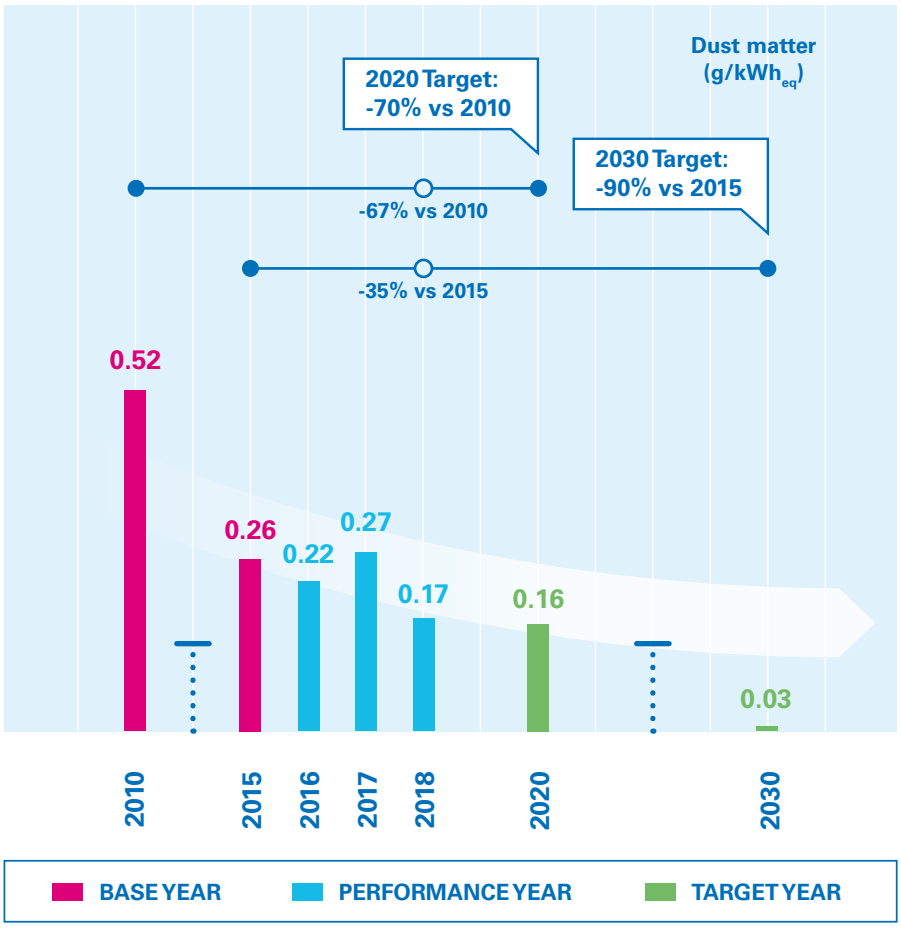
305-7

Particular care is taken with reference to emissions of the main airborne pollutants associated with thermal generation: **sulfur oxides (SO_2)**, **nitrogen oxides (NO_x)** and **dust**. For this purpose, during 2018 work was completed on specific coal-fueled plants worth a total of 82 million euros and an investment plan worth 340 million euros has been defined for the 2019-2021 three-year period. The choice of the most suitable work to improve environmental performances for each plant is the result of an analysis that, starting from the best technologies and international practices, takes into consideration factors such as: the local context and priorities, the plant operating methods, meaning the hours of operation each year, the current plant engineering configuration and the outlook for its productive life.

Emissions are measured in compliance with the regulatory framework of each country and, in the majority of large plants, provides for a continuous measuring system able to check compliance with limitations in real time, the reliability of which is guaranteed by accredited certification bodies and by inspections performed jointly with the bodies responsible for the controls.

Emissions in 2018 fell against 2017 for all the major pollutants both in absolute and in specific terms. These reductions are ascribable both to lower production from fossil fuels and to work already completed to increase efficiency. In particular, specific emissions of SO_2 were equal to 0.75 g/kWh$_{eq}$ (-11% vs 2017), those of NO_x were 0.72 g/kWh$_{eq}$ (-9% vs 2017) and those of dust were 0.17 g/



kWh$_{eq}$ (-37% vs 2017). The drop in dust is linked mainly to work to increase the efficiency of the dust abatement systems carried out at the Reftinskaya Plant in Russia. Considering the managed capacity of about 4.2 GW and the managed production of 9.4 TWh[3], the levels of specific emissions proved to be 0.73 g/kWh$_{eq}$ for SO_2, 0.69 g/kWh$_{eq}$ for NO_x and 0.16 g/kWh$_{eq}$ for dust.

Enel has committed to achieving reduction targets in specific emissions into the atmosphere by 2020 (compared to the data recorded in 2010), assessed on the basis of the results attained, of the Business Plan for the next three years which will see a shift in the mix towards renewable energy and a reduction in emissions from fossil fuel, as well as the plan foreseen for installation or improvement of abatement systems. The Group, furthermore, in comparison with the data recorded in 2015, is committed to achieving further targets for reduction of specific emissions into the atmosphere by 2030 based on the best projections currently available.

3 Total capacity (consolidated and managed): 90 GW; Total production (consolidated and managed): 260 TWh.

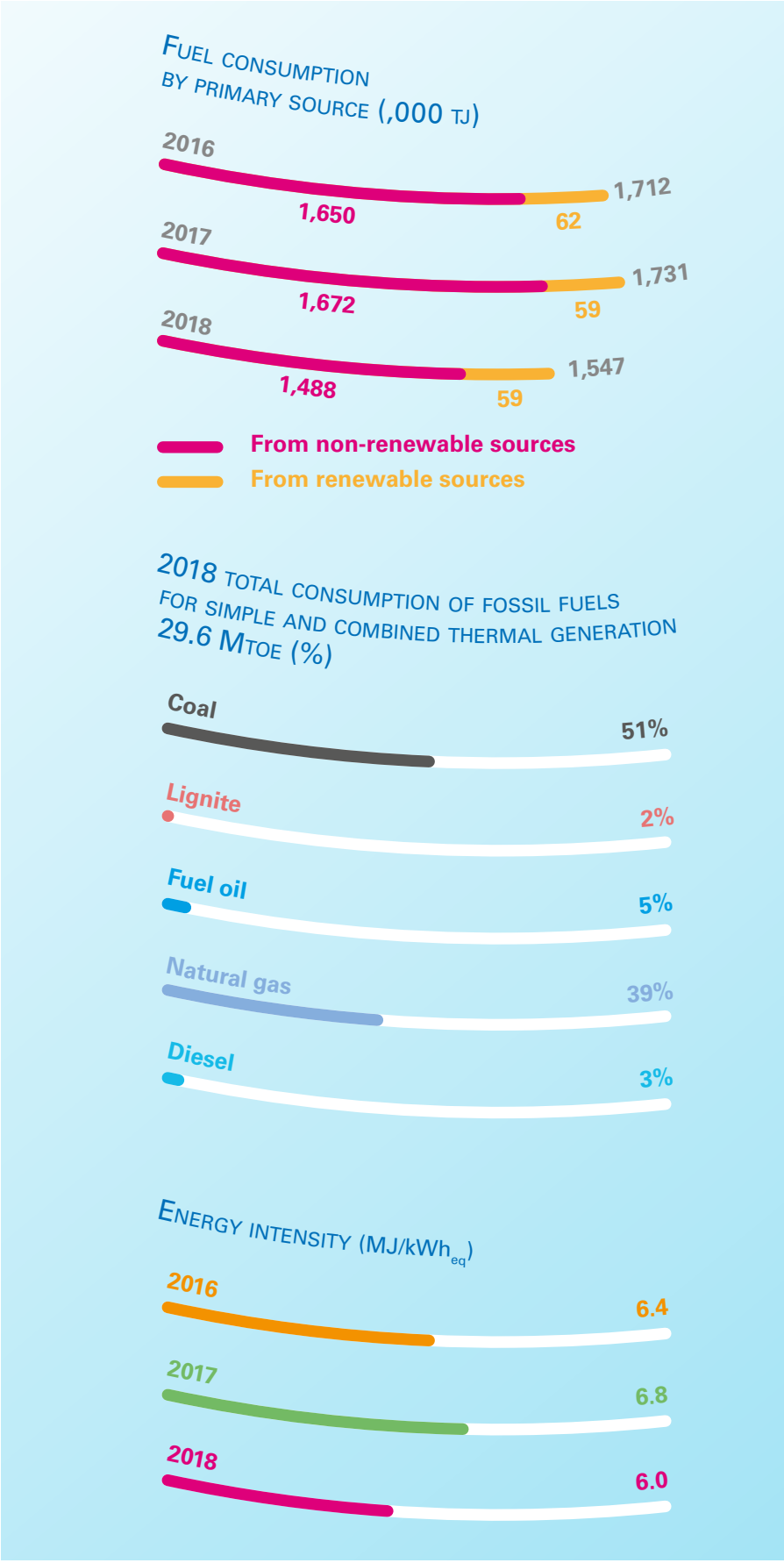
Energy

103-2 103-3 302-1
302-3 302-4

For Enel, using energy efficiently means, on the one hand, maximizing the efficiency of the mix of sources (thermal, nuclear and renewables) and, on the other, making the distribution network increasingly more efficient. Therefore, the strategy to reduce Enel's energy consumption envisages investments to increase efficiency in all the Group's activities, from production to distribution, and also aims at spreading greater awareness of conduct (see also the chapter "Growth across low-carbon technologies and services"). In 2018, improvement of process efficiency and implementation of operational excellence programs continued in the various Business Lines.

Energy consumption mainly includes fossil fuels for the operation of thermal power plants and uranium for nuclear power plants. A limited share of energy consumption is related to operation of the plants generating electricity from renewable sources.

Total direct consumption of fuel was 1,547,064 TJ (equal to 37.0 Mtoe). An 11% decrease in fuel energy consumption was recorded against 2017 due to lower thermal and nuclear generation. Geothermal production in Italy and Chile remained substantially stable. The Group's energy intensity, which provides a measure of its operational efficiency, amounted to 6.0 MJ/kWh$_{eq}$ in 2018, decreasing by 11%. This reduction compared to 2017 reflects a production mix in the year which, with stable Group production, marks an increase in generation from renewable sources.



The table below shows some of the main initiatives carried out both on plants and on the territory, with an indication of the country and the area of intervention in terms of energy efficiency.

Country	Intervention area	Intervention description
Russia	Thermal production	**Nevinnomyskaya**: several initiatives were carried out in 2018, enabling total savings of around 56,000 GJ; these included the use of energy-efficient equipment with the resulting reduction in fuel consumption, actions to improve efficiency such as the inclusion of fans to lower the air temperature, technical renovation and modernization of fuel pumps (unit 7) and of the fuel supply system boiler (unit 5A). **Reftinskaya**: the reorganization of the lighting system, involving the replacement of normal light bulbs with LEDs, saved about 87,000 GJ. **Konakovskaya**: in total around 60,000 GJ have been saved by work on unit 8 (replacement of the boiler and turbine insulation system, cleaning of heating surfaces).
Spain	Thermal production	More than 171 GJ saved by replacing conventional fixtures with LED fixtures in the Almeria power plant.
Italy	Electricity grid distribution	Around 152,000 GJ were saved in total thanks to the installation of new low-loss transformers, optimization of the MV network layout, installation of new substations and reconstruction/upgrading of LV/MV lines. The addition to the distribution network of new substations (both HV/MV and MV/LV) allows a rationalization and optimization of the network at lower voltage, resulting in a reduction of the average length and average load of the network with a resulting reduction of power losses. The renovations of the MV and LV lines are generally carried out by replacing the existing conductors with others of a larger section, with a consequent reduction in energy losses.
Romania	Electricity grid distribution	Approximately 196,000 GJ have been saved by increasing maintenance operations, and by improving the smart meter system.

Water

103-2 103-3 303-1
303-2 303-3 303-5

Responsible use of water resources is one of the strategic targets of the environmental policy and involves the use of an integrated approach based on three lines of action:

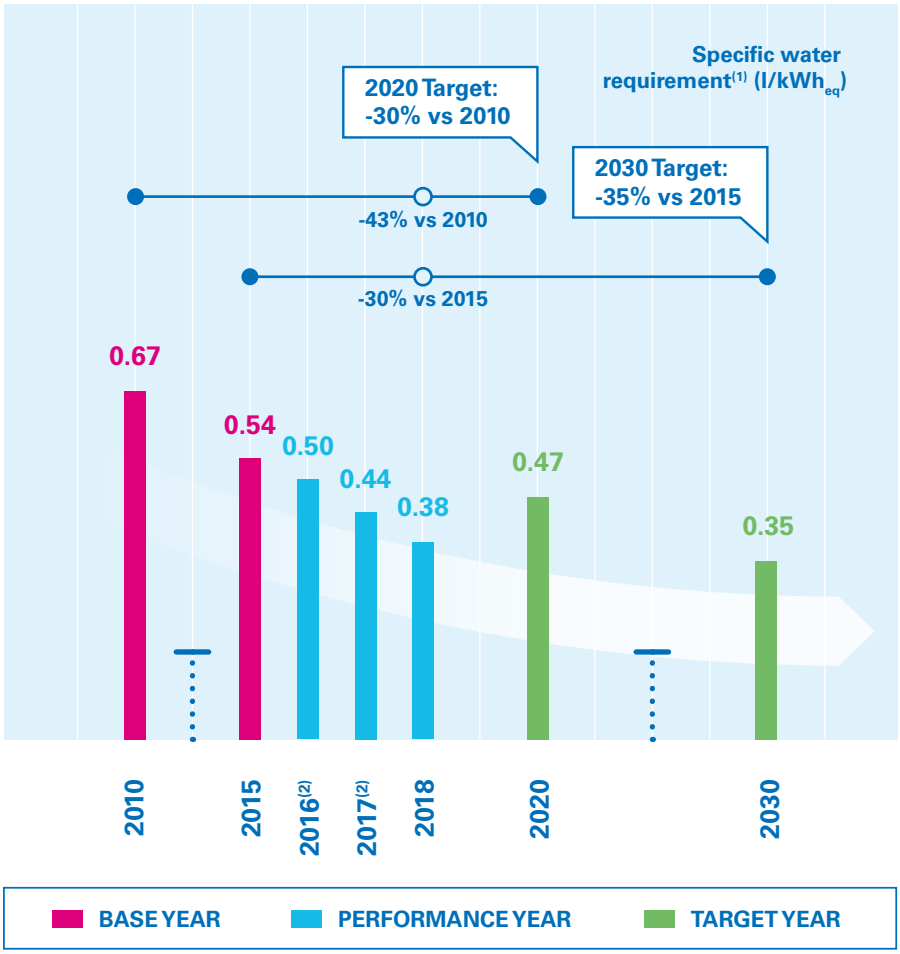
→ Efficient use of water resources also through control of leaks.

The Enel Group withdraws water from water sources mainly for industrial purposes, such as cooling and airborne emissions abatement systems (for example, desulphurization, abatement of nitrogen oxides) and uses it for the most part for thermal and nuclear generation.

In 2018, the **total water requirement** amounted to approximately **96.3 mil m³**, down by around 14.2% compared to 2017 (equal to 112.2 mil m³), due to a lower thermal and nuclear power generation[4].The **specific water requirement** of the Group, including thermal, nuclear, geothermal, and other activities for industrial uses, in 2018 amounted to **0.38 l/kWh$_{eq}$**, about 14% lower than the previous year, in line with the target to reduce the Group's water consumption by 30% in 2020 compared to 2010. The Group's water consumption calculated according to the new version of GRI Standard 303 "Water and Effluents"[5], was equal to 48.7 mil m³ (48,695 ML).

Enel pursues the target of reducing water specific consumption by 30% by 2020, compared to data reported in 2010. The target was based on the results achieved and the timetable laid down by the Business Plan for the next three years, which provides for improvements in water usage efficiency in the existing thermal plants, a shift in the mix towards renewable energies and a reduction in generation from fossil fuels through a change in the composition of the power generation park. Moreover, the Group has set a further target of a 35% reduction in specific water consumption by 2030 vs 2015 based on the better projections now available.

The total water requirements for the Group's production activities are covered by withdrawing from sources that are not scarce (sea water), scarce (surface soft water, groundwater and from industrial aqueducts), or through the use of wastewater from production processes. The Group is committed to reducing water con-



(1) Following the adoption of the new GRI Standard 303, the figure indicated previously referring to specific consumption now refers to specific requirement. Requirement means the total amount of water withdrawn, used to operate the plants. This figure does not include withdrawal of water used for open-cycle cooling, since it is entirely put back into the original water body.

(2) Regarding the 2017 figure, the change in value in water requirement is due to the change in the reporting criterion for the nuclear sector where cooling water returned to the receiving water body is no longer accounted for, as already recorded for all plants that adopt an "open-cycle" cooling system. Based on recalculation, the total water withdrawn in 2017 was 112.2 mil m³ while in 2016 it was 133.5 mil m³.

sumption in production processes, in particular promoting its recirculation in the plants. In some coal-fired plants, for example, drainage water from the closed-circuit cooling towers is re-used in the desulfurizers, while the use of crystallizers downstream of the desulfurizers allows the total recovery of the wastewater.
Enel constantly monitors all production sites in areas at risk of water scarcity in order to manage the water resource in the most efficient way. In particular, site monitoring takes place through the following levels of analysis:

- mapping production sites in areas with potential "water scarcity" situations, in which the average value of renewable water resources per person is lower than the reference set by FAO (the mapping is carried out with the Global Water Tool of the World Business Council for Sustainable Development);
- identification of "critical" production sites, i.e. those in "Water Scarcity Areas" with freshwater withdrawals;
- more efficient management of water, also aimed at maximizing the supply from wastewater and sea water;
- monitoring of sites' climate and plant data.

In 2018, approximately 8% of total energy produced by the Enel Group used freshwater in "water-stressed" areas[6]. In these areas water is withdrawn from scarce sources and account for 12% of total usage of the Group. In particular, this category concerns water withdrawn from wells (67% of total Enel usage) and from aqueducts (39% of the total).
In 2018, water consumption in "water-stressed" areas was equal to 5.98 mil m^3 (equal to 5,978.7 ML), down by 7% compared to the previous year.
The high increase in the number of solar plants, naturally suited to installation in "water-stressed" areas too, has revealed a new use of water, related to cleaning of the photovoltaic panels to remove dust deposited on their surfaces. Although the volumes involved are not very significant, Enel has adopted cleaning approaches based on algorithms that optimize water consumption.

→ Optimization of wastewater treatment and protection of the water quality in the destination environment.

Waste water is water used in plants which, after recovery and re-use for internal purposes, is returned to surface water bodies. Water is always discharged after treatment to remove any pollutants present at a level that does not have negative impacts and in any case is within limits of applicable national regulations.
Where allowed by the local context, Enel has used treated waste water, typically from water management consortia, as incoming water for its own processes. In 2018, the percentage of water sourced from treated waste water totaled 4.7%.

→ Responsible management of hydrogeological basins in order to preserve multiple land use and water quality.

An important element in water management is represented by operation of hydroelectric plants. These plants, which do not contribute to water consumption by the Group since the water they use is totally returned, perform a series of other services for society in addition to simply generating renewable energy.
Several plants are in fact involved in operating their reservoirs, to provide multi-purpose services, managed jointly with the public and private stakeholders concerned, ranging from flood control to potable water and irrigation uses, fire prevention, and management of river waste trapped by the damming works, without forgetting numerous cultural, recreational and naturalistic initiatives

OPTIMIZATION OF PHOTOVOLTAIC PANEL CLEANING IN CHILE

When operating plants fueled by renewable sources, water is also consumed to clean the photovoltaic panels, to prevent loss of generating power. A specific method that minimizes water used for cleaning, in particular in areas where there is a high degree of water stress, has been perfected in Chile. This method starts from calculation of the level of soiling, assessing the difference in the electrical parameters between the two reference systems (clean panel and dirty panel). By comparing the various available cleaning techniques and the plant operating parameters, amongst other things the model returns the optimized date for the next cleaning operation and a recommended annual cleaning plan.

organized in relation to the presence of the installations themselves. The contribution of the hydroelectric plant reservoirs is particularly important in the response to the effects of climate changes, since the plants increase the level of protection of the communities that are subjected to ever more frequent extreme flooding events as well as prolonged periods of drought. Control of reversals from hydroelectric plants through specific programs to guarantee the volumes needed to preserve the ecological status of rivers (minimum vital outflows) must also be underlined.

4 Water requirement figures do not include the water used for open-cycle cooling because it is returned to the original body of water in the same quantity, with unchanged chemical characteristics and minimal temperature variations (always within the limits set by the regulations in the countries where Enel operates).

5 In 2018, GRI Standard 303 "Water and Effluents" was revised, replacing the previous version dating from 2016. The new standard will come into effect as from January 1, 2021; however, Enel adopted the new version before this date. In particular, GRI 303-5 defines water consumption as the total amount of water withdrawn (defined by Enel as a requirement) minus discharges.

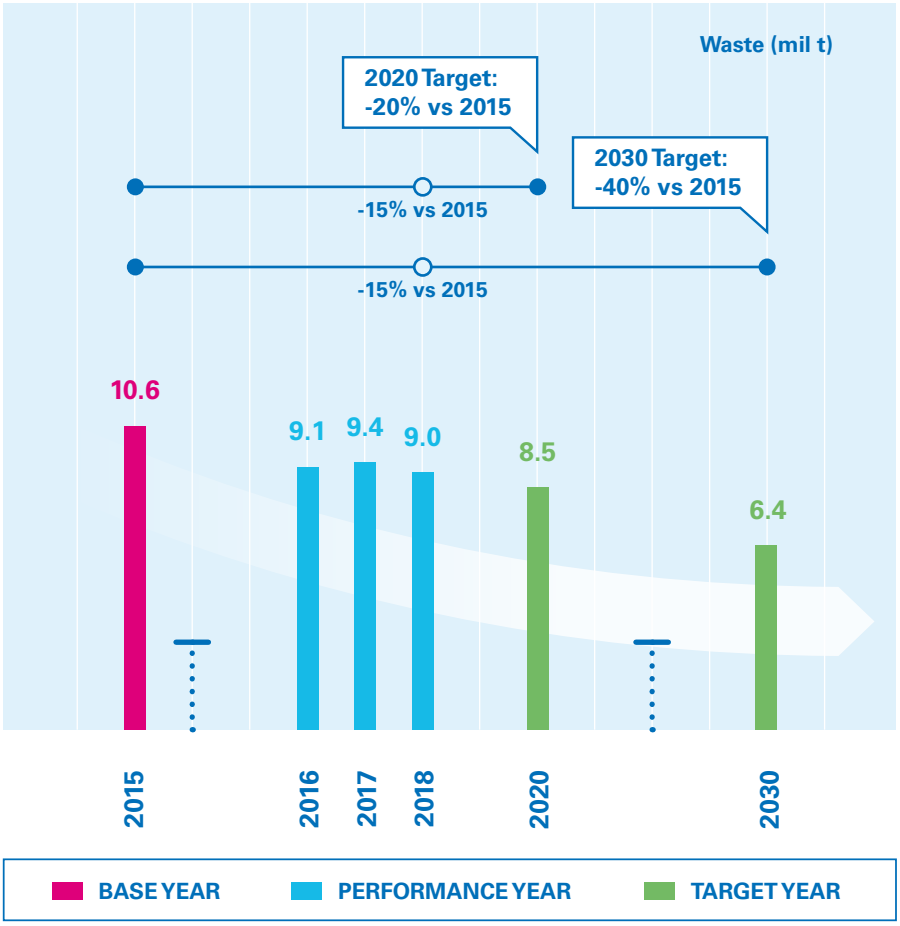
6 The World Resources Institute (WRI) defines a "Water-Stressed Area" as an area where the annual availability of water *per capita* is less than 1,700 m^3.

HANDLING OF THE ENVIRONMENTAL EMERGENCY IN NORTHERN ITALY

During the flooding in October 2018 involving the regions of North-East Italy, besides playing an essential flood control role, Enel's reservoirs also performed a key function in restraining debris. Most of the trees felled after the intense rain and high winds and carried by the watercourses were intercepted by the barriers and dams operated by Enel Green Power, preventing the generation of critical situations along the river beds and against bridges and in built-up areas. A considerable quantity of material accumulated in the reservoirs. The most critical situations occurred at the Comelico Dam (15,000 m^3 of timber) and Vodo Dam (4,000 m^3 of timber). Enel therefore provided resources and funding for removal of the timber from the reservoirs. The recovery operations were conducted by identifying companies that, even in emergency conditions, would guarantee total environmental safety and protection. The destination of the material, not classed as waste following a special resolution of the Regional Council, was defined with the local stakeholders.

Waste

103-2 103-3
306-2



Optimal waste management is a strategic target of Enel's environmental policy (see point 5 of the environmental policy), enacted through specific areas of action, inspired by the community principles of Waste Hierarchy Prevention (reduction, reuse, recycling, recovery) and by the circular economy, that can be summed up as follows:

- **reduce the quantity of waste produced**. Enel has set objectives for the reduction of waste produced, as stated above in "target 2020 and 2030" referring to waste;
- **reduction of the pollution burden of waste produced**. Specific attention has been paid over the course of 2018 to the evaluation of the quantity of hazardous waste produced in the Group's main geographic areas, in order to identify and pursue more targeted and effective projects for improvement. Priority focus has been assigned to waste derived from the management of electricity distribution grids and the recovery programs for such waste. The main hazardous waste consists of dielectric mineral oils, which are used as insulation for electrical equipment. Once these substances are classified as waste, they are managed and sent to companies that have the necessary authorizations/enrollments, from storage to transportation to final treatment. Spent oils are normally subjected to regeneration or waste-to-energy treatment, in the event that regeneration is not applicable. Another hazardous waste produced by the management of the grids consists of accumulators—used as an energy reservoir for transformer substations—once they are at the end of their life cycle. Once they are classi-

fied as waste, the accumulators are sent to authorized companies for the recovery of secondary raw materials;

- **increase the quantity of waste destined for recovery.** A fundamental role in this area is occupied by the recovery of waste from thermoelectric generation, given the significant quantities that stem from the generation process. These mainly include ashes from coal and chalks from desulfurization, which are reused in construction for the production of cements, concrete and bricks in accordance with specific technical and environmental specifications and controls.

Other forms of waste, such as spent oils, batteries and certain types of metals are also constantly and entirely destined for recovery. Relevant efforts have also been directed over the past year at guaranteeing the recovery of waste produced from the demolition of plants at the end of their life cycle, by adopting selective demolition techniques for the structures.

The results obtained by the Infrastructure and Networks Business Line, with the projects for the sustainable replacement of first-generation smart counters and the recovery of the materials initiated in the countries where it operates, were particularly significant. Specifically, in Italy in 2017, a campaign was started that affected an estimated 5.8 million smart meters and that is forecast to reach 31 million over the next 6 years. A counter is made up of about 65% plastic materials, while the rest is mainly iron (12%), copper (7%) and circuit boards (7%). These materials, properly recovered at authorized plants, become resources that can be reused in other production cycles. To maintain a circular economy, non-plastic materials are also fully recycled: components of the electronic board, for example, are reused in the goldsmithing sector, copper is used to manufacture brass, iron is used for construction.

- **Qualification of suppliers for waste disposal and recovery services**. This activity is an integral part of an extended approach to the responsibility of the manufacturer, which Enel has set at the base of its waste management procedures.

In 2018, Enel produced nearly 9 mln t of waste, of which 98% was classified as non-hazardous. Waste produced by Group activities was all taken to authorized disposal sites where, based on its classification and in line with Group policies, recycling is always preferred and maximized. The amount produced decreased by 4.1% compared to 2017. This change is due to a lower production of waste from thermal power generation, in particular from coal-fired plants.

The waste sent for recovery across Enel accounted for 22.9% of the total waste produced, improving slightly on the figure for the previous year.

Compared to the data recorded in 2015, Enel has committed to achieving a 20% reduction of the amount of waste produced by 2020. The target was set in light of the results achieved and the timetable laid down by the Business Plan for the next three years, which will see an evolution of the mix towards renewable energies and a reduction in generation from fossil fuels through a change in the perimeter of the production fleet. A further target has also been set for 2030 on the basis of the best forecasts currently available, setting an objective of 40% waste reduction compared to 2015.

Soil, subsoil and subterranean water

103-2 103-3 306-3

Enel is constantly engaged in the application of the most advanced technology available and the best practices in the construction, operation and demolition phases for its plants, in order to minimize the possible environmental impact of its activities. Among the various areas of prevention, the highest level of attention is focused **on the safeguarding, monitoring and reclaiming of soil, subsoil and subterranean water** in the areas occupied by its plants wherever it operates globally.

The safeguarding of these environmental factors guides every single design and management decision for each plant, right from the earliest phases. Active and passive protection and security measures are adopted to impede every possible form of uncontrolled or accidental contact between potentially polluting substances (fuels, reagents, waste liquids and waste) and the soil and subterranean water.

By the same token, while the plant is in operation, every process is subjected to compliance inspections and projects for continuous improvement established by the Environmental Management Systems in order to prevent and minimize the risk of possible environmental contamination events. In the event of accidents, the application of the Stop Working and Emergency Management Policies aims to prevent or eliminate every possible environmental impact, with the most rigorous respect for the legal prescriptions and requirements for each country.

Once plants reach the end of their life cycle, before proceeding with the demolition and re-designating the area for new development projects, Enel verifies the environmental quality of the soil, subsoil and subterranean waters in and around the plant, in compliance with authorizations and applicable laws in the various countries.

In the event of possible episodes of contamination subsequent to an accidental event or to the inspection of the plant at the end of its life cycle, and on the basis of plans for intervention shared with the competent authorities and supervisory bodies, Enel enacts the characterization of the environmental factors in the areas that may potentially be affected and, if necessary, takes action to secure and subsequently reclaim the area, restoring it to a quality suitable for the designated use for the area (industrial/commercial, residential) in a timely manner.

Special attention is focused on plants that are found in large industrial hubs, with known contaminating features stemming from historic events or episodes that produce pollution and subject to special regulations and inspections by competent authorities (such as Sites of Regional and National Interest in Italy). For these plants, within the areas it owns, Enel characterizes them for possible reclaiming and monitors environmental factors, actively collaborating with the administration for the possible perfection and implementing of coordinated plans for intervention.

In 2018, there were 472 significant spillage episodes, for a total volume of about **250.5 m^3**. The events were mainly related to thermal electric generation and electricity distribution. Except for rare spill events from large scale transformers, environmental accidents are mostly small spills where rapid containment and subsequent environmental restoration activities are carried out by a specialized company, according to the procedures imposed by national regulations. To further mitigate the risk related to possession of substances with environmental impacts, several experiments are under way that envisage the use of vegetable oil – which is biodegradable – instead of the traditional insulating mineral oil.

Biodiversity

103-2 103-3 304-1
304-2 304-3 304-4

	Projects		Projects by category			Species involved			
	Number	Of which voluntary	Monitoring	Restoration (habitat)	Conservation (species)	Mammals and bats	Birds	Fish	Amphibians and reptiles
Italy	21	62%	6	-	15				
Spain	28	93%	16	5	7				
Brazil	37	-	35	1	1				
Chile	28	-	23	3	2				
Colombia	12	17%	3	4	5				
Peru	3	-	3	-	-				
Argentina	1	-	1	-	-				
Greece	3	-	3	-	-				
Romania	12	67%	6	1	5				
Russia	1	-	-	-	1				
United States	9	78%	7	-	2				
South Africa	2	-	2	-	-				

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.

Extinct (EX)	Extinct in the Wild (EW)	Extinct in the Region (RE)	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Least Concern (LC)

Habitats affected					Number of threatened species					
Flora	Terrestrial ecosystems	Aquatic ecosystems	Wet zones	Urban environment	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Least Concern (LC)	
	✓	✓			2	5	6	4	19	Italy
	✓	✓			-	2	7	10	157	Spain
✓	✓	✓	✓		-	5	24	49	2,693	Brazil
✓	✓	✓			1	6	5	5	9	Chile
✓	✓	✓			8	10	29	41	104	Colombia
		✓			-	1	1	-	1	Peru
	✓				-	-	-	-	-	Argentina
	✓		✓	✓	1	2	9	10	2	Greece
	✓				1	1	7	3	1	Romania
	✓	✓			-	-	-	-	-	Russia
					1	3	2	5	85	United States
					-	-	-	-	-	South Africa

Biodiversity is one of the strategic targets of the environmental policy and is regulated by a specific policy, adopted by Enel in 2015, which establishes the guidelines for every initiative to safeguard biodiversity undertaken by the Group when generating, transmitting and distributing electricity.

POLICY ON BIODIVERSITY

Enel's policy on biodiversity has been developed to contribute to the objectives of the United Nations Convention on Biological Diversity (CBD), the Strategic Plan for Biodiversity 2011-2020 and the associated Aichi targets.

In particular, our company is committed to:

- planning activities which can impact species and natural habitats respecting the principle of the "mitigation hierarchy", whereby priority is given, first, to avoid or prevent negative impacts; second, where impacts cannot be avoided, to minimize damage and rehabilitating their effects; and, lastly, to compensate (or offsetting) for residual adverse impacts;
- in case of unavoidable impacts, taking measures to compensate the residual impact to achieve "no net loss" of biodiversity and, where applicable, a positive net balance;
- performing, for every new installation, impact studies that include a systematic assessment of the effects on biotypes, animal and vegetal species with the aim of avoiding operating in areas with the highest biodiversity values and adopting the best solutions to decrease the pressures on biodiversity elsewhere;
- cooperating with local communities, academia or NGOs to identify the values of biodiversity and to develop projects for the ecosystem safeguard and restoration;
- monitoring the effectiveness of implemented measures;
- reporting regularly on its performance related to biodiversity.

Enel has consolidated experience in the management of biodiversity in and around its sites, thanks to over 60 years experience operating plants that use thermal and renewable energy. Activities to safeguard biodiversity accompany the evolution of the company's plants. In recent years the company's growth has focused on the renewable energy sector and on grids in an ever-increasing number of countries. At dams and large thermal generation plants that have been present for a long time, large scale monitoring activities are maintained to prevent impacts on coastal and alluvial environments. As far as the location, especially for plants that use renewable energy, the possible exposure to biodiversity risks is highlighted right from the start, when the feasibility studies are conducted for the new plants, and considers the geographic proximity of the sites to protected areas, to areas that are important for biodiversity and to the possible presence of species that are at risk of extinction. This evaluation is part of a broader analysis of the context, envisioned in the application of the "Creating Shared Value" model that the Company uses to evaluate the social, economic and environmental needs of the territory and to define the project in such a way that it creates long term value both for itself and for the local community.

In order to get to know the location and its peculiarities local professionals are engaged to take part in field activities and follow some operations designed to safeguard the *ante operam* (baseline) biodiversity of the site, these include inventories of the flora and forests, a census of the species of animals in the area and of the plant's impact, especially if the species will need to be partially captured and relocated. The movement of birds and bats is monitored before new wind plants are created. These activities are followed by the authorization phase, in accordance with national regulations. Various alternatives are evaluated and the most suitable actions are defined, to minimize the impact of the plant on the habitats and species. Compliance with authorizations and with the mitigations proposed once again requires the involvement of external professionals during the construction phase for the plant. Once the plant is in operation, safeguarding biodiversity becomes an integral part of the environmental management plan. Over this phase periodic monitoring is used to control the impacts highlighted during the authorization phase. This is also the moment when the plant consolidates its engagement with the territory and develops

initiatives, such as projects for the protection of local species, on a voluntary basis, based on the knowledge of the environment around the site.

Enel also works to keep its biodiversity management aligned with the best practices in the sector. In 2017 it even initiated a collaboration with the International Union for Conservation of Nature (IUCN) whose conclusions are now an integral part of the definition of indicative guidelines for biodiversity management to be applied by the Group.

In 2018 **157 projects were active for the safeguarding of species and natural habitats**, with a total investment of 9.2 million euros and affecting 3.9 million hectares. The projects mainly affect Brazil, Chile, Spain and Italy and the technologies most affected are grids and hydroelectric and wind energy. Examples of measures taken to mitigate the impact on biodiversity, in application of the given policy, are available in the Sustainability section of the https://www.enel.com/investors/biodiversity website. Some measures are put into effect as early as the worksite phase (during the construction of the plant, for example), others take longer and call for long term compensation (the reforestation project at the El Quimbo plant, for example).

REPOPULATING THE INDIGO MACAW IN BRAZIL

The indigo macaw is an endangered species of parrot (*Anodorhynchus leari*, EN) that lives in the Brazilian Caatinga, the largest dry forest in South America. Its survival is threatened by the loss of habitat due to the expansion of agriculture and to its being used as a household pet.

In 2016 Enel Green Power started a project for the re-population of the indigo macaw in the Boqueirão da Onça region in Bahia, the location of the Delphina wind power plant (210 MW). At the moment of the plant's construction only two non-nested specimens were known. The re-population happened in phases. The first phase (August 2017) called for the capture of six specimens donated by the Loro Park Foundation in Tenerife, Spain. A recovery site was then created for the reintroduced specimens (September 2018), where they were trained for survival in the natural environment. Once the coaching ended (January 2019) the parrots were released with sensors attached to track their movements by GPS. Action was also taken to raise the local population's awareness, to help them recognize and contribute to the defense of the indigo macaw.

THE LIFE EGYPTIAN VULTURE PROJECT

The LIFE Egyptian vulture project stems from one of five LIFE Nature & Biodiversity projects with an Italian leader presented for the competition opened in 2016 and co-financed by the European Commission. The beneficiary is the Egyptian vulture, an endangered vulture for whom the main hazard is its natural instinct to rest on electrical infrastructure, risking electrocution. With a five year duration (October 2017-September 2022) and a 5.1 million euro budget, of which 3.8 million were financed by the European Union, the project will be developed in Basilicata, Apulia, Calabria and Sicily, regions that are the location of nesting or transit by the Egyptian vulture, as it migrates toward Africa, and in Fuerteventura and Lanzarote in the Canary Islands (Spain), which are home to a subspecies known as the "guirre", that is also in need of special attention given the limited number of pairs (about 60). The project partners are E-Distribuzione (project coordinator), Endesa Distribución, ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale), Federparchi, Regione Puglia, Regione Basilicata, the Government of the Canary Islands and GESPLAN (Gestión y Planeamiento Territorial y Medioambiental). Specifically, the project calls for preparatory actions, like workshops to share best practices or learn reproduction techniques, protective activities like the surveillance of nesting locations, the management of feeding areas, fighting the illegal use of poison and releasing specimens born in captivity. Both in Italy and in the Canary Islands, Enel will protect the electric lines to avoid the electrocution of Egyptian vultures when they rest on them.

Other activities

Distribution networks

In order to protect the landscape and the local area, Global Infrastructure and Networks uses specific strategies to mitigate the environmental impacts of the construction of new networks and the modernization of existing ones.

The cabling ratio is the ratio (in percentage) between the length of the cable lines and the total length of the lines. It gives an immediate indication of the mitigation of the environmental impact of power lines. The increase in this index over time is due to an increase in the length of the overhead and underground cable line to the detriment of bare conductors, with benefits in terms of network resilience, restriction of vegetation cutting and drastic reduction in the risk of electrocution for bird life.

In 2018 the cabling ratio decreased compared to the previous year, settling at 60%, due to the effect of the Brazil distribution company Enel Distribuição Goiás joining the perimeter in February 2017. The inclusion of the Brazilian company, with a network of over 215,000 kilometers and with specifications different from those of the Enel network present on the territory, has in large part contributed to the drop in the value in 2018.

This percentage is in line with the target to reach 63% by 2020.

The reduction in grid losses is guaranteed by means of operations that contribute to reducing CO_2 emissions. These actions are directed at the plants and aim, for example, to progressively reduce monophase electric lines, to build new electric lines that will reduce the load on existing lines, to make use of transformers with low losses. Other actions include boosting the grid by using conductors with a greater cross-section and rephasing primary transformer substations. Finally, the creation of new transformer substations helps reduce the length of lower-voltage lines, which are characterized by greater losses. Generally speaking, the optimization of grid assets produces a significant reduction in grid losses.

Fuel deposit and movement

Storage tanks for liquid fuels (oil and diesel with associated pipelines) and solid tanks (coal and lignite depots located in dedicated ports) are monitored with regard to the use of resources, the consumption of electricity and the production of emissions (air quality), wastewater and waste.

Sustainable construction sites

Starting in 2013, in compliance with the new framework applicable from 2015 defined by the GRI, the Enel Group began reporting the main environmental performance indicators connected to construction site activities. This category includes activities of various types and scales: from the distribution area's yards to sites pertaining to thermal plants or the construction of new renewable hydroelectric, wind, solar, geothermal or biomass plants. Activities have changed considerably over the years in view of the environmental aspects directly managed by the Group. Starting in 2016, reporting was carried out according to a new **sustainable construction site** model and the principles of the "circular economy" as it applied to all existing sites.

An example of a sustainable construction site is Wayra I, in Peru, which called for both the measurement of the social and environmental impact of the wind power plant and for projects that would encourage the rational use of resources, including a waste recycling project that reused the wood pallets from the work site for the production of environmentally-friendly furniture.

Environmental disputes

103-2 103-3 307-1

Legal proceedings ongoing as of December 31, 2018 concerned 292 cases throughout the Group. Environmental disputes mainly refer to Italy, South America and Iberia.

Fines against Group companies totaled approximately 12 million euros in 2018, up on the previous year (approximately 2 million euros in 2017), mainly due to a sanction received by the distribution company Ampla Energia e Serviços SA in Brazil. As regards disputes in 2018, proceedings started against E-Distribuzione SpA, for alleged infringement of Legislative Decree 231/01 regarding the administrative liability of legal entities, brought for the alleged offense of the unauthorized handling of waste (article 256 of the Consolidated Environmental Act) and alleged infringement of the Code of the Cultural and Landscape Heritage (Legislative Decree 42/04) regarding some works to remove an electrical line. For further information, see the chapter "Contingent assets and liabilities" of the 2018 Annual Report.

Environmental criticalities

In addition to environmental litigation, Enel also monitors so-called "environmental disputes": disputes and complaints that individuals, committees, environmental organizations and local administrators may bring against the operation, management or construction of the Group's facilities (plants, networks, substations, buildings, etc.). These includes – in order of severity – administrative notices, warnings, written protests (direct or in the media), media campaigns. Environmental criticalities may occur even after the adoption of the most stringent and advanced preventive measures. The Group pays special attention to these criticalities and its people are ready to take emergency action and to engage at management level. In the event of an environmental criticality, Enel engages openly and transparently, making the requested information available to the parties involved. There were 644 environmental criticalities detected in 2018. This number does not include complaints made by individuals as regards distribution in Brazil (972) due to maintenance activities on the networks. In 2018 environmental criticalities, so measured, related to "biodiversity and landscape" issues (52%), with the remaining quota referring to "air and climate", "waste waters", "waste", "noise and vibrations", "radiation", "soil, subsoil water".

The issues relate mainly to high-voltage plants, since the physical, natural and landscape effects and the economic impact relating to high-voltage plants are more pronounced than that found around medium/low-voltage systems.

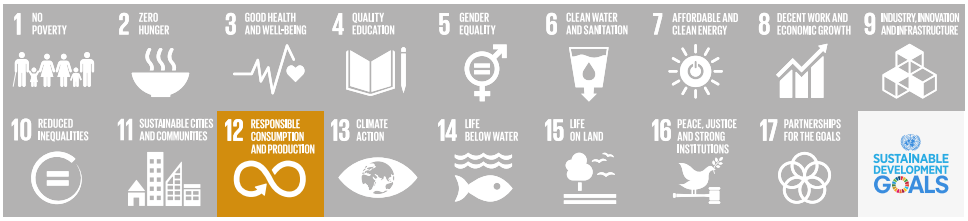
Sustainable supply chain

102-15

Plan 2018 > 2020 Sustainable supply chain

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Qualified suppliers[1] assessed for health and safety aspects for all product groups 12	100%	74%	S Supply chain management S Safety policies
Qualified suppliers[1] assessed for environmental aspects for all product groups 12	100%	74%	S Supply chain management E Environmental management
Qualified suppliers[1] assessed for human right or business ethics aspects for the main product groups 12	100%	74%	S Supply chain management S Human rights G Business ethics

I Industrial E Environmental S Social G Governance T Technological



Plan 2019 > 2021 Sustainable supply chain

ACTIVITIES/SDGs	2021 TARGETS	CATEGORIES
Qualified suppliers[1] assessed for health and safety aspects for all product groups 12	100%	S Supply chain management S Safety policies
Qualified suppliers[1] assessed for environmental aspects for all product groups 12	100%	S Supply chain management E Environmental management
Qualified suppliers[1] assessed for human right or business ethics aspects for the main product groups 12	100%	S Supply chain management S Human rights G Business ethics
Development of a new performance control system enabling the real time recognition and monitoring of suppliers' performances 12		S Supply chain management
> Empowerment of tender strategies in which the evaluation of K factor includes sustainability aspects > Launch of actions in order to share best practices in the whole Enel perimeter (for example, unique Library) 12		S Supply chain management
> Promotion of information activity and benchmark with suppliers > Development of circular economy projects, in line with "Zero waste" approach and subsequent extension to business activities > Training activity for Global Procurement people on sustainability issues 12		S Supply chain management
> Development of a new health and safety assessment procedure of contractors 12		S Supply chain management S Safety policies

1 The percentage is calculated considering the total number of qualified suppliers.

Sustainable supply chain

See the Appendix
Performance indicators

102-9	102-10	103-2	103-3
308-1	407-1	408-1	409-1
		414-1	414-2

Enel bases its purchasing processes on pre-contractual and contractual conduct, focused on reciprocal loyalty, transparency and collaboration. The performance of suppliers, besides guaranteeing necessary quality standards, must also be in step with efforts to adopt best practices for human rights and work conditions, occupational health and safety, and environmental responsibility. The Code of Ethics, Zero Tolerance of Corruption Plan, the Human Rights Policy, the Model pursuant to Italian Legislative Decree 231/01 and the Enel Global Compliance Program form the framework of purchasing activities and form a *de facto* guide and code of conduct for suppliers.

In line with the Open Power approach, Enel considers its suppliers as part of a single team, with individual characteristics that enrich the portfolio of solutions provided, with respect for local peculiarities and considering diversity and innovation an added value.

Purchases and tenders for goods and services

TOTAL NUMBER OF SUPPLIERS WITH WHOM A CONTRACT HAS BEEN SIGNED: 31,434
WORKFORCE OF CONTRACTORS: 133,384 FTE

In line with the Open Power approach, Enel considers its suppliers as part of a single team, with individual characteristics that enrich the portfolio of solutions provided, with respect for local peculiarities and considering diversity and innovation an added value. Greater integration and interaction with the outside world and with the different parts of the company, help the procurement process take on an increasingly central role in the creation of value in its various forms (safety, savings, timing, quality, performance, revenue, flexibility, risk reduction).

The cornerstones of the transformation being undertaken over these past years are based on:

→ expanding the professionalism of the people involved in procurement

activities (so-called "buyers"), using user-friendly technology, recognizing the contribution of each individual in a multicultural environment based on trust and passion;

- boosting integration and communication with internal customers, working together to define solutions capable of meeting the needs of the business;
- engaging suppliers right from the moment when a 'need' is born, listening to their offers and developing innovative approaches together.

The procurement process is managed through a matrix-style organization structure that allows experiences and specific skills to be shared, so as to be able to respond adequately and quickly to business needs. This model provides global units and local units, according to well-defined responsibilities and governance processes which, by identifying local needs, allow for common strategies and synergies aiming to optimize total costs. This organization structure is completed by specific service units that oversee procurement processes and engaging with suppliers.

Procurement procedures are conducted with respect for applicable laws and aim at guaranteeing the quality of services with the utmost respect for the principles of cost-effectiveness, efficiency, timeliness and correctness. Each award procedure is designed to guarantee the principles of free competition, equal treatment, non-discrimination, transparency, proportionality, and publicity. Furthermore, the principle of cost-effectiveness may come second to the criteria laid down in the invitation to tender, inspired by social needs, or the protection of health, the environment and the promotion of sustainable development.

To maintain a circular economy, the "Circular Procurement" project has been launched and aims to track input and output materials from one's business, have in-depth knowledge of the flow of material in terms of components, environmental impact and degree to which products can be recycled. Enel is working on the "Environmental Product Declaration" (EPD), a declaration that makes reference to the analysis of the product life cycle (Life Cycle Assessment - LCA), written in compliance with UNI EN ISO 14040 guidelines, and defined by specific rules for the product category to be certified (Product Category Rules - PCR). The EPD is a demonstration of Enel's attention to highlighting the reduction of the environmental impact derived from its production cycle.

GLOBAL PROCUREMENT'S ENERGPEOPLE PLATFORM

The enerGPeople platform was launched in 2018 and helps highlight the work of each of the people engaged in the Global Procurement family, in keeping with the Group's values, priorities and strategies. The platform was created to foster engagement, encourage a culture of recognition and help give notice to the unique contribution of each individual, as well as helping people be responsible when choosing results and actions that deserve to be rewarded. It is a place that provides visibility for the content connected to the person and the team (through projects), using a social and viral approach. Two communities have also been created: "**should cost**" and "**design to value**", to strengthen the collaboration between the different work groups and boost the sharing of new competencies.

Processes for the evaluation and management of suppliers

103-2 103-3

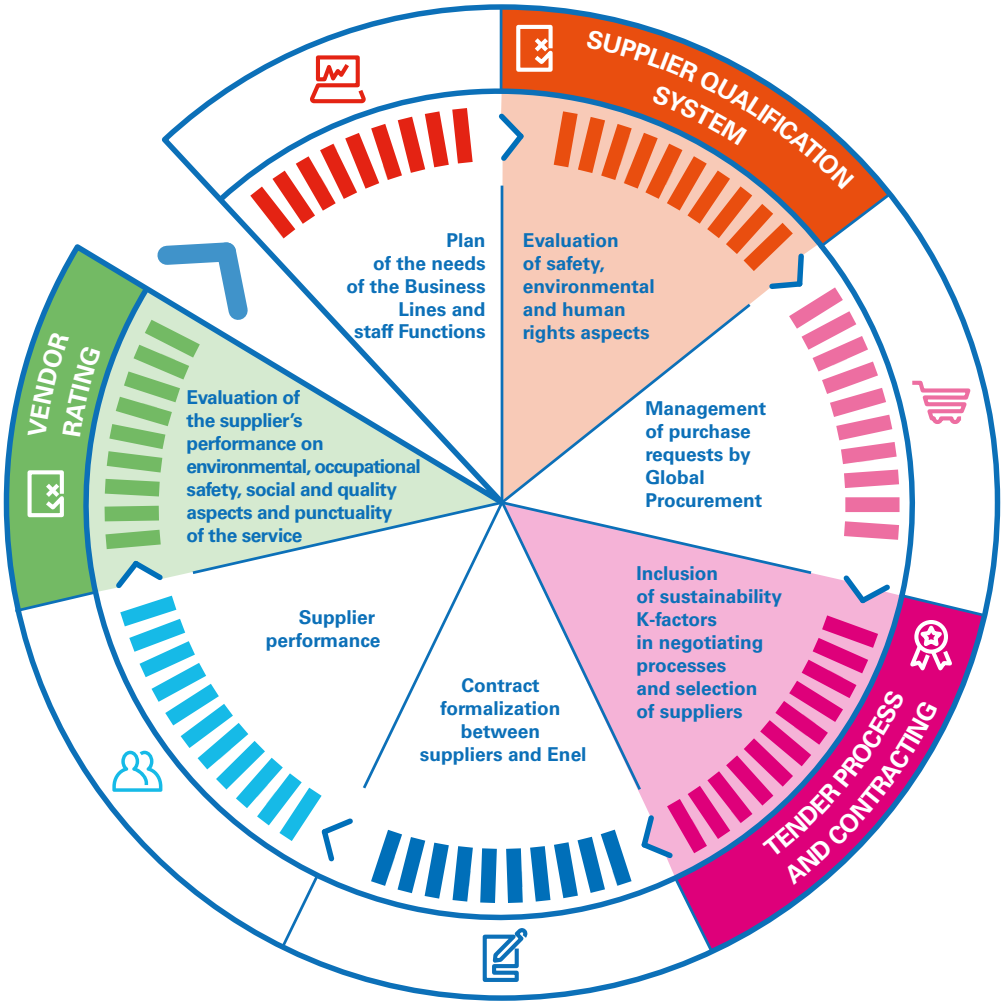
Enel carries out structured analysis and monitoring of the procurement process.

In particular, it carries out a risk assessment on 100% of the procurement merchandise categories. The main identified risks concern economic, environmental, social and reputational aspects.

91% of first-level suppliers, about 9,800 suppliers[1], were considered critical suppliers due to their strategic nature linked to the company business, purchasing volumes, and the potential economic, social and environmental impacts.

The relationship between the Enel Group and its suppliers includes some crucial phases that aim to guarantee the selection of the best partners and the execution of the contracts in accordance with the highest sustainability standards.

1 First-level suppliers, the so-called "Tier 1", are those with an active contract on December 31, 2018 for more than 25,000 euros.



A. Supplier qualification system

Enel has created a "Supplier Qualification System", which allows for the accurate selection and evaluation of businesses that intend to participate in procurement activities. The evaluation looks at technical, economic and financial, legal, environmental, safety, human rights and ethics, and integrity requirements in order to guarantee the right level of quality and reliability when tenders are assigned in the energy sector.

Each supplier is qualified for one or more specific merchandise categories (MC) and eligibility for qualification is only granted to the supplier when all requirements are met. These requirements vary on the basis of the implications and specific impact associated with each group.

The qualification system was created in compliance with laws and regulations that apply to local tenders and tenders in the European Union, and is governed by a specific procedure representing:

- a guarantee for Enel, since it is an updated list of subjects of certified reliability (legal, economic and financial, technical/organizational, ethical and safety) 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 Model, the Human Rights Policy, and the UN Global Compact with specific reference to the absence of any conflict of interests (including any potential conflict). Contractors already included in the Enel Registry of Qualified Suppliers are constantly monitored, including through the use of external databases and with reference to events related to the company itself and to its main representatives.

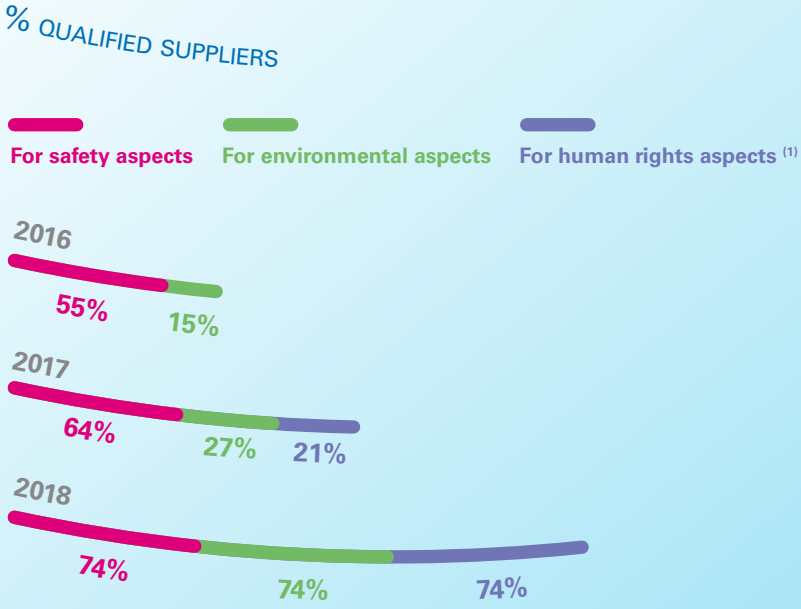
Three main areas of analysis are envisioned:

- **Health and Safety**: The "Safety Self Assessment" questionnaire was introduced by Enel as a simple means of communicating the crucial requirements for joint growth to its suppliers and has become, as of July 2018, an integral part of the sustainability requirements when qualifying for MCs that pose a Health & Safety hazard;
- **Environment**: environmental criteria for the evaluation differ depending on the merchandise group and the risk level associated with each MC, on a scale of 1 to 3. For MCs considered an environmental hazard ISO 14001 Certification or equivalent is always required and at the end of 2018 about 62% of qualified suppliers was in possession of said certification. Furthermore, for these merchandise categories, an on-site audit at the contractor's sites/worksites is always included. Enel has introduced a specific evaluation of environmental requirements, in addition to the routine inspections, within the scope of the qualification process for access to the Enel Registry of Suppliers;
- **Human rights**: On a conservative approach, Enel evaluates suppliers on human rights issues regardless of the risk level, by means of a specific questionnaire that looks at the potential supplier's profile in terms of inclusion and diversity, safeguarding the privacy of its employees, verifying its own supply chain, forced or child labor, freedom to associate and form collective contracts and the application of fair working conditions (including adequate salaries and hours worked).

Only by achieving a positive overall evaluation may individual suppliers be included in the Registry of Suppliers (or remain therein if they have already qualified previously) and be invited to participate in the Group's procurement activities. The assessment is required of both new and qualified suppliers. Should the evaluation be negative the request for qualification is rejected and the supplier cannot be invited to tender for the Group. The evaluation of the individual sustainability requirements contributes to the business's overall eligibility evaluation for inclusion in the Enel Registry of Qualified Suppliers. Should enrollment in the Enel Registry be rejected due to a negative evaluation of one or more sustainability requirements, the supplier may present a new request for qualification at a later date.

Over the course of 2018, 100% of qualified suppliers were evaluated on the basis of social, environmental and safety criteria[2], the total number of suppliers with a contract still active at the end of 2018 is about **2,700**, while the total number of active qualified companies is about **6,300**. The table below reports the percent advancement of qualified suppliers for the three aspects analyzed by the process.

2 New suppliers for 2018 with an active direct contract with a value of > 25,000 euros amounted to over 10,731, around 23% of whom are qualified.



(1) The human rights analysis, during the qualification phase for suppliers, was adopted starting in 2017.

B. Tender process and contracting

During 2018 over 6,000 invitations to tender were launched, 4,000 of which were online. In particular, online negotiations have prevented the printing of about 1 million pages, reducing the environmental impact of these activities.

Enel's commitment to introducing considerations for sustainability into tender processes has continued, through the introduction of a "K of sustainability" factor. The so-called "Library" used to catalog the "Ks of sustainability" has been perfected and can be used during the tender phase by the various procurement units, consistently with the various CMs. Three main categories are envisioned:

- environmental Ks: for example, possession of ISO 14001 certification, waste management, EMAS certification – circular economy;
- safety Ks: for example, possession of OHSAS 18001 certification;
- social Ks: for example, hiring personnel who are unemployed/on subsidized layoff/in worker mobility or young people starting their first job.

INTEGRITY REQUIREMENTS

Since 2016, new operating procedures have been defined and adopted at the Group level regarding integrity requirements for suppliers, with the aim of consolidating the existing control system through more incisive action to contrast corruption, especially by: defining specific criteria for the documentary verification of integrity and legal requirements that are homogeneous and can be applied to the procurement process (from the qualification phase to awarding the individual contract); defining operating verification procedures, aimed at enhancing the prevention instruments available and impacting, in a rational, organic and determined manner, any aspects related to corruption issues and the factors that favor its spread; promoting a widespread culture of respect for rules and ethics. An artificial intelligence system was subsequently integrated in the process as a tool for the analysis and mitigation of risks to reputation or the environment, social risks, etc., which, through verification from open sources allows for the continuous selection and monitoring of suppliers.

Enel has defined specific contractual clauses, included in all contracts for works, services and supplies that are updated periodically to take into account regulatory changes and to follow best international practices. The General Conditions of Contract consist of a general part, containing the clauses applicable in all countries, plus the Country Annexes, containing the specific clauses applicable in each individual country in question. Regarding the sustainability of the supply chain, Enel demands of its contractors/service providers and subcontractors, among other things, respect for and protection of internationally recognized human rights as well as respect for social and ethical obligations in the following areas: protection for child labor and for women; equal treatment; prohibition against discrimination; freedom to form unions, gather and be represented; forced labor; health; safety; care for the environment; health and hygiene conditions; as well as legality, retribution, security contributions, insurance and taxes. In addition, suppliers are expressly asked to undertake the adoption of the principles of the Global Compact and to guarantee that these are met when carrying out all their activities, whether executed by their own employees or by subcontractors. Besides this, suppliers must undertake to respect the principles found in the Enel Code of Ethics, or in any event, to aspire to principles equivalent to Enel's when managing their business. Finally, it is specified that the "International Labour Organization" covenants are applied, or the applicable law in the country where the activities will be executed, if these are more stringent.

In these areas, Enel reserves the possibility of conducting any inspection and monitoring activity to verify compliance with the aforementioned obligations both by the contractor and by any subcontractors or others employed by the contractor for the execution of the contract and to immediately terminate the contract in the event that violation of said obligations are demonstrated.

It is important to underline that Enel constantly monitors current and potential risks related to the activity throughout its supply chain. For example, since 2016 internal analyses have been underway to verify that suppliers of products containing or using cobalt respect human rights: in-depth research and interviews with the main suppliers have been conducted and specific contractual clauses have been introduced. In addition, Enel actively participates in the Global Battery Alliance organized by the **World Economic Forum**.

C. Vendor Rating

The Vendor Rating (VR) is a tool used to verify the behavior and performance of suppliers during the execution of the contracts. The process is governed by a specific procedure. The VR is based on the objective and systematic collection of data and information about the provision of the goods or services covered by the contract. The data collected is then used to elaborate specific indicators, which include punctuality, quality, correctness and safety. These indicators are weighted and combined to produce the Vendor Rating index. Such information is then used for evaluating participating in calls to tender and/or the continuation of the contract in compliance with applicable law.

Over the past year **398 MCs** and **2,423 contractors** were monitored using the VR process (429 MCs and about 2,915 contractors in 2017). Over the course of 2018 the "Vendor Rating Transformation" project was carried out, and will be active, in a pilot phase, starting in early 2019. As part of this project the process was analyzed and the categories of analysis were reviewed, these now also include, besides health and safety and punctuality and quality, a specific category dedicated to social relations and labor rights.

Through the Supplier Qualification System, the VR System and the inspections carried out during the execution of the contract, Enel tends to minimize the possibility of withdrawal or termination of the contract. If during the execution of the contract Enel detects critical issues concerning a contractor's behavior, an improvement plan can be defined jointly with the supplier, the implementation of the plan will be monitored constantly by Enel; for example, for workplace safety, a supplier was asked to update an internal policy to make the Stop Work Policy explicit and to update the method used for the reporting and analysis of accidents to include the appropriate KPIs in communications with the top management of the partner company.

Number of tier 1 suppliers
evaluated over the course of 2018[(1)]:

6,404

Percentage of tier 1 suppliers evaluated to whom corrective actions were assigned:

10%

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

98%

(1) The value includes the assessments made during the tender phase and the awarding of the contract.

Monitoring systems

Within each phase of the procurement process, specific commissions are identified, made up of representatives from both the procurement area and the Business Lines, with the task of assessing and monitoring supplier performance.

In particular, the following commissions were established:

- **Qualification Commission**;
- the **Integrity Committee**, which the Security and Legal and Corporate Affairs Functions also participate in, usually meets on a monthly basis or whenever a critical issue emerges regarding a supplier. Its aim is to share and analyze situations for which actions or sanctions are to be taken against the supplying companies.

In addition, specific units have been set up at the individual country level, the **Contract Controls Areas**, which have the task of carrying out checks to ensure the responsible management of the supply chain and assessing and managing the risks in relation to joint and several liability (to which contractors and any subcontractors are contractually bound). The controls envision an initial massive documentary analysis with the purpose of verifying the correct payment of social security contributions and the correct fulfillment of contractual obligations by suppliers. Subsequently, a second level of control for a sampling of tenders also calls for targeted and in-depth control with on-site inspections.

Training and information

103-2 103-3

Over the past years Enel has organized numerous meetings with contractors on sustainability issues aimed at the exchange of ideas and approaches. Specifically, between June and September 2018 "Suppliers Day" events were held in Italy, Peru, Colombia, Spain, Romania and Brazil. On the dedicated Internet portal (https://globalprocurement.enel.com/en.html) Enel has reserved a specific section for the publication of articles and information on the main business and sustainability issues.

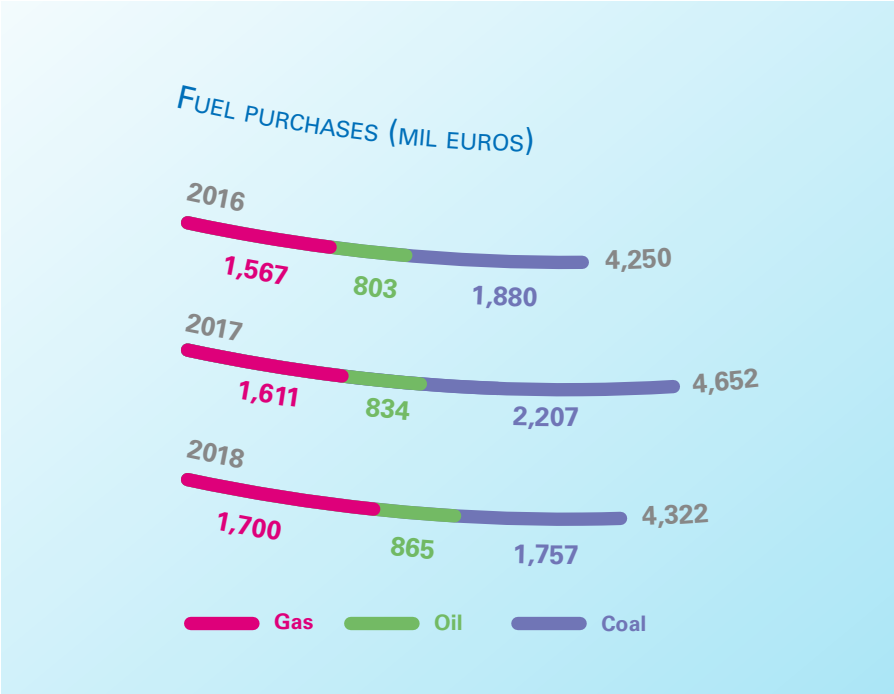
Additionally, in keeping with efforts to safeguard and raise awareness, especially about health and safety topics, and in an Open approach and the goal of fostering partnerships with suppliers, Global Procurement – within the scope of the SHE 365 project and in collaboration with HSEQ – launched a survey in 2018 for suppliers who work with merchandise categories considered to pose a safety risk.

In addition, Enel's suppliers have available a single registration point, the "Open Supplier Portal" (www.globalprocurement.enel.com), which enables them to interact with all the companies of the Enel Group through one global dashboard and to use all the services available: respond to invitations for tenders, manage their own approval process, view their own Vendor Rating results, and so on.

Fuel procurement

102-9 103-2 103-3

Purchasing solid and liquid 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 makes use of the "Know Your Customer" process, which evaluates the reputation, economic and financial aspects and the possession of suitable technical and commercial requirements by each counterpart. A check is also conducted to ensure that suppliers are not on specific Black Lists of the UN, European Union and the Office of Foreign Assets Control (OFAC). These are lists that 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 that are subject to sanctions by the United States for accusations, among other things, of terrorism or drug-trafficking. Purchase contracts signed with each supplier 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. For its part, Enel reserves the right to terminate the contract in the event of severe non-compliance with said principles. 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 an ever-growing number of operators have started to apply the same methodology to dry bulk transport.



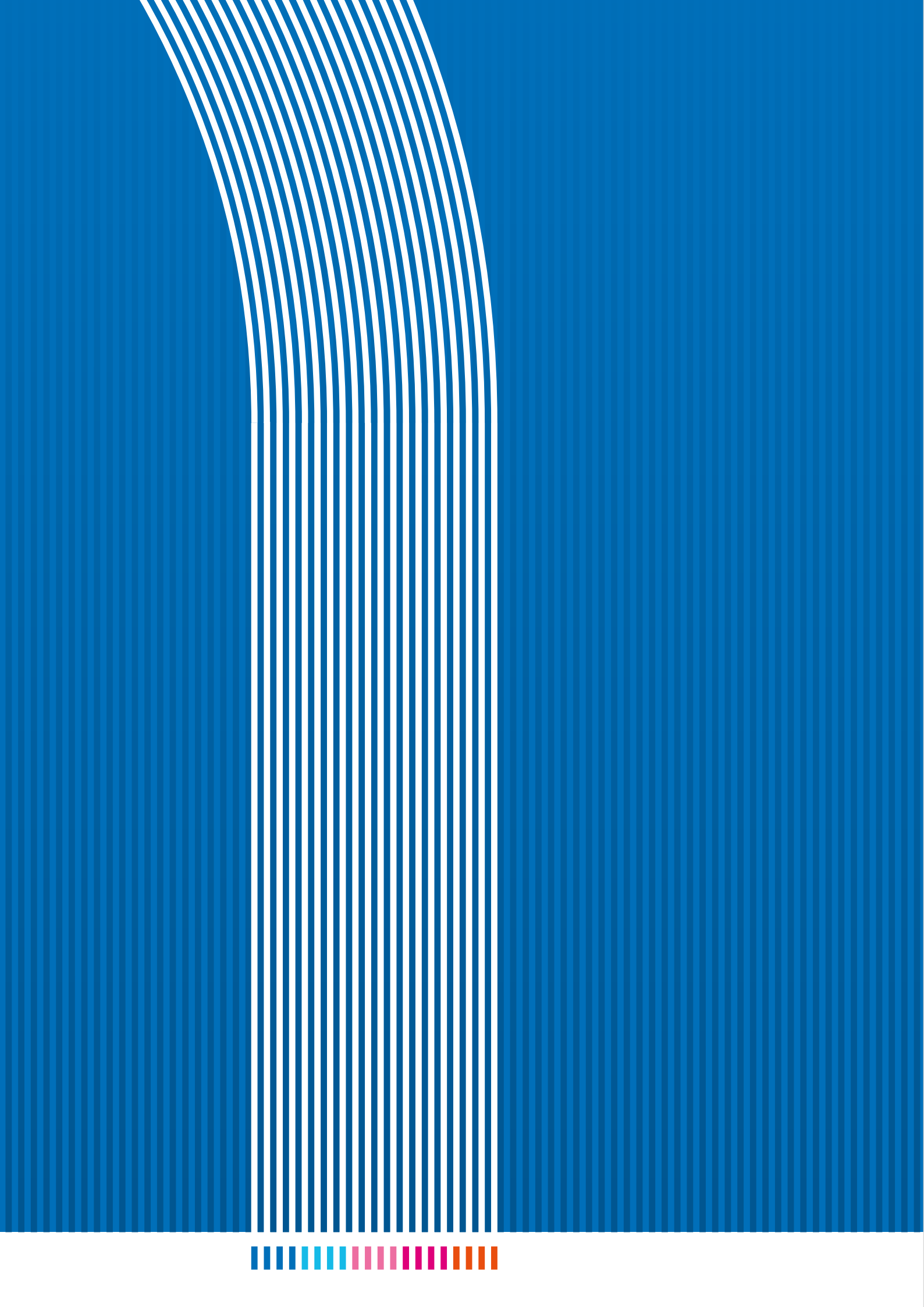
Bettercoal

103-2 103-3

Enel, together with major European power utilities, is actively engaged in Bettercoal, a global initiative to promote continuous improvement of corporate responsibility in the international coal supply chain. Bettercoal has published a code of conduct based on existing and agreed social responsibility standards in the mining sector. It establishes in detail the guidelines that mining companies can refer to in defining their social, environmental and ethical policies.

The Bettercoal Code conveys to the suppliers members' expectations regarding their practices with reference to four macro-categories (management, ethical commitment and transparency, human and labor rights and environmental performance), promoting continuous improvement.

In addition to the growing presence of Bettercoal in several forums related to the sustainability of coal and the supply chain, the initiative has become an example of cooperation aimed at improving socially responsible practices in the supply chain. In 2018, evaluations by Bettercoal covered over 370 mln t of coal production, two work groups were launched to focus specifically on Russia and Colombia, and a new assurance system and a new evaluation system were completed and launched by Bettercoal. On-site inspections were also conducted in Russia, Colombia, Indonesia and South Africa and 13 plans for improvement were monitored. For more information, visit www.bettercoal.org.



03

Methodological note Green Bond Report Appendix

Methodological note

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Since 2003, each year Enel has published the Sustainability Report along with the Group's Annual Report.

The 2018 Sustainability Report is aimed at the Enel Group's stakeholders for the purpose of highlighting the actions taken towards the Group's sustainability targets and to respond to the legitimate expectations of all stakeholders.

Compared to previous years, in the 2018 Sustainability Report the materiality assessment has been expanded and given additional structure to offer a more focused presentation of the key topics for the Group's stakeholders.

In compliance with Italian Legislative Decree no. 254 of December 30, 2016, entitled "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups" (Italian Legislative Decree 254/16), since 2017, each year Enel has published a Consolidated Non-Financial Statement.

Information and in-depth analyses on the issues and indicators presented in this Report can be requested to:

Enel SpA
Innovability Function (Innovation and Sustainability)
Sustainability Planning and Performance Management
Viale Regina Margherita, 137
00198 Rome – Italy
Tel +39 06 8305 1
E-mail sustainability@enel.com
Web https://www.enel.com/investors

How this Report was produced

This report has been prepared in accordance with the GRI Standards: Core option and the supplement dedicated to the Electric Utilities sector issued in 2013 by the GRI (Electric Utilities Sector Disclosures). In particular, Sustainability Reporting Standards (2016) of the Global Reporting Initiative (GRI Standards) have been considered and, starting from the current fiscal year, Enel has adopted the new Standards GRI 403 – Occupational Health and Safety – and GRI 303 – Water and Effluents – issued in 2018.

In particular, the content creation process was based on principles of relevance (or "materiality"), stakeholder inclusiveness, sustainability context, and completeness of data and information: Enel reports its performance in the wider sustainability context, also analyzed in a specific chapter (please refer to "Long-term sustainable growth"), and referring targets and progresses to the SDGs, pursuing the objective to give a complete disclosure of all significant information in the reporting period and reasonable estimates for the future. With reference to the quality of the reported information, the principles of balance, comparability, accuracy, timeliness, clarity and reliability were followed.

This Report also follows the principles of inclusivity, materiality and responsiveness indicated in the AA1000APS (AccountAbility Principles Standard) issued in 2008 by AccountAbility, an international institute of applied research on sustainability issues.

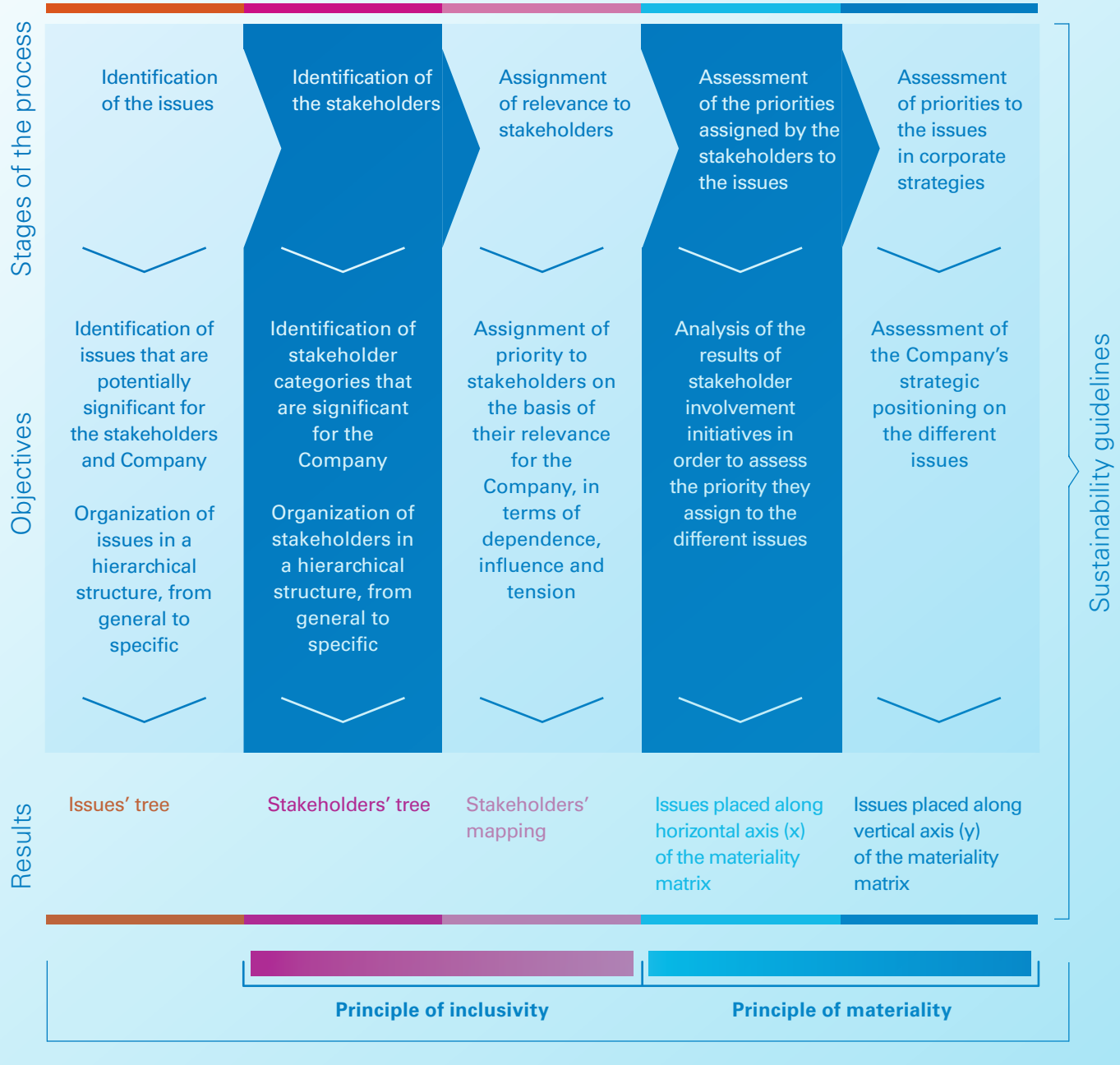
With reference to the materiality principle in particular, the degree of detail with which the various issues are covered in reporting was determined according to their weight in the Enel Group's objectives and strategies and their relevance to the stakeholders, as determined through a structured materiality assessment.

Lastly, the dashboards reported in each chapter include reference to the United Nations' main Sustainable Development Goals (SDGs), in line with the guidelines of the SDG Compass, the guide published in November 2015 and developed by GRI, UN Global Compact and the World Business Council for Sustainable Development (WBCSD) with the aim of supporting companies in aligning their strategy with the SDGs and measuring and managing their contribution to these objectives.

2018 materiality assessment

102-40 102-46 102-47 103-1

The materiality assessment process is divided into five main phases, as shown in the picture below.



In the process followed for the 2018 materiality assessment, the results of the previous year were updated, integrating new initiatives and enlarging the scope of the assets. The methodology adopted provides for an annual update of the results obtained the previous year, and the implementation every two years of an analysis aimed at the potential review of the issues and categories of stakeholders subject to the assessment, with the aim of accounting for changes to the sustainability scenario the Company operates in, jointly with the inclusion of new *ad hoc* initiatives for listening to and involving stakeholders.

The materiality assessment is based on the AA1000SES guidelines for the phases of mapping, stakeholder prioritization and analysis of the results of engagement; it is based on the AccountAbility and GRI Standards criteria with respect to the definition of the relevant issues and the application of the principle of materiality. The definition of the issues being analyzed is based on various sources, including company policies and principles of corporate conduct, initiatives of stakeholder consultation, the issues of interest to sustainability rating agencies, industry benchmarking studies and the company strategic direction.

The aspects being assessed for the issues at hand include:

- on the stakeholders' side, the relative importance of each issue according to their perceptions and the 'direction' of their expectations (expectations of Enel's engagement as opposed to disengagement). For a better understanding of stakeholders' expectations, in 2016 Enel integrated into the process the assessment of the stakeholders' degree of satisfaction with how the Company manages issues;
- on the Company's side, the level of impact of the topics on business strategies, determined based on the current and future commitment made on each issue.

In 2018, the Company analyzed the results of many consultations, engagement and dialogue initiatives carried out by Enel with the Group's relevant stakeholders; this included the financial community, national and international institutions, authorities, representative and trade associations, suppliers, customers, civil society and our people. Some examples of the sources considered for the assessment were customer satisfaction and customer complaints, relationships with analysts and investors, sustainability rating agency questionnaires, relations with representative bodies and trade associations, institutional relations at the national and local level, trade union relations, media monitoring and opinion polls.

The main stakeholder categories and the relevant communication and engagement channels are shown below. Engagement of the different stakeholders' categories takes place in a constant and continuous manner by the units in charge of the relationship with each group, while the average frequency of engagement by type is included in the table below.

Communication and engagement channels and types	Average engagement frequency by channel/type	Financial community	Suppliers and contractors	Civil society and local communities	Our people	Institutions	Business community	Customers	Media
Agents	daily							X	
Mobile app	ongoing							X	
Whistleblowing channel	ongoing			X	X	X			
Web channel	ongoing	X	X	X		X		X	
Press releases	weekly			X		X			X
Direct contacts	daily	X	X	X		X	X		X
Forums	monthly		X		X		X	X	
Working groups	monthly		X		X		X	X	
Dedicated meetings	weekly		X				X		X
Investor Day	twice per year	X							
Informative interviews	weekly				X				
Intranet	ongoing				X				
Enel stores and commercial offices	daily							X	
Newsletters	every 2 weeks				X				
Company magazine	every 2-3 months				X				
Roadshows	4 times per year	X							X
Social media	ongoing			X		X		X	X
Surveys	twice per year				X			X	

The materiality of the various issues in Enel's strategies was assessed by involving the company's Functions and submitted to the Chairman and Chief Executive Officer. This assessment reflects the strategic guidelines defined by the 2019-2021 Strategic Plan, the objectives of the Functions/Business Lines and the commitments undertaken by the Group through its policies and its own criteria of conduct. Through its representation in the materiality matrix from the "Setting priorities" chapter, the joint analysis of the two dimensions expresses how "aligned" or "misaligned" the intervention priorities as indicated by the stakeholders in relation to the various issues are compared to the Group's relative degree of commitment. Below is a table showing the transcoding for the topics included in the materiality assessment into the relevant GRI Standards or Aspects of the GRI supplement dedicated to the electric utilities sector ("Electric Utilities Sector Disclosures"); an indication is provided about the internal or external boundary of the issue, as well as limitations on the boundaries. The boundary assessment concluded that the majority of material aspects are only material within the organization, for the whole Group. If and where exceptions occur, these are clearly stated within the disclosure.

ESG category	2018 materiality assessment issue	GRI Standards or Electric Utilities Sector Disclosure Aspect	Internal boundary	External boundary	Reporting limitations on internal boundary	Reporting limitations on external boundary
Business & Governance	Economic and financial value creation	GRI 201: Economic Performance	Group	-	-	-
	Sound governance and fair corporate conduct	GRI 205: Anti-corruption	Group	-	-	-
		GRI 206: Anti-competitive Behavior				
		GRI 406: Non-discrimination				
		GRI 415: Public Policy				
	Decarbonization of the energy mix	GRI 201: Economic Performance	Group	-	-	-
		GRI 305: Emissions				
		Plant Decommissioning				
		System Efficiency				
		Availability and Reliability				
	Operational efficiency	Research and Development	Group	-	-	-
		Availability and Reliability				
		System Efficiency				
		Demand-side management				
	New technologies, services and digitalization	Research and Development	Group	-	-	-
	Customer focus	GRI 417: Marketing and Labeling	Group	-	-	-
		GRI 418: Customer Privacy				
		Provision of Information				
Environment	Environmental compliance and management	GRI 301: Materials	Group	-	-	-
		GRI 302: Energy				
		GRI 303: Water				
		GRI 304: Biodiversity				
		GRI 305: Emissions				
		GRI 306: Effluents and Waste				
		GRI 307: Environmental Compliance				

ESG category	2018 materiality assessment issue	GRI Standards or Electric Utilities Sector Disclosure Aspect	Internal boundary	External boundary	Reporting limitations on internal boundary	Reporting limitations on external boundary
Social	**People management, development and motivation**	GRI 401: Employment	Group	-	-	-
		GRI 402: Labor/Management Relations				
		GRI 404: Training and Education				
		GRI 405: Diversity and Equal Opportunity				
		GRI 407: Freedom of Association and Collective Bargaining				
		GRI 408: Child Labor				
		GRI 409: Forced or Compulsory Labor				
		GRI 410: Security Practices				
		GRI 412: Human Rights Assessment				
	Occupational health and safety	GRI 403: Occupational Health and Safety	Group	Suppliers	-	Reporting partially extended to suppliers
	Engaging local communities	GRI 411: Rights of Indigenous Peoples	Group	-	-	-
		GRI 413: Local Communities				
		GRI 416: Customer Health and Safety				
		Disaster/Emergency Planning and Response				
		Access				
	Sustainable supply chain	GRI 204: Procurement Practices	Group	Suppliers	-	Reporting not extended to suppliers
		GRI 308: Supplier Environmental Assessment				
		GRI 414: Supplier Social Assessment				

The reporting process

The results of the materiality assessment made it possible to define the structure of the 2018 Sustainability Report by focusing it more on the relevant topics, to which specific in-depth analysis chapters were dedicated. Similarly, the level of relevance for the topics, in turn divided into detailed sub-topics, influenced the degree of detail used to discuss the individual topics and report the relevant GRI indicators (GRI Standards and Electric Utilities Sector Disclosures) in order to be "in accordance" Core option, as well as the choice of the most appropriate instrument to represent them (2018 Annual Report and annexed Reports). These were referenced for the discussion or analysis of more specific issues of economic performance or environmental management or governance. The materiality assessment also formed the basis for defining Enel's sustainability targets for the 2019-2021 period, as illustrated by the Sustainability Plan (see pages 34-37).

The GRI Content Index, shown in the Appendix, contains the precise references to the 2018 Sustainability Report and to the Group's other reporting instruments. Please visit www.enel.com for more information on topics such as innovation projects or Enel's foundations, and the 2018 *Informe de Sostenibilidad* by Endesa and Enel Américas for further details on initiatives dedicated to customers and local communities in Spain and South America, respectively.

Drafting and assurance

102-56

The sustainability Key Performance Indicators (KPIs) reporting and monitoring process involves the Holding in terms of cross-functional topics, and all of the Group's Business Lines, Functions and companies for the specific topics and indicators of their various business activities.

The managers in charge of collecting, checking and processing the KPIs under their responsibility are identified within the structures involved. The Sustainability Planning and Performance Management unit, which is part of the Innovability Function, is responsible for consolidating information and coordinating the entire Sustainability Report drafting process.

The Sustainability Report is submitted to the analysis and assessment of the Control and Risks Committee and the Corporate Governance and Sustainability Committee, who verify that it is complete and reliable; the document is then approved by the Board of Directors and is finally presented at the General Shareholders' Meeting along with the Group's Annual Report and the Consolidated Non-financial Statement.

The Sustainability Report is subject to limited assurance by an independent company, Ernst & Young SpA (EY), also in charge of the assurance of the Enel Group's Annual Report and the Consolidated Non-financial Statement. The work carried out as part of the review process involves the application of the criteria indicated in the ISAE 3000 Revised principle[1] and, consequently, to the Code of Ethics for Professional Accountants, including professional independence and verification that there are no conflicts of interest that may affect the ethical principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. The audit report describing the details of the principles adopted, the activities carried out and the related conclusions is included in the Appendix.

The Appendix contains the report on the green bond, which is also audited by EY according to the criteria indicated in the ISAE 3000 Revised[1]; the associated audit report is also included in the Appendix.

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

Report boundaries

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The data and information included in the 2018 Sustainability Report refer to Enel SpA and the consolidated companies as per the fiscal year ending December 31, 2018. In both the text and the Appendix, "Corporate", "Holding" or "Parent Company" means Enel SpA, while "Group", "Company" or "Enel" means all subsidiaries.

The data in the Sustainability Report refer to the companies included as per the full consolidation method used for the scope of consolidation in the Annual Report as of December 31, 2018. 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 stake, and are cited in the text if they produce significant impacts.

The only exception to the full consolidation scope is seen in the companies acquired in 2018[2]. For these companies, it was decided that, for some of the areas covered in this document, the related consolidation should start from the 2019 fiscal year in light of the short time span since their acquisition. The areas excluded have been indicated directly in the specific chapters.

For details on the companies included in the consolidation scope, please refer to the 2018 Consolidated Financial Statement.

There were discrepancies with reference to the KPIs and the information reported in the 2017 Sustainability Report due to changes in the Group's consolidation scope. For more detailed information on the changes that occurred, please refer to the 2018 Annual Report in the "Main changes to consolidation scope" and "Significant events of 2018" sections.

The effect of these changes, as well as any significant changes or limitations to the scope or the method used to calculate individual indicators as compared to 2017, are expressly indicated in the text and/or in the Appendix, together with the effects produced on the related data. Please refer to the notes in the Appendix tables for any further details on adjustments to published data, calculation methods, assumptions or significant limitations to the indicators.

The data are precisely calculated based

on Enel's accounting, non-accounting and other information systems, and are validated by the relevant managers. Estimate-based data and the relative calculation method are explicitly indicated. For a time comparison of the data, please note that the differences between 2018 and 2017, in absolute values and in percentage values, are calculated using decimals that are not always displayed in the printed version. In the Appendix tables showing quantitative data, any percentage variations exceeding |100%| are indicated by "-".

2 Eletropaulo, YouSave, Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución.

Performance indicators

The sustainability KPIs are presented from page 231 to page 278 and form an integral part of this Sustainability Report. In order to facilitate the joint reading of the performance indicators and the qualitative information contained in the Sustainability Report, in the printed copy the quantitative indicators will be reported in a separate booklet. The booklet will be in the pocket of the third cover page.

Units of measure

,000	thousands
,000 d	thousands of days
,000 h	thousands of hours
,000 m^3	thousands of cubic meters
,000 t	thousands of tons
%	percentage
bn m^3	billions of cubic meters
cent euro	euro cents
dd	days
g/kWh	grams per kilowatt hours
GBq per Unit	gigabequerel per unit
GWh	gigawatt hours
h	hours
h/per cap	hours *per capita*
i	index
kg	kilograms
kg CFC-11 eq	equivalent kilograms of CFC-11
kg/kWh eq	kilograms per equivalent kilowatt hour
km	kilometers
kWh	kilowatt hours
kWh eq	kilowatt-hours equivalent
kWh/t	kilowatt hours per ton
l/kWh	liter per kilowatt hour
l/kWh eq	liters per equivalent kilowatt hour
MBq per Unit	Megabequerel per unit
mil	millions
mil A4 eq	millions of equivalent A4 sheets
mil euros	millions of euros
mil m^3	millions of cubic meters
mil t	millions of tons
mil t eq	millions of equivalent tons
min	minutes
ML	megaliters
Mtoe	millions of tons of oil equivalent
MW	Megawatts
MWh	Megawatt hours
no.	number
sec	seconds
t	tons
TBq per Unit	Terabecquerel per unit
TJ	Terajoules
toe	tons of oil equivalent
TWh	Terawatt hours
years	years

Acronyms

BoD	Board of Directors
CCGT	Combined Cycle Gas Turbine
CSR	Corporate Social Responsibility
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
HV	High Voltage
IRAP	Italian Regional Production Tax
IRES	Italian Corporate Income Tax
LBG	London Benchmarking Group
LV	Low Voltage
MV	Medium Voltage
PCB	Polychlorinated biphenyls
R&D	Research & Development
S&P	Standard & Poor's
SRI	Socially Responsible Investors
TSR	Total Shareholder Return

Independent auditors' report

Enel S.p.A.

Independent auditors' report on the "Sustainability Report 2018"

(Translation from the original Italian text)

EY S.p.A.
Via Po, 32
00198 Roma

Tel: +39 06 324751
Fax: +39 06 32475504
ey.com

Building a better working world

Independent auditors' report on the "Sustainability Report 2018"

(Translation from the original Italian text)

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

We have been appointed to perform a limited assurance engagement on the "Sustainability Report 2018" (hereinafter the "Sustainability Report") of Enel Group (hereinafter also the "Group") for the year ended on 31st December 2018.

Directors' responsibility on the Sustainability Report

The Directors of Enel S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards") 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), as described in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards and with the

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principles included in the "AA1000 AccountAbility Principles Standard 2008". Our work has been performed in accordance with the the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

a. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholders categories and to the internal validation of the process outcomes;

b. comparison of economic and financial data and information included in the Sustainability Report with those included in the Group's consolidated financial statament as of 31st December 2018;

c. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

   In particular, we have conducted interviews and discussions with the management of Enel S.p.A. and with the personnel of Endesa S.A., Endesa Generación S.A., Enel Generación Perú S.A.A., Enel Generación Piura S.A., Enel Green Power Perú S.A. and Enel Distribución Perú S.A.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

   Furthermore, for significant information, considering the Group's activities and characteristics:

   - at group level

     a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;

     b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

   - for the Litoral De Almería thermal power plant of Endesa Generación S.A. and for the Ventanilla thermal power plant of Enel Generación Perù S.A.A., that we have selected based on their activities, relevance to the consolidated performance indicators and locations, we

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have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the "Sustainability Report 2018" of Enel Group for the year ended on 31st December 2018 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards and with the principles included in the "AA1000 AccountAbility Principles Standard 2008" as described in the paragraph "Methodological note" of the Sustainability Report.

Rome, 7th May 2019

EY S.p.A.

Massimo Antonelli
(Partner)

Green Bond Report

Enel Finance International NV, the Group's financial company controlled by Enel SpA, placed three green bonds on the European market in January 2017 (1.25 billion euros), 2018 (1.25 billion euros) and 2019 (1 billion euros) for a total of 3.50 billion euros. The bonds are for institutional investors and are guaranteed by Enel SpA. The net issuance proceeds – carried out under the medium-term bond issue program of Enel and Enel Finance International (Euro Medium-Term Notes Program - EMTN) – were used to finance eligible projects according to the "Green Bond Principles" categories, published by the ICMA (International Capital Market Association). In particular, the proceeds were used to finance:

- new projects for the development, construction and repowering of renewable energy generation plants; (green bond issuance in 2017);
- new projects for the development, construction, repowering and refinancing of plants generating from renewable sources as well as projects for transmission, distribution and smart grids (green bond issuance in 2018);
- innovative infrastructure projects (only for the green bond issuance in 2019 in addition to the above category and whose proceeds have not yet been allocated).

In order to facilitate the transparency and quality of the green bonds issued, the Enel Group has prepared and published specific "Green Bond Frameworks" for each year of issuance, whose compliance with the reference principles has been confirmed by an external advisor, Vigeo Eiris, who issued the so-called "second party opinion". Within the frameworks, the categories relating to eligible projects are aligned with the Sustainable Development Goals of the United Nations (UN SDG), in particular Goals 7, 9, 11 and 13[1].

The reference documents for the three issuance are available on the Enel Group's website (https://www.enel.com/investors/fixed-income/main-programs/green-bond).

The Group is among the first companies in the world having set up a "Green Bond Committee" with the aim of selecting projects and monitoring the progress of their development. The reporting document hereof, being published for the second time, meets Enel's commitment undertaken at the time of the bond issuance to report annually on the use of proceeds, on the environmental benefits deriving from the projects financed and on further ESG metrics linked to these projects.

1 SDG 7 "Affordable and clean energy"; SDG 9 "Industry, innovation and infrastructure"; SDG 11 "Sustainable cities and communities"; SDG 13 "Climate action".

Reporting criteria

In order to facilitate transparency and understanding of reporting over the years, the report is structured as follows:

- 2017 green bond reporting with evidence of projects relating to renewable plants defined in 2017 and those defined in 2018 in order to complete the full allocation;
- 2018 green bond reporting with evidence of projects related to: (i) new renewable installations; (ii) existing renewable installations for which refinancing is required due to an increase in production capacity; and (iii) investment activities in Infrastructure and Networks.

For ease of representation, the tables of indicators are reported on the basis of the nature of the projects and the year of green bond issuance.

Indicators shown in the following tables were determined in accordance with the "Green Bond Framework" principles.

Table A "Financial indicators" shows the following:

- the capacity and amount of the "Foreign currency investment" approved by the Board of Directors and/or the Investment Committee, and communicated to the financial market through specific press releases;
- the value of the "Investment in eu-

ros" determined by converting the amount of the investment in foreign currency at the average exchange rate for the years 2017-2019 (for projects defined in 2017) and/or at the average exchange rate for the years 2018-2020 (for projects defined in 2018) of Enel's Industrial Plan;

- the share of the green bond proceeds allocated to the project as the difference between the total costs capitalized as at December 31, 2017 and/or December 31, 2018 and the amount of third-party financing associated to the specific project[2]. The amounts of revenue allocated to the projects in 2017 and 2018 respectively were used in the same years;
- the date of entry into operation corresponding to the time when the plant produced the first kWh.

Table B "ESG indicators" shows the environmental benefit in terms of CO_2 avoided (actual or expected). In detail with regard to renewable projects:

- the quantity of CO_2 avoided (both actual and expected) is determined by multiplying production (actual or expected) by the issuance factor linked to the specific thermoelectric energy production of the country in which the plant is located (issuance factors source: Enerdata - February 27, 2019 release);
- the share of production (both actual and expected) and the related amount of CO_2 avoided attributable to the green bond is calculated as the share of green bond proceeds allocated to the project on the total investment;
- for projects relating to generation plants from renewable sources, the cumulative value of actual production and the relative CO_2 avoided for all years of reporting of the green bond report is also shown.

On the other hand, the following indicators are given for Infrastructure and Networks projects, among others:

- the cabling ratio is determined by the ratio between the length of the cable lines and the total length of the lines. The increase in this index over time is due to an increase in the length of the overhead and underground cable line to the detriment of bare conductors; in particular, the main environmental benefits concern the containment of plant cutting activities and a drastic reduction in the risk of electrocution for birds;
- network automation corresponds to the ratio between RCP (Remote Controlled Point) and medium/low-voltage equipments;
- technical network losses are mainly related to the characteristics/functions of the network. These losses are usually calculated using statistical models or benchmarks. A reduction in technical network losses results in a reduction in the energy to be generated and a consequent reduction in issuance and consumption of raw materials;
- the elimination of oil equipment with PCB reduces the risk of contamination of a compound no longer in production since the 1980s and classified as ecotoxic and bioaccumulable;
- the calculation of CO_2 avoided. The energy saving estimation model takes into account: the number of low-loss transformers replacing traditional transformers; operations on the MV network; network upgrading measures; the new transformer rooms, which involve optimizing the grid in terms of reducing low-voltage lines in favor of higher-voltage ones.

As for the further ESG metrics, Table C "Further ESG indicators" shows, among others, the data relating to the projects financed with the proceeds of the bond, where possible and appropriate[3], as envisaged in the "second party opinion"[4]:

- water consumption refers data reported in the period of construction of the plant or in the period following its entry into operation. In the case of plants that started operating after September 30, 2018, the water consumption of the construction site is reported, in other cases (plants operating before September 30, 2018) the water consumption in operation;
- actions to protect biodiversity refer to the number of protection or recovery projects promoted by Enel in connection to the operation of the plant;
- the indicator relating to plant shutdown or site stop due to environmental issues is equal to the number of times operations were interrupted due to environmental management issues and their impact;
- concerning occupational safety, the number of fatal and "high-consequence" injuries[5] to Enel people is reported;
- the indicator on social actions refers to the activities and/or projects carried out to support local communities in the areas surrounding the plant. Beneficiaries means the number of people involved by such activity or project.

The above indicators in Table C, with the exception of water consumption and plant shutdown due to environmental issues, also refer to Infrastructure and Networks projects.

Table D "Overall information" refers to the criteria, indicators, overall information and approach chosen by Enel to develop the projects financed through the proceeds of the bond.

The data are precisely calculated based on Enel's accounting, non-accounting and other information systems, and are validated by the relevant managers. Estimate-based data and the relative calculation method are explicitly indicated.

2 If the same company is involved with the implementation of several projects, proceeds are allocated to the specific project based on the capacity.

3 Projects relating to renewable plants with a capacity of more than 20 MW are considered to be relevant.

4 "Material reused/recycled after revamping" is not applicable, as the proceeds of green bonds were not used to finance revamping projects in 2017 and 2018.

5 Sum of injuries which, at December 31, 2018, resulted in more than 6 months' absence from work and, of cases not closed, accidents considered severe (initial prognosis > 30 days).

Table A - Financial indicators [1,2]

Green Bond 2017
Renewable projects

Country	Project name	Technology	Status	Capacity (MW)	Commercial operation date	Investment			Green bond proceeds allocated to the project in 2017 (mil euros)	Green bond proceeds allocated to the project in 2018 (mil euros)	Total allocated 2017-2018 (mil euros)
						Currency	Value in currency (mil)	Equivalent in euro (mil) [5]			
USA	Red Dirt	Wind	In Operation	300	nov-17	USD	420	378	58	19	77
USA	Thunder Ranch	Wind	In Operation	298	nov-17	USD	435	392	120	13	132
USA	Hilltopper	Wind	In Operation	185	nov-18	USD	325	293	52	114	166
USA	Stillwater Solar II	Solar	In Operation	27	may-18	USD	40	36	30	18	48
USA	Woods Hill	Solar	In Operation	25	dec-17	USD	44	41	33	3	36
USA	Rattlesnake Creek	Wind	In Operation	320	dec-18	USD	430	387	27	177	204
USA	Rock Creek	Wind	In Operation	300	oct-17	USD	500	450	58	15	73
BRAZIL	Horizonte MP	Solar	In Operation	103	feb-18	USD	110	99	43	-	43
BRAZIL	Delfina	Wind	In Operation	180	aug-17	USD	400	360	33	-	33
CHILE	Cerro Pabellón	Geothermal	In Operation	48 [6]	aug-17	USD	320	293	57	-	57
CHILE	Sierra Gorda	Wind	In Operation	112	dec-16	USD	215	194	17	-	17
PERU	Wayra	Wind	In Operation	132	mar-18	USD	165	149	78	4	82
PERU	Rubi	Solar	In Operation	180	nov-17	USD	170	153	68	-	68
ITALY	Various projects [3]	Biomass/ Geothermal/ Hydroelectric		35	2017-2019	EUR	129	130	32	38	70
CANADA	Riverview	Wind	Ready to Build	115	dec-19	USD	170	143	-	8	8
CANADA	Castel Rock Ridge 2	Wind	Ready to Build	31	oct-19				-	2	2
MEXICO	Magdalena 2	Solar	Under Construction	220	sep-19	USD	157	132	-	9	9
MEXICO	Amistad II	Wind	Under Construction	100	jul-19	USD	115	97	-	22	22
MEXICO	Amistad III	Wind	Under Construction	100	dec-19	USD	104	87	-	11	11
MEXICO	Amistad IV	Wind	Ready to Build	149	apr-20	USD	149	125	-	13	13
MEXICO	Dolores	Wind	Under Construction	244	dec-19	USD	280	235	-	36	36
PANAMA	Estrella Solar	Solar	In Operation	8	aug-18	USD	8	7	-	5	5
ZAMBIA	Ngonye	Solar	Under Construction	34	feb-19	USD	40	34	-	10	10
ITALY	Various projects [4]	Geothermal/ Hydroelectric	Ready to Build	11	2018-2020	EUR	43	36	-	14	14
Total									**707**	**530**	**1,237**

(1) In January 2019 the Brazilian projects "Nova Olinda", "Lapa" and "Cristalândia" have been sold. These projects are not included in the green bond scope and replaced by new projects. The overall investment was about 600 million euros and the related proceeds allocated were equal to 240 million euros.
(2) The 2017 projects are highlighted in black and 2018 projects, which contribute to the 2017 bond allocation, are in blue.
(3) Aggregated data for 26 small-scale Italian projects. The technologies involved are biomass, geothermal and hydroelectric.
(4) Aggregated data for 8 small-scale Italian projects. The technologies involved are geothermal and hydroelectric.
(5) Indicative value in euros (EUR), although the investment in US dollars (USD) applies where present. The exchange rate used is 1.11 USD/EUR for project allocated in 2017 green bond and 1.19 USD/EUR for project allocated in 2018 green bond.
(6) Gross capacity is reported.

Table B - ESG indicators

Green Bond 2017
Renewable projects

Country	Project name	2017 product. (GWh)	CO_2 avoided 2017 (t)	2018 product. (GWh) [1]	CO_2 avoided 2018 (t)	2017 and 2018 product. (GWh)	CO_2 avoided 2017 and 2018 (t)	2018 production attribut. to GB (GWh)	2018 CO_2 avoided attribut. to GB (t)	Expected annual product. (GWh) [2]	Expected CO_2 avoided (t)	Expected annual production attributable to GB (GWh)	Expected CO_2 avoided attribut. to GB (t)
USA	Red Dirt	n.a.	n.a.	1,047	708,602	1,047	708,602	54	36,310	n.a.	n.a.	n.a.	n.a.
USA	Thunder Ranch	n.a.	n.a.	1,123	759,935	1,123	759,935	36	24,516	n.a.	n.a.	n.a.	n.a.
USA	Hilltopper	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	600	406,076	233	157,993
USA	Stillwater Solar II	n.a.	n.a.	16	10,764	16	10,764	8	5,277	n.a.	n.a.	n.a.	n.a.
USA	Woods Hill	n.a.	n.a.	23	15,419	23	15,419	2	1,057	n.a.	n.a.	n.a.	n.a.
USA	Rattlesnake Creek	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,300	879,831	593	401,498
USA	Rock Creek	n.a.	n.a.	1,081	731,665	1,081	731,665	36	24,653	n.a.	n.a.	n.a.	n.a.
BRAZIL	Horizonte MP	n.a.	n.a.	153	87,940	153	87,940	-	-	n.a.	n.a.	n.a.	n.a.
BRAZIL	Delfina	286	144,457	829	476,486	1,115	620,943	-	-	n.a.	n.a.	n.a.	n.a.
CHILE	Cerro Pabellón	61	47,107	214	167,022	275	214,129	-	-	n.a.	n.a.	n.a.	n.a.
CHILE	Sierra Gorda	308	236,137	350	272,485	658	508,622	-	-	n.a.	n.a.	n.a.	n.a.
PERU	Wayra	n.a.	n.a.	471	234,453	471	234,453	12	5,806	n.a.	n.a.	n.a.	n.a.
PERU	Rubi	n.a.	n.a.	422	210,192	422	210,192	-	-	n.a.	n.a.	n.a.	n.a.
ITALY	Various projects [3]	4	2,257	359	178,175	363	180,432	105	52,082	n.a.	n.a.	n.a.	n.a.
CANADA	Riverview	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	449	343,397	24	18,580
CANADA	Castel Rock Ridge 2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	109	83,128	1	1,124
MEXICO	Magdalena 2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	634	347,551	43	23,778
MEXICO	Amistad II	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	429	235,039	97	53,354
MEXICO	Amistad III	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	426	233,343	55	30,160
MEXICO	Amistad IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	618	338,647	66	36,454
MEXICO	Dolores	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,040	570,034	157	86,222
PANAMA	Estrella Solar	n.a.	n.a.	3	2,190	3	2,190	2	1,545	n.a.	n.a.	n.a.	n.a.
ZAMBIA	Ngonye	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72	26,178	22	8,028
ITALY	Various projects [4]	n.a.	n.a.	3	1,489	3	1,489	1	581	n.a.	n.a.	n.a.	n.a.

n.a. not applicable
(1) For projects entered into operation by September 30, 2018, the actual production data are reported and consequently the amount of CO_2 avoided.
(2) For projects that entered into operation after September 30, 2018 or which have not yet entered into operation, the expected annual production data and the expected amount of CO_2 avoided are reported.
(3) Aggregated data for 26 small-scale Italian projects. The technologies involved are biomass, geothermal and hydroelectric.
(4) Aggregated data for 8 small-scale Italian projects. The technologies involved are geothermal and hydroelectric.

Table C - Further ESG indicators

Green Bond 2017
Renewable projects

Country	Project name	Water consumption (m^3)	Actions to protect/restore biodiversity (no.)	Plant shutdown or site stop due to environmental issues (no.)	Injuries (fatal and "high consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)
USA	Red Dirt	264 (1)	1	-	-	-	-
USA	Thunder Ranch	264 (1)	1	-	-	-	-
USA	Hilltopper	328,000 (2)	-	-	-	-	-
USA	Stillwater Solar II	n.a.	-	-	-	-	-
USA	Woods Hill	n.a.	-	1	-	-	-
USA	Rattlesnake Creek	16,700 (2)	-	-	-	1	400
USA	Rock Creek	264 (1)	1	-	-	3	6,180
BRAZIL	Horizonte MP	2,121 (1)	4	-	-	2	116
BRAZIL	Delfina	3,584 (1)	7	-	-	8	1,311
CHILE	Cerro Pabellón	405 (1)	9	-	-	8	448
CHILE	Sierra Gorda	142 (1)	1	-	-	-	-
PERU	Wayra	260 (1)	3	-	-	10	608
PERU	Rubi	-	-	-	-	10	2,613
ITALY	Various projects (3)	686	-	-	-	5	642
CANADA	Riverview	n.a.	-	-	-	-	-
CANADA	Castel Rock Ridge 2	n.a.	-	-	-	-	-
MEXICO	Magdalena 2	940 (2)	-	-	-	-	-
MEXICO	Amistad II	2,466 (2)	2	-	-	1	200
MEXICO	Amistad III	4 (2)	2	-	-	-	-
MEXICO	Amistad IV	n.a.	1	-	-	-	-
MEXICO	Dolores	887 (2)	-	-	-	-	-
PANAMA	Estrella Solar	n.a.	-	-	-	2	285
ZAMBIA	Ngonye	21,380 (2)	1	-	-	-	-
ITALY	Various projects (4)	2,055	-	-	-	3	122

n.a. not applicable
(1) For plant entered into operation by September 30, 2018 the figures refer to water consumption related to operation phase.
(2) For plant not yet entered into operation by September 30, 2018 the figures refer to water consumption related to under construction phase.
(3) Aggregated data for 26 small-scale Italian projects. The technologies involved are biomass, geothermal and hydroelectric.
(4) Aggregated data for 8 small-scale Italian projects. The technologies involved are geothermal and hydroelectric.

Table A - Financial indicators [1]

Green Bond 2018
Renewable projects + Refinancing

Country	Project name	Technology	Status	Capacity (MW)	Commercial operation date	Investment			Green bond proceeds allocated to the project in 2018 (mil euros)
						Currency	Value in currency (mil)	Equivalent in euro (mil) [2]	
USA	Diamond Vista	Wind	In Operation	300	dec-18	USD	400	336	100
USA	Fenner Repowering	Wind	In Operation	29	dec-18	USD	29	24	21
USA	High Lonesome	Wind	Hand Over to Do	450	oct-19	USD	600	504	81
USA	Roadrunner	Solar	Hand Over to Do	497	sep-20	USD	436	366	30
GERMANY	Cremzow	Other	Under Construction	22	apr-19	EUR	17	17	9
GREECE	Kafireas	Wind	Under Construction	154	oct-19	EUR	300	300	64
COLOMBIA	El Paso	Solar	Under Construction	86	mar-19	USD	70	59	54
USA	Aurora	Solar	In Operation	150	jun-17	USD	290	244	181
USA	Little Elk	Wind	In Operation	74	dec-15	USD	124	104	5
USA	Chisholm View II	Wind	In Operation	65	dec-16	USD	90	76	29
Total									**575**

(1) The 2018 projects are highlighted in black and 2018 projects considered refinancing are in blue.
(2) Indicative value in euros (EUR), although the investment in US dollars (USD) applies where present. The exchange rate used is 1.19 USD/EUR for project allocated in 2018 green bond.

Table B - ESG indicators

Green Bond 2018
Renewable projects + Refinancing

Country	Project name	2018 production (GWh) [1]	CO_2 avoided 2018 (t)	2018 production attributable to GB (GWh)	2018 CO_2 avoided attributable to GB (t)	Expected annual product. (GWh) [2]	Expected CO_2 avoided (t)	Expected annual production attributable to GB (GWh)	Expected CO_2 avoided attribut. to GB (t)
USA	Diamond Vista	n.a.	n.a.	n.a.	n.a.	1,317	891,539	391	264,944
USA	Fenner Repowering	n.a.	n.a.	n.a.	n.a.	78	52,885	68	46,273
USA	High Lonesome	n.a.	n.a.	n.a.	n.a.	1,602	1,083,921	258	174,483
USA	Roadrunner	n.a.	n.a.	n.a.	n.a.	1,154	781,089	96	64,822
GERMANY	Cremzow	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GREECE	Kafireas	n.a.	n.a.	n.a.	n.a.	483	317,105	102	67,121
COLOMBIA	El Paso	n.a.	n.a.	n.a.	n.a.	176	106,280	162	97,767
USA	Aurora	189	127,661	140	94,806	n.a.	n.a.	n.a.	n.a.
USA	Little Elk	333	225,424	17	11,485	n.a.	n.a.	n.a.	n.a.
USA	Chisholm View II	230	155,609	89	60,126	n.a.	n.a.	n.a.	n.a.

n.a. not applicable
(1) For projects entered into operation by September 30, 2018, the actual production data are reported and consequently the amount of CO_2 avoided.
(2) For projects that entered into operation after September 30, 2018 or which have not yet entered into operation, the expected annual production data and the expected amount of CO_2 avoided are reported.

Table C - Further ESG indicators

Green Bond 2018
Renewable projects + Refinancing

Country	Project name	Water consumption (m^3)	Actions to protect/restore biodiversity (no.)	Plant shutdown or site stop due to environmental issues (no.)	Injuries (fatal and "high consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)
USA	Diamond Vista	90,200 (1)	-	-	-	-	-
USA	Fenner Repowering	27 (1)	-	-	-	-	-
USA	High Lonesome	n.a.	-	-	-	-	-
USA	Roadrunner	n.a.	-	-	-	-	-
GERMANY	Cremzow	n.a.	-	-	-	-	-
GREECE	Kafireas	14,430 (1)	-	-	-	1	6,000
COLOMBIA	El Paso	8,004 (1)	2	-	-	2	1,284
USA	Aurora	-	3	-	-	2	720
USA	Little Elk	65 (2)	-	-	-	-	-
USA	Chisholm View II	57 (2)	-	-	-	1	100

n.a. not applicable
(1) For plant not yet entered into operation by September 30, 2018 the figures refer to water consumption related to under construction phase.
(2) For plant entered into operation by September 30, 2018 the figures refer to water consumption are related to operation phase.

Table A - Financial indicators

Green Bond 2018
Infrastructure and Networks projects

Country	Projects cluster	Cluster	Status	Investment in currency (mil)	Green bond proceeds allocated to the project in 2018 (mil euros)
ITALY	Smart meter	Asset Development	(1)	n.a.	46
ITALY	Smart grid	Asset Development	(2)	n.a.	21
ITALY	Quality&Efficiency	Asset Development	(2)	n.a.	305
ITALY	Other ICT Investment	Asset Development	(2)	n.a.	52
Total Asset Development				**824**	**424**
ITALY	Maintenance	Asset Management	(2)	n.a.	205
ITALY	Maintenance	Asset Management	(2)	n.a.	37
Total Maintenance				**452**	**242**
Total Asset Development and Asset Maintenance Italy				**1,276**	**665**

n.a. not applicable
(1) As at December 31, 2018 the final figures of the project consisted of approximately 420 million euro of meters and concentrators entered into operation in the same month as the installation and about 26 million euro for the central remote management system and related software.
(2) The final figures are composed of a very large number of interventions that include activities started in previous years and concluded in the current year, activities started in the current year and concluded in the same year and activities started in the year and not yet completed at December 31, 2018.

Table B - ESG indicators

Green Bond 2018
Infrastructure and Networks projects

Italy	Cabling (%)	Network automation (%)	Oil equipment with PCB removed (no.)	Integrated smart meters (no.)	Renewable production units connected to network (no.)	New "users" connected to network (no.)	Technical network losses	CO_2 avoided (t)
Total Asset Development	n.a.	n.a.	n.a.	31,400,000	48,481	202,759	n.a.	14,670
Total Maintenance	75	36	304	n.a.	n.a.	n.a.	4	

n.a. not applicable

Table C - Further ESG indicators

Green Bond 2018
Infrastructure and Networks projects

Country	Injuries (fatal and "high consequence") (no.)	Social actions (no.)	Beneficiaries of social projects (no.)	Biodiversity projects (no.)
Italy	3	158	36,482	6

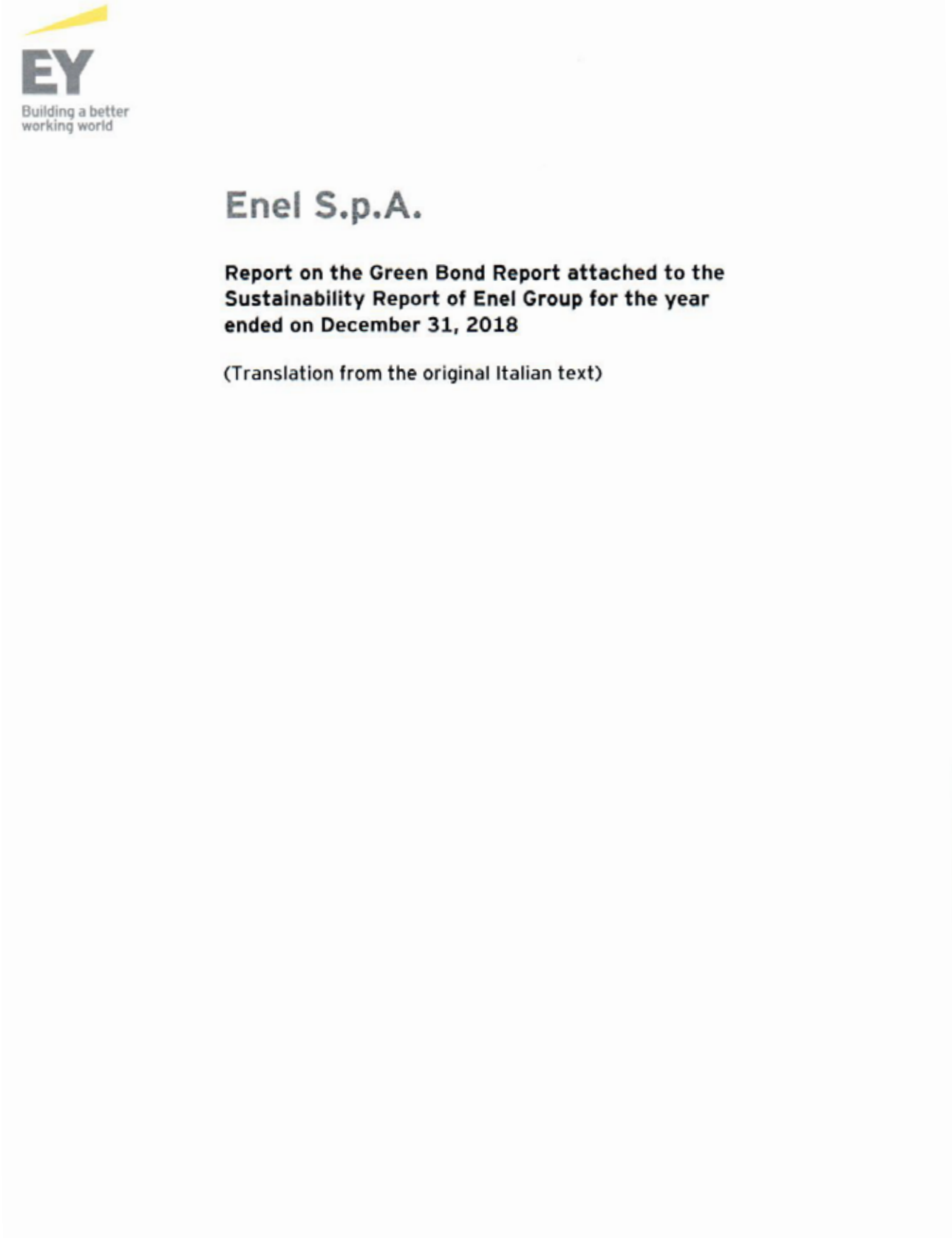
Table D - Overall information

Criterion	Indicator	GB 2018 data/approach
Respect for human rights standards and prevention of breaches	Number and description of the reports identified through the Enel monitoring system	No reporting on projects financed with GB revenue.
	Results of risk analysis on human rights at country level	The analysis conducted in the Group's countries of presence highlighted an average risk perceived as "acceptable" and "high priority"[1]. The Group human rights practices and policies were subsequently assessed as "robust"[2]. However, specific action plans have been developed for each country of presence as well as a centrally managed improvement plan to harmonize and integrate processes and policies defined at the global level and applied at local level.
Respect for labor rights	Number and description of the reports identified through the Enel monitoring system	No reporting on projects financed with GB revenue.
	Results of risk analysis on human rights at country level	The analysis conducted in the Group's countries of presence highlighted an average risk perceived as "acceptable" and "to be monitored"[1]. The Group human rights practices and policies were subsequently assessed as "robust"[2]. However, specific action plans have been developed for each country of presence as well as a centrally managed improvement plan to harmonize and integrate processes and policies defined at the global level and applied at local level.
Working conditions (employment relationships, training, health and safety conditions, respect for working hours)	Number of injuries (fatal and "high consequence")	No reporting on renewable projects financed with GB revenue and 3 "high-consequence" injuries in Infrastructure and Networks in Italy.
Integration of environmental and social factors into the supply chain - Responsible purchasing	Ethical clauses in contracts with suppliers	Through the General Contract Conditions, Enel requires its contractors and subcontractors, among other things, to comply with the ten principles of the United Nations Global Compact, respect for and protection of internationally recognized human rights, as well as respect for ethical and social obligations regarding the fight against child labor and protection of women, equal treatment, prohibition of discrimination, freedom of association, association and representation, forced labor, safety and environmental protection, sanitary conditions and also regulatory conditions, retribution, contributions, insurance and tax.
Business ethics (prevention of corruption and money laundering, fraud, anticompetitive practices)	Number and description of the reports identified through the Enel monitoring system	No reporting on projects financed with GB revenue.
Audit and internal control	% of area/country processes covered by internal audit activities	The average annual coverage level of the processes through internal audit activities is equal to 43% for Renewables and 53% for Infrastructure and Networks in Italy.

(1) Average perceived risk: average of perceived risk levels identified in the countries being analyzed. Reference scale of risks: 1. High risk; 2. High priority risk; 3. Risk to be monitored; 4. Acceptable risk.

(2) Reference scale of performance values: Robust (75%-100%); Good (50%-75%); Sufficient (25%-50%); Needs improvement (0%-25%).

Report on the examination of the Green Bond Report



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Enel S.p.A.

Report on the Green Bond Report attached to the Sustainability Report of Enel Group for the year ended on December 31, 2018

(Translation from the original Italian text)

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Independent Auditors' report on the Green Bond Report of Enel S.p.A. attached to the Sustainability Report of Enel Group for the year ended on December 31, 2018

(Translation from the original Italian text)

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

We were engaged to perform a limited assurance engagement on the accompanying Green Bond Report of Enel S.p.A. (the "Company"), which comprises the tables of financial indicators, ESG indicators, further ESG indicators and overall information and the "Reporting Criteria" note, prepared to comply with the reference principles established in the Enel Group Green Bond Framework dated December 2016 and December 2017. The Green Bond Report is attached to the Sustainability Report of Enel Group for the year ended on December 31, 2018 (the "Sustainability Report 2018").

Management's responsibility

Management is responsible for the preparation of the Green Bond Report in accordance with the criteria described in the "Reporting criteria" note, and for the internal controls as management determines is necessary to enable the preparation of a Green Bond Report that is free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditors' responsibility

Our responsibility is to express a conclusion on the Green Bond Report based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the provisions of the standard "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain limited assurance whether the Green Bond Report is free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, primarily of persons responsible for the preparation of the Green Bond Report, as well as inspection

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
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of documents, recalculation, agreeing or reconciling with underlying records and other evidence-gathering procedures that are appropriate in the circumstances.

Our limited assurance engagement also includes:

(i) meeting with Enel's personnel involved in the preparation of the Green Bond Report;
(ii) assessing, through inquiries with Enel's personnel, the procedures followed to collect, aggregate and report the financial indicators and the ESG indicators included in the Green Bond Report;
(iii) performing limited test of details to verify that the data used in the preparation of the Green Bond Report are consistent with the information and documentation held by the companies of the Enel Group.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ISAE 3000 revised and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Company's Green Bond Report attached to the Sustainability Report 2018 is not prepared, in all material respects, in accordance with the criteria described in the "Reporting criteria" note.

Basis for preparation

Without modifying our conclusion, we draw attention to "Reporting criteria" note to the Green Bond Report, which describe the basis for preparation. The Green Bond Report is prepared for the purposes described in the first paragraph. As a result, the Green Bond Report may not be suitable for another purpose.

Rome, May 7, 2019

EY Sp.A.
Signed by: Massimo Antonelli
(Partner)

This report has been translated into the English language solely for the convenience of international readers.

Appendix to the Sustainability Report 2018

This Appendix is an integral part
of the Enel Group's Sustainability Report 2018

Performance indicators

Sustainable business model

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
EU1	**GENERATION**							
	Installed capacity							
	Net efficient generation capacity by primary energy source							
	Thermal net capacity	(MW)	**43,099**	**43,294**	**43,454**	-195	-0.5	Enel
	Coal	(MW)	15,828	15,965	16,103	-137	-0.9	Enel
	CCGT [1]	(MW)	17,244	17,251	17,323	-7	-	Enel
	Oil/Gas [1]	(MW)	10,027	10,078	10,028	-51	-0.5	Enel
	Nuclear net capacity	(MW)	**3,318**	**3,318**	**3,318**	-	-	Enel
	Renewable net capacity	(MW)	**39,203**	**38,305**	**35,907**	898	2.3	Enel
	Hydroelectric	(MW)	27,845	27,799	27,425	46	0.2	Enel
	Wind	(MW)	8,190	7,431	6,532	759	10.2	Enel
	Geothermal	(MW)	804	802	761	2	0.2	Enel
	Biomass and cogeneration	(MW)	42	57	57	-15	-26.3	Enel
	Photovoltaic	(MW)	2,322	2,216	1,132	106	4.8	Enel
	Total net electrical capacity	(MW)	**85,620**	**84,917**	**82,679**	703	0.8	Enel
	Net efficient generation capacity by geographic area							
	Italy	(MW)	**27,624**	**27,652**	**27,760**	-28	-0.1	Italy
	Iberia	(MW)	**22,717**	**22,732**	**22,744**	-15	-0.1	Iberia
	South America	(MW)	**20,997**	**20,544**	**18,915**	453	2.2	South America
	Chile	(MW)	7,448	7,475	7,434	-27	-0.4	Chile
	Argentina	(MW)	4,419	4,419	4,419	-	-	Argentina
	Colombia	(MW)	3,583	3,467	3,457	116	3.3	Colombia
	Peru	(MW)	2,297	2,158	1,934	139	6.4	Peru
	Brazil	(MW)	3,250	2,975	1,621	275	9.2	Brazil
	Uruguay	(MW)	-	50	50	-50	-100.0	Uruguay
	North and Central America	(MW)	**3,826**	**3,533**	**2,792**	293	8.3	North and Central America
	North America	(MW)	2,921	2,092	1,495	829	39.6	North America
	Panama	(MW)	362	354	325	8	2.3	Panama
	Guatemala	(MW)	164	164	164	-	-	Guatemala
	Costa Rica	(MW)	81	81	81	-	-	Costa Rica
	Mexico	(MW)	299	843	728	-544	-64.5	Mexico
	Europe and Euro-Mediterranean Affairs	(MW)	**9,761**	**9,761**	**9,810**	-	-	Europe and Euro-Mediterranean Affairs
	Russia	(MW)	8,878	8,878	8,944	-	-	Russia
	Romania	(MW)	534	534	534	-	-	Romania
	Greece	(MW)	307	307	290	-	-	Greece
	Bulgaria	(MW)	42	42	42	-	-	Bulgaria
	Africa, Asia and Oceania	(MW)	**695**	**695**	**659**	-	-	Africa, Asia and Oceania
	South Africa	(MW)	523	523	486	-	-	South Africa
	India	(MW)	172	172	172	-	-	India

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Total net electrical capacity	(MW)	**85,620**	**84,917**	**82,679**	703	0.8	Enel
	Power generation plants							
	Thermoelectric plants [2]	(no.)	**89**	**89**	**90**	-	-	Enel
	Coal plants	(no.)	16	16	17	-	-	Enel
	CCGT plants	(no.)	23	23	23	-	-	Enel
	Oil/Gas plants	(no.)	50	50	50	-	-	Enel
	Renewable energy plants	(no.)	**1,094**	**1,073**	**1,032**	21	2.0	Enel
	Nuclear plants	(no.)	3	3	3	-	-	Enel
	Hydroelectric plants	(no.)	750	744	722	6	0.8	Enel
	- of which mini-hydro plants (< 10 MW)	(no.)	460	436	452	24	5.5	Enel
	Wind plants	(no.)	202	195	185	7	3.6	Enel
	Photovoltaic plants	(no.)	99	88	83	11	12.5	Enel
	Geothermal plants	(no.)	35	36	34	-1	-2.8	Enel
	Biomass plants	(no.)	8	10	8	-2	-20.0	Enel
	OPERATING RESULTS							
EU2	**GENERATION**							
	Net production by primary energy source							
	Thermal net production	(GWh)	**127,332**	**141,733**	**142,394**	-14,401	-10.2	Enel
	Coal	(GWh)	64,366	70,497	72,342	-6,131	-8.7	Enel
	CCGT	(GWh)	38,134	44,381	40,303	-6,247	-14.1	Enel
	Oil/Gas	(GWh)	24,832	26,855	29,749	-2,023	-7.5	Enel
	Nuclear net production	(GWh)	**24,067**	**26,448**	**33,444**	-2,381	-9.0	Enel
	Renewable net production	(GWh)	**98,940**	**81,695**	**85,974**	17,245	21.1	Enel
	Hydroelectric	(GWh)	65,893	55,363	60,031	10,530	19.0	Enel
	Wind	(GWh)	22,161	17,827	18,294	4,334	24.3	Enel
	Geothermal	(GWh)	5,881	5,820	6,194	61	1.0	Enel
	Biomass and cogeneration	(GWh)	108	108	226	-	-	Enel
	Photovoltaic	(GWh)	4,897	2,577	1,229	2,320	90.0	Enel
	Total net production	(GWh)	**250,339**	**249,876**	**261,812**	463	0.2	Enel
	Net production by geographic area							
	Italy	(GWh)	**53,232**	**53,518**	**60,912**	-286	-0.5	Italy
	Iberia	(GWh)	**74,193**	**78,618**	**72,323**	-4,425	-5.6	Iberia
	South America	(GWh)	**67,897**	**64,627**	**62,165**	3,270	5.1	South America
	Chile	(GWh)	20,885	20,231	19,728	654	3.2	Chile
	Argentina	(GWh)	13,949	14,825	13,124	-876	-5.9	Argentina
	Colombia	(GWh)	14,053	14,766	14,952	-713	-4.8	Colombia
	Peru	(GWh)	8,999	7,493	8,699	1,506	20.1	Peru
	Brazil	(GWh)	9,840	7,161	5,474	2,679	37.4	Brazil
	Uruguay	(GWh)	170	151	189	19	12.6	Uruguay
	North and Central America	(GWh)	**12,433**	**9,793**	**12,268**	2,640	27.0	North and Central America
	North America	(GWh)	7,133	5,313	8,628	1,820	34.3	North America
	Panama	(GWh)	1,808	1,528	1,367	280	18.3	Panama
	Guatemala	(GWh)	568	608	369	-40	-6.6	Guatemala
	Costa Rica	(GWh)	305	319	122	-14	-4.4	Costa Rica
	Mexico	(GWh)	2,619	2,025	1,781	594	29.3	Mexico
	Europe and Euro-Mediterranean Affairs	(GWh)	**41,076**	**41,839**	**53,613**	-763	-1.8	Europe and Euro-Mediterranean Affairs
	Russia	(GWh)	39,182	39,830	41,062	-648	-1.6	Russia
	Slovakia [3]	(GWh)	-	-	9,684	-	-	Slovakia
	Romania	(GWh)	1,227	1,358	1,235	-131	-9.6	Romania
	Belgium [3]	(GWh)	-	-	977	-	-	Belgium

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Greece	(GWh)	577	548	559	29	5.3	Greece
	Bulgaria	(GWh)	91	103	96	-12	-11.7	Bulgaria
	Africa, Asia and Oceania	(GWh)	**1,508**	**1,481**	**531**	26	1.8	Africa, Asia and Oceania
	South Africa	(GWh)	1,193	1,156	203	37	3.2	South Africa
	India	(GWh)	315	325	328	-10	-3.1	India
	Total net production	(GWh)	**250,339**	**249,876**	**261,812**	463	0.2	Enel
	Development of renewables							
	New renewable power [4]	(MW)	**2,682**	**2,783**	**1,999**	-101	-3.6	Enel
	Hydroelectric	(MW)	71	400	250	-329	-82.3	Enel
	Wind	(MW)	1,415	1,258	970	157	12.5	Enel
	Geothermal	(MW)	1	41	-	-40	-97.6	Enel
	Biomass and cogeneration	(MW)	-	1	16	-1	-100.0	Enel
	Photovoltaic	(MW)	1,195	1,084	763	111	10.2	Enel
	NETWORK							
EU4	**Total electricity distribution network**	(km)	**2,226,097**	**2,160,559**	**1,875,107**	65,538	3.0	Enel
	Total high-voltage network	(km)	46,261	44,387	38,396	1,874	4.2	Enel
	- of which underground cable	(km)	1,976	1,826	1,741	150	8.2	Enel
	Total medium-voltage network	(km)	889,692	857,086	665,215	32,606	3.8	Enel
	- of which underground cable [5]	(km)	219,203	214,060	211,312	5,144	2.4	Enel
	Total low-voltage network	(km)	1,290,144	1,259,086	1,171,496	31,058	2.5	Enel
	- of which underground cable [5]	(km)	403,098	396,634	398,334	6,465	1.6	Enel
EU4	**Electricity distribution network by geographic area**							
	Total electricity distribution network Italy	(km)	**1,153,323**	**1,149,219**	**1,144,987**	4,104	0.4	Italy
	High-voltage network	(km)	13	13	13	-	-	Italy
	- of which underground cable	(km)	11	-	-	11	-	Italy
	Medium-voltage network	(km)	354,884	353,808	352,607	1,076	0.3	Italy
	- of which underground cable	(km)	150,201	148,487	145,880	1,714	1.2	Italy
	Low-voltage network	(km)	798,426	795,397	792,367	3,029	0.4	Italy
	- of which underground cable	(km)	276,744	274,821	270,678	1,923	0.7	Italy
	Total electricity distribution network Romania	(km)	**128,508**	**127,548**	**91,412**	960	0.8	Romania
	High-voltage network	(km)	6,511	6,505	6,505	6	0.1	Romania
	- of which underground cable	(km)	304	293	288	11	3.8	Romania
	Medium-voltage network	(km)	35,062	35,016	35,015	46	0.1	Romania
	- of which underground cable [5]	(km)	13,343	13,103	12,844	240	1.8	Romania
	Low-voltage network	(km)	86,935	86,027	49,892	908	1.1	Romania
	- of which underground cable [5]	(km)	20,829	20,649	20,353	180	0.9	Romania
	Total electricity distribution network Iberia [6]	(km)	**319,613**	**317,782**	**316,562**	1,831	0.6	Iberia
	High-voltage network	(km)	19,625	19,560	19,539	65	0.3	Iberia
	- of which underground cable	(km)	787	779	779	8	1.0	Iberia
	Medium-voltage network	(km)	118,531	117,886	117,632	645	0.5	Iberia
	- of which underground cable	(km)	41,188	40,979	40,979	209	0.5	Iberia
	Low-voltage network	(km)	181,457	180,336	179,391	1,121	0.6	Iberia
	- of which underground cable	(km)	85,067	84,468	84,128	599	0.7	Iberia
	Total electricity distribution network South America [7]	(km)	**624,653**	**566,010**	**322,146**	58,643	10.4	South America
	High-voltage network	(km)	20,112	18,308	12,339	1,804	9.9	South America
	- of which underground cable	(km)	874	754	674	120	15.9	South America
	Medium-voltage network	(km)	381,214	350,376	159,961	30,838	8.8	South America
	- of which underground cable [5]	(km)	14,471	11,491	11,610	2,981	25.9	South America
	Low-voltage network	(km)	223,326	197,326	149,846	26,000	13.2	South America
	- of which underground cable [5]	(km)	20,458	16,696	23,176	3,763	22.5	South America

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Energy transported and local coverage							
	Energy transported [8]	(TWh)	**485.4**	**460.7**	**426.7**	24.7	5.4	Enel
	Municipalities served by electric grid	(no.)	**13,739**	**13,558**	**13,368**	181	1.3	Enel
	SALES							
	Electricity volumes sold by market							
	Volumes sold free market	(GWh)	**152,619**	**151,722**	**137,351**	897	0.6	Enel
	Italy	(GWh)	64,500	59,262	48,302	5,238	8.8	Italy
	Iberia	(GWh)	76,772	83,036	79,008	-6,264	-7.5	Iberia
	Romania	(GWh)	7,519	6,318	2,855	1,201	19.0	Romania
	France [3]	(GWh)	-	-	2,218	-	-	France
	Slovakia [3]	(GWh)	-	-	2,398	-	-	Slovakia
	South America [9]	(GWh)	3,828	3,106	2,570	722	23.2	South America
	Volumes sold regulated market	(GWh)	**142,813**	**133,031**	**125,703**	9,782	7.4	Enel
	Italy	(GWh)	39,818	43,958	45,837	-4,140	-9.4	Italy
	Iberia	(GWh)	12,867	13,478	14,482	-611	-4.5	Iberia
	Romania	(GWh)	2,881	4,029	4,864	-1,148	-28.5	Romania
	South America [9]	(GWh)	87,247	71,566	60,520	15,681	21.9	South America
	Total volumes sold	(GWh)	**295,432**	**284,753**	**263,054**	10,679	3.8	Enel
	Electricity volumes sold by geographic area							
	Italy	(GWh)	104,318	103,220	94,139	1,098	1.1	Italy
	Iberia	(GWh)	89,639	96,514	93,490	-6,875	-7.1	Iberia
	Romania	(GWh)	10,400	10,347	7,719	53	0.5	Romania
	France [3]	(GWh)	-	-	2,218	-	-	France
	Slovakia [3]	(GWh)	-	-	2,398	-	-	Slovakia
	South America [9]	(GWh)	91,075	74,672	63,090	16,403	22.0	South America
	Volumes sold gas	(bn m^3)	**11.2**	**11.7**	**10.6**	-0.5	-4.3	Enel
	Italy	(bn m^3)	4.8	4.8	4.6	-	-	Italy
	Iberia	(bn m^3)	6.4	6.9	6.0	-0.5	-7.2	Iberia
102-7; 201-1	**ECONOMIC RESULTS**							
	Revenues	(mil euros)	**75,672**	**74,639**	**70,592**	1,033	1.4	Enel
	Italy	(mil euros)	38,398	38,781	36,957	-383	-1.0	Italy
	Iberia	(mil euros)	19,492	19,994	18,953	-502	-2.5	Iberia
	South America	(mil euros)	14,742	13,154	10,768	1,588	12.1	South America
	Europe and Euro-Mediterranean Affairs	(mil euros)	2,361	2,411	3,798	-50	-2.1	Europe and Euro-Mediterranean Affairs
	North and Central America	(mil euros)	1,438	1,187	1,125	251	21.1	North and Central America
	Africa, Asia and Oceania	(mil euros)	101	96	29	5	5.2	Africa, Asia and Oceania
	Other, eliminations and adjustments	(mil euros)	-860	-984	-1,038	124	12.6	Other
	EBITDA	(mil euros)	**16,351**	**15,653**	**15,276**	698	4.5	Enel
	Italy	(mil euros)	7,304	6,863	6,679	441	6.4	Italy
	Iberia	(mil euros)	3,558	3,573	3,562	-15	-0.4	Iberia
	South America	(mil euros)	4,370	4,204	3,556	166	3.9	South America

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Europe and Euro-Mediterranean Affairs	(mil euros)	516	543	762	-27	-5.0	Europe and Euro-Mediterranean Affairs
	North and Central America	(mil euros)	708	759	833	-51	-6.7	North and Central America
	Africa, Asia and Oceania	(mil euros)	54	57	14	-3	-5.3	Africa, Asia and Oceania
	Other, eliminations and adjustments	(mil euros)	-159	-346	-130	187	-54.0	Other
	Italy	(%)	44.7	43.8	43.7	0.9	-	Italy
	Iberia	(%)	21.8	22.8	23.3	-1.0	-	Iberia
	South America	(%)	26.7	26.9	23.3	-0.2	-	South America
	Europe and Euro-Mediterranean Affairs	(%)	3.2	3.5	5.0	-0.3	-	Europe and Euro-Mediterranean Affairs
	North and Central America	(%)	4.3	4.8	5.5	-0.5	-	North and Central America
	Africa, Asia and Oceania	(%)	0.3	0.4	0.1	-0.1	-	Africa, Asia and Oceania
	Other, eliminations and adjustments	(%)	-1.0	-2.2	-0.9	1.2	-	Other
	EBIT	(mil euros)	**9,900**	**9,792**	**8,921**	108	1.1	Enel
	EBT	(mil euros)	**8,201**	**7,211**	**5,780**	990	13.7	Enel
	Group net income	(mil euros)	**4,789**	**3,779**	**2,570**	1,010	26.7	Enel
	Creating value for stakeholders							
	Revenues	(mil euros)	75,672	74,639	70,592	1,033	1.4	Enel
	External costs	(mil euros)	53,881	53,680	49,257	201	0.4	Enel
	Net income/(expenses) from commodity risk	(mil euros)	483	578	-133	-95	-16.4	Enel
	Gross global added value continuing operations [10]	(mil euros)	**22,274**	**21,537**	**21,202**	737	3.4	Enel
	Shareholders	(mil euros)	2,765	1,983	2,542	782	39.4	Enel
	Lenders	(mil euros)	2,493	2,495	2,698	-2	-0.1	Enel
	Employees	(mil euros)	4,582	4,504	4,637	78	1.7	Enel
	State	(mil euros)	3,168	3,273	3,244	-105	-3.2	Enel
	Business system	(mil euros)	9,266	9,282	8,081	-16	-0.2	Enel
	Economic value generated							
	Economic value generated directly							
	Revenues	(mil euros)	75,672	74,639	70,592	1,033	1.4	Enel
	Economic value distributed	(mil euros)	**63,640**	**63,375**	**59,969**	265	0.4	Enel
	Operating costs	(mil euros)	53,398	53,103	49,390	295	0.6	Enel
	Personnel and benefit cost	(mil euros)	4,581	4,504	4,637	77	1.7	Enel
	Payment to lenders of capital	(mil euros)	2,493	2,495	2,698	-2	-0.1	Enel
	Payments to governments	(mil euros)	3,168	3,273	3,244	-105	-3.2	Enel
	Gross added value continuing operations	(mil euros)	-	-	-	-	-	Enel
	Economic value generated	(mil euros)	**12,032**	**11,264**	**10,623**	768	6.8	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Investments							
	Investments (11)	(mil euros)	**8,152**	**8,130**	**8,552**	22	0.3	Enel
	Italy	(mil euros)	**2,479**	**1,812**	**1,883**	667	36.8	Italy
	Iberia	(mil euros)	**1,433**	**1,105**	**1,147**	328	29.7	Iberia
	South America	(mil euros)	**2,246**	**3,002**	**3,069**	-756	-25.2	South America
	Europe and Euro-Mediterranean Affairs	(mil euros)	**390**	**307**	**265**	83	27.0	Europe and Euro-Mediterranean Affairs
	North and Central America	(mil euros)	**1,373**	**1,802**	**1,832**	-429	-23.8	North and Central America
	Africa, Asia and Oceania	(mil euros)	**142**	**30**	**304**	112	373.3	Africa, Asia and Oceania
	Total Abroad	(mil euros)	**5,584**	**6,246**	**6,618**	-662	-10.6	Abroad
	Adjustments	(mil euros)	89	72	52	17	23.6	Enel
	Weight of foreign investments	(%)	68.5	76.8	77.4	-8.3	-	Enel
	CASH COST (12)							
	net of non-recurring items	(mil euros)	**11,201**	**11,457**	**11,428**	-256	-2.2	Enel
	- of which fixed costs	(mil euros)	8,509	8,643	8,494	-134	-1.6	Enel
	- of which Maintenance Capex	(mil euros)	2,692	2,814	2,934	-122	-4.3	Enel

(1) The 2017 and 2016 figures have been recalculated in line with the reclassification of the turbogas plants in Italy (2,223 MW restated from Oil and gas to CCGT).
(2) In some thermal plants multiple technologies are present.
(3) Slovakia was removed from the scope of the Enel Group on July 29, 2016, Belgium on December 30, 2016 and France on November 30, 2016.
(4) Additional renewable capacity, excluding disposal and change in the scope, mainly in North, Central and South America.
(5) Regarding South America, the figure relating to 2017 has been restated.
(6) In 2018 the distribution companies Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución were acquired in Spain.
(7) In 2018, the distribution company Eletropaulo was acquired in Brazil.
(8) The distributed energy figure for 2017 takes into account a more precise determination of the quantities transported.
(9) The 2017 and 2016 figures have been recalculated in line with the reclassification of T3 Argentina customers that since 2018 are considered in the regulated market and no longer in the free market.
(10) In order to improve presentation, the comparative figures have been adjusted to take account of dividends actually distributed. Previously authorized but not yet paid ones had been included.
(11) The data refer only to continuing operations, and so do not include the values of assets classified as "held for sale".
(12) 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.

Communities and shared value

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
203-1	**INITIATIVES IN FAVOR OF THE COMMUNITY**							
	Contributions to communities - LBG method							
	Charitable donations [1]	(mil euros)	5.7	10.3	9.4	-4.6	-44.7	Enel
	Investments in communities	(mil euros)	85.0	52.0	23.2	33.0	63.5	Enel
	Commercial initiatives with a social impact	(mil euros)	23.8	28.3	26.1	-4.5	-15.9	Enel
	Socially sustainable business initiatives	(mil euros)	-	-	-	-	-	Enel
	Total (expense + investments) [2]	(mil euros)	**114.5**	**90.6**	**58.7**	23.9	26.4	Enel
	Enel Cuore Onlus							
	Solidarity projects supported by Enel Cuore	(no.)	**31**	**30**	**32**	1.0	3.3	Italy
	Sums provided to Enel Cuore Onlus by Enel Group companies	(mil euros)	**5.4**	**5.8**	**5.7**	-0.4	-6.9	Italy
	Subscription fees	(mil euros)	0.3	0.3	0.3	-	-	Italy
	Extraordinary contribution from associates [3]	(mil euros)	5.0	5.5	5.0	-0.5	-9.1	Italy
	Tied donations	(mil euros)	0.1	-	0.3	0.1	-	Italy
EU25	**SAFETY FOR COMMUNITIES**							
	Third-party injuries							
	Severe and fatal third-party injuries	(no.)	**90**	**80**	**109**	10	12.5	Enel
	fatal	(no.)	59	40	58	19	47.5	Enel
	severe	(no.)	31	40	51	-9	-22.5	Enel
	Third-party injuries by type							
	Electricity injuries	(%)	80.0	81.3	89.0	-1.3	-	Enel
	Road accidents against Group infrastructure [4]	(%)	16.7	12.5	8.3	4.2	-	Enel
	Accidents for other reasons (slipping, falling from height, crash-crush-cut) [5]	(%)	3.3	6.3	2.8	-3.0	-	Enel
	Causes of electricity accident							
	Construction activities near power lines [4]	(%)	52.8	24.6	25.8	28.2	-	Enel
	Attempted theft [4]	(%)	29.2	27.7	17.5	1.5	-	Enel
	Other [6]	(%)	18.1	47.7	56.7	-29.6	-	Enel

(1) The data includes grants made to Enel Cuore over the years.
(2) The difference between 2018-2017 is related to more investments in South America.
(3) As happened for the previous years, the amount indicated in 2018 refers for 5,000,000 euro to the total amount allocated to Enel Cuore Onlus, by way of "Extraordinary Contribution 2018", by some of the associated companies of the latter (E-Distribuzione SpA, Enel Energia SpA, Enel Produzione SpA and Enel Italia Srl). As at December 31, 2018 the amount allocated is equal to 1 million euros, the remaining 4 million euros amount will be allocated in 2019.
(4) The 2016 data has been updated.
(5) The 2016 and 2017 data have been updated.
(6) Mainly due to accidental contact with metal wires, agricultural work, plant cutting activities and more. The 2016 data has been updated.

Our people and their value

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	SIZE AND COMPOSITION OF WORKFORCE							
	Size of workforce							
102-7	**Total workforce**	(no.)	**69,272**	**62,900**	**62,080**	6,372	10.1	Enel
401-1	**Change to size** [1]							
	New recruits	(no.)	3,414	2,301	3,360	1,113	48.4	Enel
	Changes in scope	(no.)	7,704	2,931	-4,280	4,773	-	Enel
	Terminations	(no.)	4,746	4,413	4,914	333	7.5	Enel
	Balance	(no.)	**6,372**	**820**	**-5,834**	5,552	-	Enel
102-8	**Workforce by geographic area and gender**							
	Italy [2]	(no.)	**30,311**	**31,114**	**31,956**	-803	-2.6	Italy
	- of whom men	(no.)	24,562	25,413	26,252	-851	-3.3	Italy
	- of whom women	(no.)	5,749	5,701	5,704	48	0.8	Italy
	Abroad	(no.)	**38,961**	**31,786**	**30,124**	7,175	22.6	Abroad
	- of whom men	(no.)	30,410	24,557	23,295	5,853	23.8	Abroad
	- of whom women	(no.)	8,551	7,229	6,829	1,322	18.3	Abroad
	Iberia [3]	(no.)	**9,947**	**9,884**	**10,185**	63	0.6	Iberia
	- of whom men	(no.)	7,626	7,591	7,869	35	0.5	Iberia
	- of whom women	(no.)	2,321	2,293	2,316	28	1.2	Iberia
	Europe and Euro-Mediterranean Affairs	(no.)	**5,683**	**5,724**	**5,856**	-41	-0.7	Europe and Euro-Mediterranean Affairs
	- of whom men	(no.)	4,092	4,109	4,236	-17	-0.4	Europe and Euro-Mediterranean Affairs
	- of whom women	(no.)	1,591	1,615	1,620	-24	-1.5	Europe and Euro-Mediterranean Affairs
	Romania	(no.)	3,047	3,063	3,113	-16	-0.5	Romania
	- of whom men	(no.)	2,154	2,175	2,237	-21	-1.0	Romania
	- of whom women	(no.)	893	888	876	5	0.6	Romania
	Russia	(no.)	2,528	2,555	2,639	-27	-1.1	Russia
	- of whom men	(no.)	1,860	1,860	1,924	-	-	Russia
	- of whom women	(no.)	668	695	715	-27	-3.9	Russia
	Other (Europe and Euro-Mediterranean Affairs) [4]	(no.)	108	106	104	2	1.9	Europe and Euro-Mediterranean Affairs
	- of whom men	(no.)	78	74	75	4	5.4	Europe and Euro-Mediterranean Affairs
	- of whom women	(no.)	30	32	29	-2	-6.3	Europe and Euro-Mediterranean Affairs
	North and Central America [5]	(no.)	**2,232**	**2,050**	**891**	182	8.9	North and Central America
	- of whom men	(no.)	1,631	1,586	700	45	2.8	North and Central America

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	- of whom women	(no.)	601	464	191	137	29.5	North and Central America
	South America	(no.)	**20,858**	**13,903**	**12,979**	6,955	50.0	South America
	- of whom men	(no.)	16,908	11,145	10,357	5,763	51.7	South America
	- of whom women	(no.)	3,950	2,758	2,622	1,192	43.2	South America
	Africa, Asia and Oceania [6,7]	(no.)	**241**	**195**	**185**	46	23.6	Africa, Asia and Oceania
	- of whom men	(no.)	153	112	119	41	36.6	Africa, Asia and Oceania
	- of whom women	(no.)	88	83	66	5	6.0	Africa, Asia and Oceania
	Other [8]	(no.)	-	**30**	**28**	-	-	Other
	- of whom men	(no.)	-	14	14	-	-	Other
	- of whom women	(no.)	-	16	14	-	-	Other
	Total workforce	(no.)	**69,272**	**62,900**	**62,080**	6,372	10.1	Enel
	- of whom men	(no.)	54,972	49,970	49,547	5,002	10.0	Enel
	- of whom women	(no.)	14,300	12,930	12,533	1,370	10.6	Enel
405-1	**Workforce by level and gender**							
	Managers	(no.)	**1,346**	**1,281**	**1,284**	65	5.1	Enel
	- of whom men	(no.)	1,081	1,048	1,064	33	3.2	Enel
		(%)	80.3	81.8	82.9	-1.5	-	Enel
	- of whom women	(no.)	265	233	220	32	13.8	Enel
		(%)	19.7	18.2	17.1	1.5	-	Enel
	Middle Managers	(no.)	**10,985**	**10,416**	**9,796**	569	5.5	Enel
	- of whom men	(no.)	7,856	7,493	7,176	363	4.8	Enel
		(%)	71.5	71.9	73.3	-0.4	-	Enel
	- of whom women	(no.)	3,129	2,923	2,620	206	7.0	Enel
		(%)	28.5	28.1	26.7	0.4	-	Enel
	White-collar workers	(no.)	**34,710**	**32,654**	**32,654**	2,056	6.3	Enel
	- of whom men	(no.)	24,404	23,387	23,454	1,017	4.3	Enel
		(%)	70.3	71.6	71.8	-1.3	-	Enel
	- of whom women	(no.)	10,306	9,267	9,200	1,039	11.2	Enel
		(%)	29.7	28.4	28.2	1.3	-	Enel
	Blue-collar workers	(no.)	**22,231**	**18,549**	**18,346**	3,682	19.9	Enel
	- of whom men	(no.)	21,631	18,042	17,853	3,589	19.9	Enel
		(%)	97.3	97.3	97.3	-	-	Enel
	- of whom women	(no.)	600	507	493	93	18.4	Enel
		(%)	2.7	2.7	2.7	-	-	Enel
	Total	(n.)	**69,272**	**62,900**	**62,080**	6,372	10.1	Enel
	Index of professional qualification							
	Managers	(%)	1.9	2.0	2.1	-0.1	-	Enel
	Middle Managers	(%)	15.9	16.6	15.8	-0.7	-	Enel
	White-collar workers	(%)	50.1	51.9	52.6	-1.8	-	Enel
	Blue-collar workers	(%)	32.1	29.5	29.5	2.6	-	Enel
	Workforce by level of education							
	Total	(no.)	**69,272**	**62,900**	**62,080**	6,372	10.1	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Degree	(%)	37.3	37.4	35.3	-0.1	-	Enel
	High-school diploma	(%)	48.1	46.3	47.4	1.8	-	Enel
	Other	(%)	14.6	16.3	17.3	-1.7	-	Enel
405-1	**Workforce by age range and level**							
	< 30	(%)	**11.8**	**10.2**	**10.6**	1.6	-	Enel
	- of whom Managers	(%)	-	-	-	-	-	Enel
	- of whom Middle Managers	(%)	0.3	0.2	0.2	0.1	-	Enel
	- of whom White-collar workers	(%)	4.9	4.1	3.7	0.8	-	Enel
	- of whom Blue-collar workers	(%)	6.6	5.9	6.7	0.7	-	Enel
	30 - 50	(%)	**57.0**	**52.2**	**51.9**	4.8	-	Enel
	- of whom Managers	(%)	1.1	1.0	1.0	0.1	-	Enel
	- of whom Middle Managers	(%)	10.4	10.3	9.9	0.1	-	Enel
	- of whom White-collar workers	(%)	27.1	26.1	26.9	1.0	-	Enel
	- of whom Blue-collar workers	(%)	18.4	14.8	14.1	3.6	-	Enel
	> 50	(%)	**31.2**	**37.6**	**37.5**	-6.4	-	Enel
	- of whom Managers	(%)	0.9	1.0	1.1	-0.1	-	Enel
	- of whom Middle Managers	(%)	5.1	6.0	5.7	-0.9	-	Enel
	- of whom White-collar workers	(%)	18.1	21.8	21.9	-3.7	-	Enel
	- of whom Blue-collar workers	(%)	7.1	8.8	8.8	-1.7	-	Enel
	Average age	(years)	43.3	44.1	44.4	-0.8	-1.8	Enel
	Workforce by years of service							
	Average	(years)	**14.9**	**17.0**	**17.5**	-2.1	-12.2	Enel
	< 10	(no.)	27,794	22,370	22,040	5,424	24.2	Enel
	10 - 19	(no.)	16,157	14,211	12,656	1,946	13.7	Enel
	20 - 29	(no.)	14,600	14,807	15,767	-207	-1.4	Enel
	30 - 34	(no.)	7,057	7,127	6,795	-70	-1.0	Enel
	> 35	(no.)	3,664	4,385	4,822	-721	-16.4	Enel
	Total	(no.)	**69,272**	**62,900**	**62,080**	6,372	10.1	Enel
	< 10	(%)	40.1	35.6	35.5	4.5	-	Enel
	10 to 19	(%)	23.3	22.6	20.4	0.7	-	Enel
	20 to 29	(%)	21.1	23.5	25.4	-2.4	-	Enel
	30 to 34	(%)	10.2	11.3	10.9	-1.1	-	Enel
	Over 35	(%)	5.3	7.0	7.8	-1.7	-	Enel
102-8	**Workforce by type of contract and gender**							
	Permanent contract	(no.)	**68,137**	**62,053**	**60,921**	6,084	9.8	Enel
	- of whom men	(no.)	54,112	49,320	48,656	4,792	9.7	Enel
	- of whom women	(no.)	14,025	12,733	12,265	1,292	10.1	Enel
	Fixed-term contracts [9,10,11]	(no.)	**1,135**	**847**	**1,159**	288	34.0	Enel
	- of whom men	(no.)	860	650	891	210	32.3	Enel
	- of whom women	(no.)	275	197	268	78	39.6	Enel
	Fixed-term and insertion/ work contracts as percentage of total	(%)	**1.64**	**1.35**	**1.87**	0.3	-	Enel
	Internship and traineeships	(no.)	**1,153**	**1,595**	**3,347**	-442	-27.7	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
102-8	**Workforce by type of contract and geographic area**							
	Italy	(no.)	**30,311**	**31,114**	**31,956**	-803	-2.6	Italy
	Permanent contracts	(no.)	30,271	31,053	31,915	-782	-2.5	Italy
	Fixed-term contracts	(no.)	40	61	41	-21	-34.4	Italy
	Iberia	(no.)	**9,947**	**9,884**	**10,185**	63	0.6	Iberia
	Permanent contracts	(no.)	9,610	9,637	9,943	-27	-0.3	Iberia
	Fixed-term contracts	(no.)	337	247	242	90	36.4	Iberia
	South America	(no.)	**20,858**	**13,903**	**12,979**	6,955	50.0	South America
	Permanent contracts	(no.)	20,215	13,489	12,205	6,726	49.9	South America
	Fixed-term contracts [9]	(no.)	643	414	774	229	55.3	South America
	Europe and Euro-Mediterranean Affairs	(no.)	**5,683**	**5,724**	**5,856**	-41	-0.7	Europe and Euro-Mediterranean Affairs
	Permanent contracts	(no.)	5,648	5,709	5,780	-61	-1.1	Europe and Euro-Mediterranean Affairs
	Fixed-term contracts [10]	(no.)	35	15	76	20	-	Europe and Euro-Mediterranean Affairs
	North and Central America	(no.)	**2,232**	**2,050**	**891**	182	8.9	North and Central America
	Permanent contracts	(no.)	2,154	1,949	876	205	10.5	North and Central America
	Fixed-term contracts	(no.)	78	101	15	-23	-22.8	North and Central America
	Africa, Asia and Oceania	(no.)	**241**	**195**	**185**	46	23.6	Africa, Asia and Oceania
	Permanent contracts	(no.)	239	189	175	50	26.5	Africa, Asia and Oceania
	Fixed-term contracts [11]	(no.)	2	6	10	-4	-66.7	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**30**	**28**	-	-	Other
	Permanent contracts	(no.)	-	27	27	-	-	Other
	Fixed-term contracts	(no.)	-	3	1	-	-	Other
102-8	**Workforce by type of contract and gender**							
	Full-time contracts	(no.)	**68,390**	**61,930**	**61,156**	6,460	10.4	Enel
	- of whom men	(no.)	54,748	49,678	49,303	5,070	10.2	Enel
	- of whom women	(no.)	13,642	12,252	11,853	1,390	11.3	Enel
	Part-time contracts	(no.)	**882**	**970**	**924**	-88	-9.1	Enel
	- of whom men	(no.)	224	292	244	-68	-23.3	Enel
	- of whom women	(no.)	658	678	680	-20	-2.9	Enel
	Percentage of part-time	(%)	1.3	1.5	1.5	-0.2	-	Enel
401-1	**CHANGES TO SIZE**							
	New hires							
	New hires by gender	(no.)	**3,414**	**2,301**	**3,360**	1,113	48.4	Enel
	Hiring rate [12]	(i)	**4.9**	**3.7**	**5.4**	1.2	-	Enel
	- of whom men	(no.)	2,410	1,619	2,618	791	48.9	Enel
		(%)	70.6	70.4	77.9	0.2	-	Enel
	- of whom women	(no.)	1,004	682	742	322	47.2	Enel
		(%)	29.4	29.6	22.1	-0.2	-	Enel
	New hires by age range	(no.)	**3,414**	**2,301**	**3,360**	1,113	48.4	Enel
	up to 30	(no.)	1,622	927	1,709	695	75.0	Enel
		(%)	47.5	40.3	50.8	7.2	-	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	from 30 to 50	(no.)	1,628	1,127	1,406	501	44.5	Enel
		(%)	47.7	49.0	41.9	-1.3	-	Enel
	over 50	(no.)	164	247	245	-83	-33.6	Enel
		(%)	4.8	10.7	7.3	-5.9	-	Enel
	New hires by geographic area							
	Italy	(no.)	**796**	**403**	**1,136**	393	97.5	Italy
		(%)	23.3	17.5	33.8	5.8	-	Italy
	Iberia	(no.)	**425**	**315**	**362**	110	34.9	Iberia
		(%)	12.4	13.7	10.8	-1.3	-	Iberia
	Europe and Euro-Mediterranean Affairs	(no.)	**345**	**275**	**295**	70	25.5	Europe and Euro-Mediterranean Affairs
		(%)	10.1	11.9	8.8	-1.8	-	Europe and Euro-Mediterranean Affairs
	Romania	(no.)	160	145	173	15	10.3	Romania
		(%)	4.7	6.3	5.1	-1.6	-	Romania
	Russia	(no.)	174	125	109	49	39.2	Russia
		(%)	5.1	5.4	3.2	-0.3	-	Russia
	Other (Europe and Euro-Mediterranean Affairs) [4]	(no.)	11	5	13	6	-	Europe and Euro-Mediterranean Affairs
		(%)	0.3	0.2	0.4	0.1	-	Europe and Euro-Mediterranean Affairs
	North and Central America	(no.)	**603**	**405**	**182**	198	48.9	North and Central America
		(%)	17.7	17.6	5.4	0.1	-	North and Central America
	South America	(no.)	**1,173**	**861**	**992**	312	36.2	South America
		(%)	34.4	37.4	29.5	-3.0	-	South America
	Africa, Asia and Oceania	(no.)	**72**	**36**	**77**	36	100.0	Africa, Asia and Oceania
		(%)	2.1	1.6	2.3	0.5	-	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**6**	**316**	-	-	Other
		(%)	-	0.3	9.4	-	-	Other
	Effect of the changes in scope	(no.)	7,704	2,931	-4,280	4,773	-	Enel
	Terminations							
	Causes							
	Voluntary terminations	(no.)	1,451	794	686	657	82.7	Enel
	Incentive based terminations	(no.)	2,543	2,673	2,966	-130	-4.9	Enel
	Retirements and other	(no.)	752	946	1,262	-194	-20.5	Enel
	Total terminations	(no.)	**4,746**	**4,413**	**4,914**	333	7.5	Enel
	Turnover rate [13]	(i)	**6.9**	**7.0**	**7.9**	-0.1	-	Enel
	Terminations by gender							
	- men	(no.)	3,845	3,656	4,021	189	5.2	Enel
		(%)	81.0	82.8	81.8	-1.8	-	Enel
	- women	(no.)	900	757	893	143	18.9	Enel
		(%)	19.0	17.2	18.2	1.8	-	Enel
	Terminations by age range	(no.)	**4,746**	**4,413**	**4,914**	333	7.5	Enel
	up to 30	(no.)	499	321	257	178	55.5	Enel
		(%)	10.5	7.3	5.2	3.2	-	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	from 30 to 50	(no.)	1,532	1,088	1,119	444	40.8	Enel
		(%)	32.3	24.6	22.8	7.7	-	Enel
	over 50	(no.)	2,715	3,004	3,538	-289	-9.6	Enel
		(%)	57.2	68.1	72.0	-10.9	-	Enel
	Terminations by nationality							
	Italy	(no.)	**1,668**	**1,250**	**2,141**	418	33.4	Italy
		(%)	35.1	28.3	43.6	6.8	-	Italy
	Iberia	(no.)	**425**	**642**	**911**	-217	-33.8	Iberia
		(%)	9.0	14.5	18.5	-5.5	-	Iberia
	Europe and Euro-Mediterranean Affairs	(no.)	**384**	**407**	**465**	-23	-5.7	Europe and Euro-Mediterranean Affairs
		(%)	8.1	9.2	9.5	-1.1	-	Europe and Euro-Mediterranean Affairs
	Romania	(no.)	176	195	192	-19	-9.7	Romania
		(%)	3.7	4.4	3.9	-0.7	-	Romania
	Russia	(no.)	198	209	252	-11	-5.3	Russia
		(%)	4.2	4.7	5.1	-0.5	-	Russia
	Other (Europe and Euro-Mediterranean Affairs) [4]	(no.)	10	3	21	7	-	Europe and Euro-Mediterranean Affairs
		(%)	0.2	0.1	0.4	0.1	-	Europe and Euro-Mediterranean Affairs
	North and Central America	(no.)	**421**	**237**	**101**	184	77.6	North and Central America
		(%)	8.9	5.4	2.1	3.5	-	North and Central America
	South America	(no.)	**1,815**	**1,847**	**1,073**	-32	-1.7	South America
		(%)	38.2	41.9	21.8	-3.7	-	South America
	Africa, Asia and Oceania	(no.)	**33**	**26**	**12**	7	26.9	Africa, Asia and Oceania
		(%)	0.7	0.6	0.2	0.1	-	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**4**	**211**	-	-	Other
		(%)	-	0.1	4.3	-	-	Other
	Average number of years of service of employees whose employment ended in the year	(no.)	**21**	**26**	**29**	-5	-19.2	Enel
	by gender							
	- men	(no.)	22	27	30	-5	-18.5	Enel
	- women	(no.)	13	24	26	-11	-45.8	Enel
	by age							
	- under 30	(no.)	4	3	3	1	33.3	Enel
	- 30 to 50	(no.)	14	9	12	5	55.6	Enel
	- over 50	(no.)	34	28	31	6	21.4	Enel
	VALORIZATION							
404-3	**Assessment**							
	Dissemination of assessment	(%)	**94.8**	**94.8**	**95.0**	-	-	Enel
	- men	(%)	95.5	95.1	94.1	0.4	-	Enel
	- women	(%)	92.2	93.7	92.4	-1.5	-	Enel
	People assessed by level							
	Managers	(%)	95.9	97.3	97.6	-1.4	-	Enel
	Middle Managers	(%)	91.2	92.3	94.8	-1.1	-	Enel
	White collar	(%)	94.3	97.5	94.5	-3.2	-	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Blue collar	(%)	94.8	91.2	91.6	3.6	-	Enel
	Rewarding							
	Dissemination of incentives	(%)	**36.1**	**23.5**	**22.3**	12.6	-	Enel
	Employees with individual incentives	(no.)	24,976	14,799	13,874	10,177	68.8	Enel
	- of whom Managers	(no.)	1,336	1,209	1,259	127	10.5	Enel
	- of whom Middle Managers	(no.)	6,608	5,753	5,705	855	14.9	Enel
	- of whom White collar workers and Blue collar workers	(no.)	17,032	7,837	6,910	9,195	-	Enel
	Incidence of variable rewarding	(%)	**12.0**	**8.8**	**10.5**	3.2	-	Enel
	- of whom Managers	(%)	35.3	38.4	41.6	-3.1	-	Enel
	- of whom Middle Managers	(%)	11.4	9.4	12.1	2.0	-	Enel
	- of whom White collar workers	(%)	9.9	6.3	7.7	3.6	-	Enel
	- of whom Blue collar workers	(%)	9.9	4.6	5.3	5.3	-	Enel
	Italy	(%)	**10.7**	**10.2**	**10.4**	0.5	-	Italy
	Iberia	(%)	**5.2**	**5.6**	**6.5**	-0.4	-	Iberia
	South America	(%)	**23.3**	**9.8**	**9.2**	13.5	-	South America
	North and Central America	(%)	**11.1**	**3.8**	**81.0**	7.3	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(%)	**16.0**	**14.2**	**12.4**	1.8	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(%)	**29.8**	**8.8**	**9.1**	21.0	-	Africa, Asia and Oceania
	Other [8]	(%)	**-**	**13.0**	**10.1**	-	-	Other (Branch)
404-1	**Training**							
	Training hours by employees	(h/per cap)	**40.2**	**34.4**	**29.6**	5.8	16.9	Enel
	by gender							
	- men	(h/per cap)	41.2	36.4	32.1	4.8	13.2	Enel
	- women	(h/per cap)	36.2	25.0	27.1	11.2	44.8	Enel
	by level							
	Managers	(h/per cap)	40.3	38.9	35.3	1.4	3.6	Enel
	Middle Managers	(h/per cap)	42.2	36.8	38.4	5.4	14.7	Enel
	White collar workers	(h/per cap)	33.5	27.1	24.8	6.4	23.6	Enel
	Blue collar workers	(h/per cap)	50.1	45.3	33.2	4.8	10.6	Enel
	Total training hours (distance learning + classroom)	(,000 h)	**2,684**	**2,163**	**1,934**	521	24.1	Enel
	Training hours distance learning	(,000 h)	212	164	254	48	29.3	Enel
	- for managerial training	(,000 h)	105	44	63	61	-	Enel
	- for specialist training	(,000 h)	107	120	191	-13	-10.8	Enel
	Training hours in the classroom	(,000 h)	2,472	1,999	1,680	473	23.7	Enel
	- for managerial training	(,000 h)	636	484	439	152	31.4	Enel
	- for specialist training	(,000 h)	1,836	1,515	1,241	321	21.2	Enel
	Training hours job shadowing (on site coaching)	(,000 h)	0.8	-	-	0.8	-	Enel
	- for managerial training	(,000 h)	0.6	-	-	0.6	-	Enel
	- for specialist training	(,000 h)	0.1	-	-	0.1	-	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Incidence of distance learning training	(%)	**7.9**	**7.6**	**13.1**	0.3	-	Enel
	Total training hours by level	(,000 h)	**2,684**	**2,163**	**1,934**	521	24.1	Enel
	Managers	(,000 h)	54	51	47	3	5.9	Enel
	Middle Managers	(,000 h)	448	371	390	77	20.8	Enel
	White collar workers	(,000 h)	1,137	884	856	253	28.6	Enel
	Blue collar workers	(,000 h)	1,045	857	641	188	21.9	Enel
	Dissemination of sustainability							
	Training *per capita* on sustainability	(h/per cap)	15.2	8.2	9.9	7.0	85.4	Enel
	Total training hours on sustainability	(,000 h)	1,010	517	647	493	95.4	Enel
	Digitalization	(,000 h)	213	-	-	-	-	Enel
	Environment	(,000 h)	32	52	36	16	44.5	Enel
	Safety	(,000 h)	726	439	584	-145	-24.9	Enel
	Human rights	(,000 h)	4	-	-	-	-	Enel
	Other [14]	(,000 h)	16	-	-	-	-	Enel
	Code of Ethics	(,000 h)	19	26	27	-7	-25.8	Enel
201-3	**CORPORATE WELFARE**							
	Employees covered by pension plan (benefit plan)	(no.)	47,100	43,074	41,749	4,026	9.3	Enel
	Employees covered by pension plan (benefit plan)	(%)	68.0	68.5	67.2	-0.5	-	Enel
EU15	**Employees entitled to retire in next 5 to 10 years, by geographic area (main countries in which Enel operates are listed)**							
	Pension within 5 years - Enel							
	Managers	(%)	4.6	6.9	4.9	-2.3	-	Enel
	Middle Managers	(%)	4.3	5.7	4.0	-1.4	-	Enel
	White collar workers	(%)	6.3	6.9	5.3	-0.6	-	Enel
	Blue collar workers	(%)	4.8	5.5	3.3	-0.7	-	Enel
	Average	(%)	5.4	6.5	5.1	-1.1	-	Enel
	Pension within 10 years - Enel							
	Managers	(%)	14.4	17.3	16.4	-2.9	-	Enel
	Middle Managers	(%)	14.0	15.1	16.7	-1.1	-	Enel
	White collar workers	(%)	18.8	17.5	21.3	1.3	-	Enel
	Blue collar workers	(%)	14.8	13.5	15.0	1.3	-	Enel
	Average	(%)	15.7	16.7	20.1	-1.0	-	Enel
	Pension within 5 years - Italy							
	Managers	(%)	1.7	3.3	3.4	-1.6	-	Italy
	Middle Managers	(%)	4.6	4.7	4.5	-0.1	-	Italy
	White collar workers	(%)	6.2	6.7	5.8	-0.5	-	Italy
	Blue collar workers	(%)	2.5	3.2	2.8	-0.7	-	Italy
	Average	(%)	4.8	5.3	4.7	-0.5	-	Italy
	Pension within 10 years - Italy							
	Managers	(%)	6.8	9.4	13.8	-2.6	-	Italy

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Middle Managers	(%)	12.6	13.8	20.2	-1.2	-	Italy
	White collar workers	(%)	17.3	17.3	25.0	-	-	Italy
	Blue collar workers	(%)	7.6	8.7	13.3	-1.1	-	Italy
	Average	(%)	13.5	14.2	20.8	-0.7	-	Italy
	Pension within 5 years - Iberia							
	Managers	(%)	5.2	4.5	5.1	0.7	-	Iberia
	Middle Managers	(%)	3.4	2.5	2.6	0.9	-	Iberia
	White collar workers	(%)	5.9	5.0	3.5	0.8	-	Iberia
	Blue collar workers	(%)	8.5	6.2	3.9	2.4	-	Iberia
	Average	(%)	5.7	4.5	3.4	1.2	-	Iberia
	Pension within 10 years - Iberia							
	Managers	(%)	21.2	26.1	25.6	-5.0	-	Iberia
	Middle Managers	(%)	14.1	13.7	14.4	0.4	-	Iberia
	White collar workers	(%)	24.9	23.3	24.1	1.6	-	Iberia
	Blue collar workers	(%)	31.2	28.3	25.9	2.9	-	Iberia
	Average	(%)	22.8	21.6	21.8	1.2	-	Iberia
	Europe and Euro-Mediterranean Affairs							
	Pension within 5 years - Russia							
	Managers	(%)	-	10.5	11.1	-10.5	-	Russia
	Middle Managers	(%)	4.1	10.2	9.2	-6.1	-	Russia
	White collar workers	(%)	4.3	11.1	10.4	-6.8	-	Russia
	Blue collar workers	(%)	4.0	7.7	6.2	-3.7	-	Russia
	Average	(%)	4.0	9.4	8.3	-5.4	-	Russia
	Pension within 10 years - Russia							
	Managers	(%)	4.8	15.8	11.1	-11.0	-	Russia
	Middle Managers	(%)	10.0	22.4	21.5	-12.4	-	Russia
	White collar workers	(%)	13.0	24.9	24.7	-11.9	-	Russia
	Blue collar workers	(%)	8.5	19.2	19.5	-10.7	-	Russia
	Average	(%)	10.1	21.9	21.8	-11.8	-	Russia
	Pension within 5 years - Romania							
	Managers	(%)	-	0.1	0.1	-0.1	-	Romania
	Middle Managers	(%)	4.4	0.4	0.3	4.0	-	Romania
	White collar workers	(%)	4.9	1.7	2.0	3.2	-	Romania
	Blue collar workers	(%)	1.8	0.5	0.6	1.3	-	Romania
	Average	(%)	3.5	2.6	3.0	0.9	-	Romania
	Pension within 10 years - Romania							
	Managers	(%)	10.5	0.1	0.1	10.4	-	Romania
	Middle Managers	(%)	15.6	1.4	1.4	14.2	-	Romania
	White collar workers	(%)	17.7	7.7	7.7	10.0	-	Romania
	Blue collar workers	(%)	18.3	6.1	5.6	12.2	-	Romania
	Average	(%)	17.7	15.4	14.5	2.3	-	Romania
	South America							

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Pension within 5 years - South America							
	Managers	(%)	16.8	18.3	5.0	-1.5	-	South America
	Middle Managers	(%)	6.1	11.5	4.4	-5.4	-	South America
	White collar workers	(%)	7.8	10.1	5.5	-2.3	-	South America
	Blue collar workers	(%)	6.7	11.6	5.5	-4.9	-	South America
	Average	(%)	7.3	11.7	7.2	-4.4	-	South America
	Pension within 10 years - South America							
	Managers	(%)	37.8	34.4	14.6	3.4	-	South America
	Middle Managers	(%)	22.9	22.6	15.1	0.3	-	South America
	White collar workers	(%)	22.0	16.8	14.5	5.2	-	South America
	Blue collar workers	(%)	18.3	16.6	16.5	1.7	-	South America
	Average	(%)	17.4	19.5	19.1	-2.1	-	South America
	North and Central America							
	Pension within 5 years - North and Central America							
	Managers	(%)	-	3.5	51.8	-3.5	-	North and Central America
	Middle Managers	(%)	1.8	0.4	6.8	1.4	-	North and Central America
	White collar workers	(%)	1.2	1.2	6.3	-	-	North and Central America
	Blue collar workers	(%)	1.2	-	10.5	1.2	-	North and Central America
	Average	(%)	1.3	5.1	8.8	-3.8	-	North and Central America
	Pension within 10 years - North and Central America							
	Managers	(%)	-	9.9	51.8	-9.9	-	North and Central America
	Middle Managers	(%)	4.1	3.0	17.1	1.1	-	North and Central America
	White collar workers	(%)	4.7	3.4	12.6	1.3	-	North and Central America
	Blue collar workers	(%)	1.6	-	28.1	1.6	-	North and Central America
	Average	(%)	4.2	16.3	19.6	-12.1	-	North and Central America
	MATERNITY - Parental leave							
	Parental leave by gender	(no.)	**2,486**	**2,429**	**2,171**	57	2.3	Enel
	- men	(no.)	1,412	1,297	1,048	115	8.9	Enel
	- women	(no.)	1,074	1,132	1,123	-58	-5.2	Enel
	EQUAL OPPORTUNITIES							
405-1	**Gender**							
	Workforce by gender and level							
	Women	(no.)	**14,300**	**12,930**	**12,533**	1,370	10.6	Enel
	Managers	(no.)	265	233	220	32	13.8	Enel
	Middle Managers	(no.)	3,129	2,923	2,620	206	7.0	Enel
	White collar workers	(no.)	10,306	9,267	9,200	1,039	11.2	Enel
	Blue collar workers	(no.)	600	507	493	93	18.4	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Men	(no.)	**54,972**	**49,970**	**49,547**	5,002	10.0	Enel
	Managers	(no.)	1,081	1,048	1,064	33	3.2	Enel
	Middle Managers	(no.)	7,856	7,493	7,176	363	4.8	Enel
	White collar workers	(no.)	24,404	23,387	23,454	1,017	4.3	Enel
	Blue collar workers	(no.)	21,631	18,042	17,853	3,589	19.9	Enel
	Incidence of employees by gender							
	Women	(%)	**20.6**	**20.6**	**20.2**	-	-	Enel
	Managers	(%)	0.4	0.4	0.4	-	-	Enel
	Middle Managers	(%)	4.5	4.6	4.2	-0.1	-	Enel
	White collar workers	(%)	14.9	14.7	14.8	0.2	-	Enel
	Blue collar workers	(%)	0.9	0.8	0.8	0.1	-	Enel
	Men	(%)	**79.4**	**79.4**	**79.8**	-	-	Enel
	Managers	(%)	1.6	1.7	1.7	-0.1	-	Enel
	Middle Managers	(%)	11.3	11.9	11.6	-0.6	-	Enel
	White collar workers	(%)	35.2	37.2	37.8	-2.0	-	Enel
	Blue collar workers	(%)	31.2	28.7	28.8	2.5	-	Enel
	Level of female staff	(%)	**27.5**	**27.0**	**25.6**	0.5	-	Enel
405-2	**Ratio of gross salary Women/Men**							
	Ratio of gross salary Women/ Men	(%)	103.5	101.9	101.7	1.6	-	Enel
	Managers	(%)	84.6	82.3	89.0	2.3	-	Enel
	Middle Managers	(%)	92.8	95.4	96.3	-2.6	-	Enel
	White collar workers	(%)	97.5	92.2	93.9	5.3	-	Enel
	Blue collar workers	(%)	90.0	85.1	82.2	4.9	-	Enel
405-1	**Disability**							
	Disabled or belonging to protected categories by gender	(no.)	**2,194**	**1,982**	**2,014**	212	10.7	Enel
	- of whom men	(no.)	1,494	1,378	1,396	116	8.4	Enel
	- of whom women	(no.)	700	604	618	96	15.9	Enel
	Incidence of disabled or belonging to protected categories by gender	(%)	**3.2**	**3.2**	**3.2**	-	-	Enel
	- of whom men	(%)	2.2	2.2	2.2	-	-	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	-1	-	Enel
	Middle Managers	(no.)	100	88	84	12	13.6	Enel
	White collar workers	(no.)	1,913	1,761	1,815	152	8.6	Enel
	Blue collar workers	(no.)	181	132	114	49	-	Enel
	Incidence of disabled or belonging to protected categories by level							
	Managers	(%)	-	-	-	-	-	Enel
	Middle Managers	(%)	0.1	0.1	0.1	-	-	Enel
	White collar workers	(%)	2.8	2.8	2.9	-	-	Enel
	Blue collar workers	(%)	0.3	0.2	0.2	0.1	-	Enel
	WORKING FROM HOME							
	Telecommuting license							
	Employees with telecommuting license by gender	(no.)	1,554	2,671	1,038	-1,117	-41.8	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	- of whom men	(no.)	702	1,274	427	-572	-44.9	Enel
	- of whom women	(no.)	852	1,397	611	-545	-39.0	Enel
	Employees with telecommuting license by gender	(%)	2.2	4.2	1.7	-2.0	-	Enel
	- of whom men	(%)	1.3	2.0	0.7	-0.7	-	Enel
	- of whom women	(%)	6.0	2.2	1.0	3.8	-	Enel
102-41	**RELATIONS WITH UNIONS**							
	Union membership in the electricity sector	(%)	**39.7**	**47.4**	**49.4**	-7.7	-	Enel
	Employees covered by collective agreements, by geographic area							
	Total Enel	(no.)	**63,410**	**57,828**	**57,755**	5,582	9.7	Enel
		(%)	91.5	91.9	93.0	-0.4	-	Enel
	Italy	(no.)	**30,296**	**31,114**	**31,956**	-818	-2.6	Italy
		(%)	100.0	100.0	100.0	-	-	Italy
	Iberia	(no.)	**9,036**	**8,995**	**9,658**	41	0.5	Iberia
		(%)	90.8	91.0	94.9	-0.2	-	Iberia
	Romania	(no.)	**3,047**	**3,063**	**3,111**	-16	-0.5	Romania
		(%)	100.0	100.0	100.0	-	-	Romania
	Russia	(no.)	**2,190**	**2,350**	**2,447**	-160	-6.8	Russia
		(%)	86.6	92.1	92.7	-5.5	-	Russia
	South America	(no.)	**18,817**	**12,035**	**10,508**	6,782	56.4	South America
		(%)	90.2	86.7	81.0	3.5	-	South America
	North and Central America	(no.)	**24**	**215**	**24**	-191	-88.8	North and Central America
		(%)	1.1	10.5	2.7	-9.4	-	North and Central America
	Africa, Asia and Oceania [7]	(no.)	**-**	**55**	**50**	-55	-100.0	Africa, Asia and Oceania
		(%)	-	28.2	27.0	-28.2	-	Africa, Asia and Oceania
	Other [8]	(no.)	**-**	**1**	**1**	-	-	Other
		(%)	-	3.3	3.6	-	-	Other
	Dispute with employees							
	Total proceedings	(no.)	13,350	3,496	3,205	9,854	-	Enel
	Incidence of proceedings as defendant	(%)	98.7	80.7	96.2	18.0	-	Enel

(1) In 2018 the following companies have been acquired: Eletropaulo in Brazil, YouSave in Italy, Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución in Spain.
(2) Includes Branch Enel Produzione (Russia, Slovakia), Enelpower (Saudi Arabia), Branch Enel Trading (Algeria), Enel New Hydro, and Dutch financial companies.
(3) Includes International Endesa BV (IEBV).
(4) The following countries are considered within this scope: Belgium, Bulgaria, Greece, Egypt, France, Germany and Turkey and the Croatia Branch.
(5) Of employees in North America, 1,067 employees of EnerNOC were considered, of whom 55% were in North America and 45% in other countries (South America, Europe, Asia and Oceania) and 90 of eMotorWerks, of whom 83% were in North America and 17% in other European countries.
(6) The following countries are considered within the scope: India, Kenya, South Africa, Zambia, Indonesia, Australia, Morocco.
(7) Following the reorganization of the company, in 2018 Morocco is considered within the scope of Africa, Asia and Oceania.
(8) The branches listed under "Other" in 2017 and 2016 have been redistributed as defined in notes (2-5). It was not considered necessary to show the change compared to 2017.
(9) The data also includes 14 *de obra* (temporary) work contracts for 2018, 4 trainee contracts for 2017 and 5 for 2016, all in South America.
(10) The data also includes 63 trainee contracts for 2016 in Europe and Euro-Mediterranean Affairs (Romania).
(11) The data also includes 10 trainee contracts for 2016 in Asia, Africa and Oceania (South Africa).
(12) Hiring rate = Total new hires/Total workforce.
(13) Turnover rate = Total terminations/Total workforce.
(14) The data also includes training for privacy, anti-corruption, relations with communities and diversity.

Operational improvement for a better service

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
EU3	**CUSTOMERS**							
102-6	**Electricity market (average number of customers)**							
	Customers Italy	(no.)	**25,602,096**	**26,420,058**	**26,776,635**	-817,962	-3.1	Italy
	Free market	(no.)	8,244,332	7,552,217	6,732,570	692,115	9.2	Italy
	- mass market customers	(no.)	6,539,010	5,938,899	5,266,409	600,111	10.1	Italy
	- business customers	(no.)	1,666,261	1,580,305	1,420,466	85,956	5.4	Italy
	- customers in protected categories	(no.)	39,061	33,013	45,695	6,048	18.3	Italy
	Regulated market	(no.)	17,357,764	18,867,841	20,044,065	-1,510,077	-8.0	Italy
	Customers Iberia	(no.)	**10,799,974**	**10,941,644**	**11,047,937**	-141,670	-1.3	Iberia
	Free market	(no.)	5,617,663	5,475,822	5,185,041	141,841	2.6	Iberia
	Regulated market	(no.)	5,182,311	5,465,822	5,862,896	-283,511	-5.2	Iberia
	Customers South America	(no.)	**22,585,296**	**18,044,215**	**15,478,255**	4,541,081	25.2	South America
	Free market [1]	(no.)	365	284	167	81	28.5	South America
	Regulated market [1]	(no.)	22,584,931	18,043,931	15,478,088	4,541,000	25.2	South America
	Customers South America - Argentina	(no.)	**2,539,165**	**2,518,795**	**2,490,810**	20,370	0.8	Argentina
	Free market	(no.)	-	-	-	-	-	Argentina
	Regulated market	(no.)	2,539,165	2,518,795	2,490,810	20,370	0.8	Argentina
	Customers South America - Brazil	(no.)	**13,336,468**	**8,986,533**	**6,843,998**	4,349,935	48.4	Brazil
	Free market	(no.)	-	-	-	-	-	Brazil
	Regulated market	(no.)	13,336,468	8,986,533	6,843,998	4,349,935	48.4	Brazil
	Customers South America - Chile	(no.)	**1,905,321**	**1,855,668**	**1,803,598**	49,653	2.7	Chile
	Free market	(no.)	-	-	-	-	-	Chile
	Regulated market	(no.)	1,905,321	1,855,668	1,803,598	49,653	2.7	Chile
	Customers South America - Colombia	(no.)	**3,393,538**	**3,296,738**	**2,986,719**	96,800	2.9	Colombia
	Free market	(no.)	-	-	-	-	-	Colombia
	Regulated market	(no.)	3,393,538	3,296,738	2,986,719	96,800	2.9	Colombia
	Customers South America - Peru	(no.)	**1,410,804**	**1,386,481**	**1,353,130**	24,323	1.8	Peru
	Free market [1]	(no.)	365	284	167	81	28.5	Peru
	Regulated market [1]	(no.)	1,410,439	1,386,197	1,352,963	24,242	1.7	Peru
	Customers Romania	(no.)	**2,921,353**	**2,782,014**	**2,736,908**	139,339	5.0	Romania
	Free market	(no.)	1,370,526	656,241	285,969	714,285	-	Romania
	Regulated market	(no.)	1,550,827	2,125,773	2,450,939	-574,946	-27.0	Romania
	Total customers Enel	(no.)	**61,908,719**	**58,187,931**	**56,039,735**	3,720,788	6.4	Enel
	Total free market [1]	(no.)	15,232,886	13,684,564	12,203,747	1,548,322	11.3	Enel
	Total regulated market [1]	(no.)	46,675,833	44,503,367	43,835,988	2,172,466	4.9	Enel
	Gas market (average number of customers)							
	Customers Italy	(no.)	4,103,790	4,003,484	3,876,191	100,306	2.5	Italy
	Customers Iberia	(no.)	1,589,630	1,550,424	1,513,379	39,206	2.5	Iberia

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Customers Romania	(no.)	35,012	2,421	-	32,591	-	Romania
	Total customers gas market	(no.)	**5,728,432**	**5,556,329**	**5,389,570**	172,103	3.1	Enel
	Total customers Enel electricity and gas	(no.)	**67,637,151**	**63,744,260**	**61,429,305**	3,892,891	6.1	Enel
	PUBLIC LIGHTING							
	Customers public lighting	(no.)	**3,262**	**3,405**	**3,490**	-143	-4.2	Italy
	Light sources public lighting	(,000)	**1,740**	**1,855**	**1,921**	-115	-6.2	Italy
	VOLUMES SOLD							
	Electricity							
	Free market	(GWh)	152,619	155,955	140,905	-3,336	-2.1	Enel
	Regulated market	(GWh)	142,813	128,798	122,149	14,015	10.9	Enel
	Total volumes sold	(GWh)	**295,432**	**284,753**	**263,054**	10,679	3.8	Enel
	Gas							
	Italy	(bn m^3)	**4.8**	**4.8**	**4.6**	-	-	Italy
	- mass market customers	(bn m^3)	3.0	2.9	2.8	0.1	3.4	Italy
	- business customers	(bn m^3)	1.8	1.9	1.8	-0.1	-5.3	Italy
	Iberia	(bn m^3)	**6.4**	**6.9**	**6.0**	-0.5	-7.2	Iberia
	Total volumes sold Enel	(bn m^3)	**11.2**	**11.7**	**10.6**	-0.5	-4.3	Enel
	ENERGY AVAILABILITY AND REALIABILITY							
EU11	**Efficency thermoelectric generation** [2]							
	Incidence of CCGT generation out of total thermoelectric power	(%)	39.9	34.7	34.7	5.2	-	Enel
	Average thermoelectric generation yield without heat component	(%)	**40.1**	**40.7**	**40.2**	-0.6	-	Enel
	Average thermoelectric generation yield with heat	(%)	**41.1**	**41.6**	**42.0**	-0.5	-	Enel
	Average yield by technology without heat component							
	Yield coal plants	(%)	36.2	36.0	36.1	0.2	-	Enel
	Yield oil/gas plants	(%)	36.7	36.8	36.7	-0.1	-	Enel
	Yield CCGT plants	(%)	53.1	55.7	55.4	-2.6	-	Enel
	Average yield by geographic area without heat component							
	Average thermoelectric generation yield Italy	(%)	39.1	39.5	40.2	-0.4	-	Italy
	Average thermoelectric generation yield Russia	(%)	38.7	38.4	38.3	0.3	-	Russia
	Average thermoelectric generation yield Iberia	(%)	39.6	41.4	40.2	-1.8	-	Iberia
	Average thermoelectric generation yield Chile	(%)	44.0	44.5	45.6	-0.5	-	Chile
	Average thermoelectric generation yield Argentina	(%)	46.9	46.8	43.3	0.1	-	Argentina
	Average thermoelectric generation yield Brazil	(%)	48.9	49.1	49.8	-0.2	-	Brazil

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Average thermoelectric generation yield Peru	(%)	46.2	41.8	45.1	4.4	-	Peru
	Average thermoelectric generation yield Colombia	(%)	26.0	26.9	25.8	-0.9	-	Colombia
	Average yield with heat component by technology							
	Yield coal plants	(%)	36.4	36.2	36.2	0.2	-	Enel
	Yield oil/gas plants	(%)	40.6	40.6	40.6	-	-	Enel
	Yield CCGT plants	(%)	53.3	55.7	55.6	-2.4	-	Enel
	Average yield with heat component by geographic area							
	Average thermoelectric generation yield Russia	(%)	41.7	41.5	41.5	0.2	-	Russia
EU30	**Availability of thermoelectric generation by geographic area**							
	Average availability thermoelectric generation Italy	(%)	86.7	89.0	86.3	-2.3	-	Italy
	Average availability thermoelectric generation Russia	(%)	86.7	82.7	81.5	4.0	-	Russia
	Average availability thermoelectric generation Iberia	(%)	93.0	92.6	94.7	0.4	-	Iberia
	Average availability thermoelectric generation Chile	(%)	91.5	90.6	88.7	0.9	-	Chile
	Average availability thermoelectric generation Argentina	(%)	74.6	82.2	66.0	-7.6	-	Argentina
	Average availability thermoelectric generation Brazil	(%)	100.0	99.6	85.6	0.4	-	Brazil
	Average availability thermoelectric generation Peru	(%)	88.6	89.3	94.2	-0.7	-	Peru
	Average availability thermoelectric generation Colombia	(%)	84.6	94.1	72.2	-9.5	-	Colombia
EU28	**Service interruptions - frequency (SAIFI)** [3]							
	Frequency of interruptions by customer Italy	(no.)	1.8	1.6	1.5	0.2	12.5	Italy
	Frequency of interruptions by customer Romania	(no.)	3.8	4.1	4.7	-0.3	-7.3	Romania
	Frequency of interruptions by customer Iberia	(no.)	1.6	1.8	1.4	-0.2	-11.1	Iberia
	Frequency of interruptions by customer Peru	(no.)	2.8	2.5	2.6	0.3	12.0	Peru
	Frequency of interruptions by customer Chile	(no.)	1.5	1.7	1.4	-0.2	-11.8	Chile
	Frequency of interruptions by customer Argentina	(no.)	6.7	6.8	6.9	-0.1	-1.5	Argentina
	Frequency of interruptions by customer Brazil (Ampla)	(no.)	7.7	9.8	12.0	-2.1	-21.4	Brazil
	Frequency of interruptions by customer Brazil (Coelce)	(no.)	4.4	4.9	4.6	-0.5	-10.2	Brazil
	Frequency of interruptions by customer Brazil (Goiás)	(no.)	12.3	15.8	-	-3.5	-22.2	Brazil
	Frequency of interruptions by customer Brazil (ELPL)	(no.)	4.1	-	-	4.1	-	Brazil
	Frequency of interruptions by customer Colombia	(no.)	9.0	10.0	8.8	-1.0	-10.0	Colombia

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
EU29	**Service interruptions - duration (SAIDI)** [3]							
	Service continuity index Italy	(min)	47	43	37	4	9.3	Italy
	Service continuity index Romania	(min)	174	191	210	-17	-8.9	Romania
	Service continuity index Iberia	(min)	80	84	62	-4	-4.8	Iberia
	Service continuity index Peru	(min)	436	469	485	-33	-7.0	Peru
	Service continuity index Chile	(min)	178	230	207	-52	-22.6	Chile
	Service continuity index Argentina	(min)	1,512	1,770	2,046	-258	-14.6	Argentina
	Service continuity index Brazil (Ampla)	(min)	833	1,085	1,321	-252	-23.2	Brazil
	Service continuity index Brazil (Coelce)	(min)	523	515	502	8	1.6	Brazil
	Service continuity index Brazil (Goiás)	(min)	1,538	1,861	-	-323	-17.4	Brazil
	Service continuity index Brazil (ELPL)	(min)	423	-	-	423	-	Brazil
	Service continuity index Colombia	(min)	710	820	688	-110	-13.4	Colombia
EU12	**Grid losses** [3]							
	Grid losses Italy	(%)	4.7	4.8	4.8	-0.1	-	Italy
	Grid losses Romania	(%)	9.8	11.0	11.4	-1.2	-	Romania
	Grid losses Iberia	(%)	7.5	8.1	8.4	-0.6	-	Iberia
	Grid losses Peru	(%)	8.1	8.2	7.8	-0.1	-	Peru
	Grid losses Chile	(%)	5.0	5.1	5.3	-0.1	-	Chile
	Grid losses Argentina	(%)	14.2	12.0	12.0	2.2	-	Argentina
	Grid losses Brazil (Ampla)	(%)	21.0	20.4	19.4	0.6	-	Brazil
	Grid losses Brazil (Coelce)	(%)	13.9	13.6	12.5	0.3	-	Brazil
	Grid losses Brazil (Goiás)	(%)	11.6	11.7	-	-0.1	-	Brazil
	Grid losses Brazil (ELPL)	(%)	9.5	-	-	9.5	-	Brazil
	Grid losses Colombia	(%)	7.7	7.8	7.1	-0.1	-	Colombia
	SERVICE QUALITY							
	ELECTRICITY MARKET ITALY							
	Commercial structure							
	Enel retail outlets (electricity + gas)	(no.)	120	123	130	-3	-2.4	Italy
	Indirect physical network	(no.)	850	800	700	50	6.3	Italy
	Call center							
	Regulated market - 800 900 800							
	Call center service level	(%)	96.0	97.1	96.2	-1.1	-	Italy
	Average waiting time	(sec)	109	104	140	5	4.8	Italy
	Training for call center operator (IN Enel)	(h/per cap)	17	16	31	1	6.3	Italy
	Free market (electricity and gas) - 800 900 860							
	Call center service level	(%)	93.0	97.6	97.1	-4.6	-	Italy
	Average waiting time	(sec)	95	94	92	1	1.1	Italy
	Training for call center operator (IN Enel)	(h/per cap)	69	23	46	46	-	Italy

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Service speed							
	Execution of simple work	(dd)	5.7	5.5	6.2	0.2	3.6	Italy
	Supply activation	(dd)	0.7	0.7	0.8	-	-	Italy
102-43; 102-44	**Customer Satisfaction**							
	Regulated market							
	Customer Satisfaction Index [4]	(i)	92.4	92.3	91.6	0.1	0.1	Italy
	Frequency of surveys	(no.)	1	2	2	-1	-50.0	Italy
	Written complaints and information requests	(,000)	108.5	119.8	130.0	-11.3	-9.4	Italy
	Response time to written complaints	(dd)	20.9	17.0	25.6	3.9	22.9	Italy
	Free market							
	Customer Satisfaction Index [4]	(i)	90.2	91.3	92.8	-1.1	-1.2	Italy
	Frequency of surveys	(no.)	1	2	2	-1	-50.0	Italy
	Written complaints and information requests	(,000)	70.2	69.7	77.3	0.5	0.7	Italy
	Response time to written complaints	(dd)	14.3	11.2	13.2	3.1	27.7	Italy
	ELECTRICITY MARKET ROMANIA							
	Commercial structure							
	Agencies	(no.)	17	16	15	1	6.3	Romania
	Indirect channel	(no.)	69	70	44	-1	-1.4	Romania
	Call center							
	Call center service level Regulated market	(%)	81.2	78.8	83.7	2.4	-	Romania
	Call center service level free market	(%)	89.7	n.a.	n.a.	-	-	Romania
	Customer Satisfaction							
	Regulated market							
	Customer Satisfaction Index [5]	(i)	86.0	84.0	81.0	2.0	2.4	Romania
	Written complaints and information requests [6]	(,000)	80.0	112.0	23.6	-32.0	-28.6	Romania
	Response time to written complaints [6]	(dd)	15.0	14.0	6.0	1.0	7.1	Romania
	Free market							
	Customer Satisfaction Index [6]	(i)	87.0	88.0	84.9	-1.0	-1.1	Romania
	Written complaints and information requests [6]	(,000)	117.0	23.2	7.1	93.8	-	Romania
	Response time to written complaints [6]	(dd)	16.0	14.0	8.0	2.0	14.3	Romania
	ELECTRICITY MARKET IBERIA							
	Commercial structure							
	Agencies [7]	(no.)	11	11	13	-	-	Iberia
	Indirect channel [6]	(no.)	275	277	288	-2	-0.7	Iberia
	Call center							
	Call center service level regulated market [5]	(%)	94.6	96.9	97.2	-2.3	-	Iberia
	Call center service level free market	(%)	94.2	96.6	97.0	-2.4	-	Iberia
	Service speed							
	Supply activation	(dd)	5.7	6.8	6.8	-1.1	-16.2	Iberia

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Customer satisfaction regulated market (former TUR market)							
	Customer Satisfaction Index	(i)	7.2	7.2	6.9	-	-	Iberia
	Written complaints and information requests	(,000)	8.3	8.1	10.0	0.2	2.5	Iberia
	Response time to written complaints	(dd)	9.1	7.8	12.2	1.3	16.7	Iberia
	Customer satisfaction free market (former no TUR market)							
	Customer Satisfaction Index	(i)	7.2	7.0	6.9	0.2	2.9	Iberia
	Written complaints and information requests	(,000)	12.9	14.1	18.7	-1.2	-8.5	Iberia
	Response time to written complaints	(dd)	10.9	8.1	13.3	2.8	34.6	Iberia
	GAS MARKET ITALY							
	Customer satisfaction Gas							
	Written complaints and information requests	(,000)	39.5	37.5	35.3	2.0	5.3	Italy
	Response time to written complaints	(dd)	14.9	9.5	14.7	5.4	56.8	Italy
	GAS MARKET IBERIA							
	Customer satisfaction Gas							
	Written complaints and information requests	(,000)	2.9	3.2	6.5	-0.3	-9.4	Iberia
	Response time to written complaints	(dd)	11.7	9.4	20.7	2.3	24.5	Iberia
	ACCESSIBILITY OF ENERGY							
EU27	**Customers disconnected for non-payment Italian market**							
	by time from disconnection to payment - Italy (Regulated market)	(no.)	**444,142**	**529,964**	**496,008**	-85,822	-16.2	Italy
	< 48 h	(no.)	238,375	284,851	259,847	-46,476	-16.3	Italy
	48 h - 1 week	(no.)	113,187	137,999	137,365	-24,812	-18.0	Italy
	1 week - 1 month	(no.)	91,890	106,538	98,307	-14,648	-13.7	Italy
	1 month - 1 year	(no.)	690	576	489	114	19.8	Italy
	> 1 year	(no.)	-	-	-	-	-	Italy
	by time from payment to reconnection - Italy (Regulated market)	(no.)	**444,142**	**529,964**	**496,008**	-85,822	-16.2	Italy
	< 24 h	(no.)	387,277	447,331	438,312	-60,054	-13.4	Italy
	24 h - 1 week	(no.)	55,765	81,539	56,611	-25,774	-31.6	Italy
	> 1 week	(no.)	1,100	1,094	1,085	6	0.5	Italy
	by time from disconnection to payment - Italy (Free market)	(no.)	**526,824**	**501,675**	**475,247**	25,149	5.0	Italy
	< 48 h	(no.)	252,901	245,244	237,665	7,657	3.1	Italy
	48 h - 1 week	(no.)	106,976	122,447	106,029	-15,471	-12.6	Italy
	1 week - 1 month	(no.)	140,850	122,273	120,996	18,577	15.2	Italy
	1 month - 1 year	(no.)	26,090	11,710	10,557	14,380	-	Italy
	> 1 year	(no.)	7	1	-	6	-	Italy
	by time from payment to reconnection - Italy (Free market)	(no.)	**526,824**	**491,179**	**442,078**	35,645	7.3	Italy
	< 24 h	(no.)	526,241	480,485	428,072	45,756	9.5	Italy

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	24 h - 1 week	(no.)	459	10,619	13,629	-10,160	-95.7	Italy
	> 1 week	(no.)	124	75	377	49	65.3	Italy
	by time from disconnection to payment - Italy (Gas market)	(no.)	**86,552**	**105,092**	**87,510**	-18,540	-17.6	Italy
	< 48 h	(no.)	15,777	14,476	14,723	1,301	9.0	Italy
	48 h - 1 week	(no.)	19,132	34,140	29,780	-15,008	-44.0	Italy
	1 week - 1 month	(no.)	36,623	48,938	37,670	-12,315	-25.2	Italy
	1 month - 1 year	(no.)	15,001	7,536	5,337	7,465	99.1	Italy
	> 1 year	(no.)	19	2	-	17	-	Italy
	by time from payment to reconnection - Italy (Gas market)	(no.)	**86,552**	**89,400**	**81,384**	-2,848	-3.2	Italy
	< 24 h	(no.)	86,302	86,387	67,716	-85	-0.1	Italy
	24 h - 1 week	(no.)	182	2,688	13,417	-2,506	-93.2	Italy
	> 1 week	(no.)	68	325	251	-257	-79.1	Italy
	Regulated market - Romania							
	by time from disconnection to payment	(no.)	**6,007**	**17,426**	**21,500**	-11,419	-65.5	Romania
	< 48 h	(no.)	3,816	11,825	13,508	-8,009	-67.7	Romania
	48 h - 1 week	(no.)	498	2,074	3,540	-1,576	-76.0	Romania
	1 week - 1 month	(no.)	1,019	2,487	2,712	-1,468	-59.0	Romania
	1 month - 1 year	(no.)	674	1,040	1,740	-366	-35.2	Romania
	by time from payment to reconnection	(no.)	**3,895**	**12,525**	**16,152**	-8,630	-68.9	Romania
	< 24 h	(no.)	2,914	9,696	3,293	-6,782	-69.9	Romania
	24 h - 1 week	(no.)	898	2,532	12,544	-1,634	-64.5	Romania
	> 1 week	(no.)	83	297	315	-214	-72.1	Romania
	Free market - Romania							
	by time from disconnection to payment	(no.)	**3,323**	**n.a.**	**n.a.**	-	-	Romania
	< 48 h	(no.)	2,122	n.a.	n.a.	-	-	Romania
	48 h - 1 week	(no.)	329	n.a.	n.a.	-	-	Romania
	1 week - 1 month	(no.)	539	n.a.	n.a.	-	-	Romania
	1 month - 1 year	(no.)	333	n.a.	n.a.	-	-	Romania
	by time from payment to reconnection	(no.)	**2,214**	**n.a.**	**n.a.**	-	-	Romania
	< 24 h	(no.)	1,712	n.a.	n.a.	-	-	Romania
	24 h - 1 week	(no.)	455	n.a.	n.a.	-	-	Romania
	> 1 week	(no.)	47	n.a.	n.a.	-	-	Romania
	Regulated market - Iberia							
	by time from disconnection to payment	(no.)	**42,626**	**29,160**	**82,784**	13,466	46.2	Iberia
	< 48 h	(no.)	31,468	22,032	60,360	9,436	42.8	Iberia
	48 h - 1 week	(no.)	5,643	3,147	9,580	2,496	79.3	Iberia
	1 week - 1 month	(no.)	3,953	2,241	7,232	1,712	76.4	Iberia
	1 month - > 1 year	(no.)	1,562	1,740	5,612	-178	-10.2	Iberia
	by time from payment to reconnection	(no.)	**42,591**	**29,102**	**82,702**	13,489	46.4	Iberia
	< 24 h	(no.)	40,142	26,346	77,106	13,796	52.4	Iberia

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	24 h - 1 week	(no.)	2,169	2,359	5,210	-190	-8.1	Iberia
	> 1 week	(no.)	280	397	386	-117	-29.5	Iberia
	Free market - Iberia							
	by time from disconnection to payment	(no.)	**47,681**	**29,817**	**69,917**	17,864	59.9	Iberia
	< 48 h	(no.)	36,611	24,321	55,095	12,290	50.5	Iberia
	48 h - 1 week	(no.)	5,978	2,736	7,556	3,242	-	Iberia
	1 week - 1 month	(no.)	3,822	2,183	5,813	1,639	75.1	Iberia
	1 month - > 1 year	(no.)	1,270	577	1,453	693	-	Iberia
	by time from payment to reconnection	(no.)	**47,638**	**29,725**	**69,807**	17,913	60.3	Iberia
	< 24 h	(no.)	44,773	25,646	64,841	19,127	74.6	Iberia
	24 h - 1 week	(no.)	2,478	3,376	4,621	-898	-26.6	Iberia
	> 1 week	(no.)	387	703	345	-316	-45.0	Iberia
	Market South America							
	by time from disconnection to payment [8]	(no.)	**1,874,037**	**2,019,769**	**2,281,638**	-145,732	-7.2	South America
	< 48 h	(no.)	1,097,392	1,220,988	1,372,215	-123,596	-10.1	South America
	48 h - 1 week	(no.)	286,859	270,581	362,244	16,278	6.0	South America
	1 week - 1 month	(no.)	270,641	245,149	315,329	25,492	10.4	South America
	1 month - > 1 year	(no.)	214,780	282,976	231,794	-68,196	-24.1	South America
	> 1 year [9]	(no.)	4,365	75	56	4,290	-	South America
	by time from payment to reconnection [8]	(no.)	**2,569,581**	**2,249,345**	**2,511,632**	320,236	14.2	South America
	< 24 h	(no.)	2,453,642	2,128,458	2,400,998	325,184	15.3	South America
	24 h - 1 week	(no.)	112,472	84,902	107,872	27,570	32.5	South America
	> 1 week	(no.)	3,467	35,985	2,762	-32,518	-90.4	South America
	Disputes with customers							
	Total proceedings	(no.)	101,057	99,287	99,622	1,770	1.8	Enel
	Incidence of proceedings as defendant	(%)	66.5	76.3	74.4	-9.8	-	Enel

(1) The 2017 and 2016 figures have been recalculated with regard to free and regulated market.
(2) 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.
(3) Some 2017 and 2016 figures have been restated due to the new calculation method applied.
(4) The 2018 ICS (Customer Satisfaction Index), due to methodological change in the calculation, has an annual and no longer half-yearly reporting as for 2017 and 2016. For a better comparison of the data with the previous years, the 2016 and 2017 value, relative to the first half of the year, was updated with the ICS value of the second semester. The negative drop recorded on the free market is linked to the replacement of the IT management platform with a more advanced (CRM Sales Force) platform. The learning curve of the telephone operators was reflected in the quality of the service provided.
(5) The 2017 and 2016 figures include a more specific determination of the quantities reported.
(6) The 2017 figure includes a more specific determination of the quantities reported.
(7) The 2016 figure includes a more specific determination of the quantities reported.
(8) The 2018 data in South America are referred to regulated market.
(9) Value increased compared to 2017 and 2016 due to the increase in disconnections in Argentina and Chile. In 2018, defaulting customers were disconnected in order to reduce the insolvency rate within the new tariff framework.

Open Innovability and digitalization

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
DMA EU	RESEARCH AND INNOVATION							
	Technological innovation [1]	(mil euros)	**135**	**94**	**59**	41	43.6	Enel
	Research personnel [2]	(no.)	**462**	**409**	**317**	53	13.0	Enel
302-5	PROMOTION OF ENERGY EFFICIENCY							
	Smart meters (Enel technology) installed - Italy [3]	(mil)	31.5	31.3	n.a.	0.2	0.6	Italy
	Smart meters (Enel technology) installed - Abroad [3]	(mil)	12.7	11.5	n.a.	1.2	10.4	Abroad
	Smart meters (Enel technology) [3]	(mil)	**44.2**	**42.8**	**n.a.**	1.4	3.3	Enel
	Smart meters (Enel technology) installed and integrated in the system Italy [3]	(mil)	31.4	31.3	n.a.	0.1	0.3	Italy
	Smart meters (Enel technology) installed and integrated in the system Abroad [3]	(mil)	12.4	11.3	n.a.	1.1	9.7	Abroad
	Smart meters (Enel technology) installed and integrated in the system [3]	(mil)	**43.8**	**42.6**	**n.a.**	1.2	2.8	Enel

(1) In 2018 investments in Research and Development were about 57% in the Enel Green Power Business Line and for around 31% in the Infrastructure and Networks Business Line.
(2) The 2017 figure has been restated.
(3) The figure was restated due to a new calculation methodology, for which the data reported relate only to the years 2017 and 2018.

Corporate governance

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
102-5	**SHAREHOLDERS**							
	Composition of shareholdings							
	Investors [1]							
	Ministry of Economy and Finance	(%)	23.6	23.6	23.6	-	-	Enel SpA
	Institutional investors	(%)	57.6	57.5	54.0	0.1	-	Enel SpA
	Retail shareholders	(%)	18.8	18.9	22.4	-0.1	-	Enel SpA
	Location of institutional investors							
	Italy	(%)	6.8	7.4	10.2	-0.6	-	Enel SpA
	UK	(%)	16.0	18.3	17.9	-2.3	-	Enel SpA
	Rest of Europe	(%)	28.9	27.3	26.9	1.6	-	Enel SpA
	North America	(%)	40.9	38.9	36.3	2.0	-	Enel SpA
	Rest of the world	(%)	7.4	8.1	8.7	-0.7	-	Enel SpA
	Concentration index (top 50)	(%)	**37.6**	**37.0**	**34.2**	0.6	-	Enel SpA
	Investment style of institutional investors							
	Long Only	(%)	68.9	71.4	67.9	-2.5	-	Enel SpA
	Index	(%)	13.9	13.1	13.2	0.8	-	Enel SpA
	Hedge	(%)	0.7	0.8	1.3	-0.1	-	Enel SpA
	Other	(%)	16.4	14.7	17.6	1.7	-	Enel SpA
	Socially Responsible Investors (SRI)							
	Presence of SRI funds	(no.)	**169**	**160**	**150**	9	5.6	Enel SpA
	Enel shares held by SRI funds	(mil)	**1,064.0**	**878.0**	**813.6**	186.0	21.2	Enel SpA
	Weight of SRI funds in institutional shareholdings [2]	(%)	**20.6**	**16.9**	**17.0**	3.7	-	Enel SpA
	Location of SRI investors [3]							
	Italy	(%)	1.4	2.4	1.6	-1.0	-	Enel SpA
	UK	(%)	13.2	12.4	11.9	0.8	-	Enel SpA
	Rest of Europe	(%)	51.0	51.4	50.3	-0.4	-	Enel SpA
	North America	(%)	32.8	32.9	34.3	-0.1	-	Enel SpA
	Rest of the world	(%)	1.6	0.9	1.9	0.7	-	Enel SpA
	Share price performance							
	Financial performance of the share [4]							
	Enel	(%)	-1.7	22.5	7.6	-24.2	-	Enel SpA
	FTSEMib	(%)	-16.1	13.6	-10.2	-29.7	-	Enel SpA
	Acea	(%)	-22.0	33.3	-18.7	-55.3	-	Acea
	A2A	(%)	2.0	25.4	-1.9	-23.4	-	A2A
	Centrica	(%)	-2.1	-41.4	7.3	39.3	-	Centrica

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Endesa	(%)	11.6	-11.3	8.6	22.9	-	Endesa
	Iberdrola	(%)	7.0	3.6	-4.8	3.4	-	Iberdrola
	RWE	(%)	11.6	43.9	0.9	-32.3	-	RWE
	E.ON	(%)	-4.8	35.2	-14.8	-40.0	-	E.ON
	Cez	(%)	7.8	15.5	-3.2	-7.7	-	Cez
	Engie (formerly GDF-Suez)	(%)	-14.4	18.3	-25.8	-32.7	-	Engie
	EdF	(%)	30.1	16.1	-28.7	14.0	-	EdF
	EdP	(%)	3.3	-0.3	-12.9	3.6	-	EdP
	EdPR	(%)	8.4	15.4	-16.7	-7.0	-	EdPR
	Innogy	(%)	24.7	-1.0	-	25.7	-	Innogy
	Enel Américas (formerly Enersis)	(%)	-10.6	27.2	11.5	-37.8	-	Enel Américas
	Enel Chile	(%)	-8.0	19.5	-	-27.5	-	Enel Chile
	Enel Russia	(%)	-30.0	46.7	39.2	-76.7	-	Enel Russia
	Ibex 35	(%)	-15.4	7.5	-2.2	-22.9	-	Enel SpA
	MICEX	(%)	11.8	-5.5	26.8	17.3	-	Enel SpA
	IPSA	(%)	-8.3	34.0	12.8	-42.3	-	Enel SpA
	Dividend Yield [5]							
	Enel	(%)	5.6	4.5	4.3	1.1	-	Enel SpA
	A2A	(%)	3.7	2.9	3.3	0.8	-	A2A
	Centrica	(%)	8.9	9.6	5.1	-0.7	-	Centrica
	Iberdrola	(%)	4.7	4.6	4.6	0.1	-	Iberdrola
	RWE	(%)	3.7	0.9	1.1	2.8	-	RWE
	E.ON	(%)	5.0	2.4	3.1	2.6	-	E.ON
	Engie (formerly GDF-Suez)	(%)	6.0	7.0	8.3	-1.0	-	Engie
	EdF	(%)	2.2	7.5	5.6	-5.3	-	EdF
	EdP	(%)	6.2	6.6	6.6	-0.4	-	EdP
	Enel on the main stock markets worldwide							
	FTSE Italy All-Share	(%)	12.1	10.0	10.0	2.1	-	Enel SpA
	BEELECT	(%)	13.7	13.5	13.4	0.2	-	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 (Earnings Per Share)	(cent euro)	**40**	**36**	**26**	4	11.1	Enel SpA
	TSR (Total Shareholder Return) from IPO (accumulated)	(%)	**112.4**	**106.1**	**61.6**	6.3	-	Enel SpA
	TSR from IPO (annualized)	(%)	**4.0**	**4.1**	**2.8**	-0.1	-	Enel SpA
	TSR last 2 years (accumulated)	(%)	31.4	42.8	21.8	-11.4	-	Enel SpA
	TSR last 2 years (annualized)	(%)	14.7	19.5	10.3	-4.8	-	Enel SpA
	Communication to shareholders							
	Meetings with investors [6]	(no.)	**659**	**948**	**615**	-289	-30.5	Enel SpA
	Meetings with ESG investors	(no.)	**39**	**48**	**30**	-9	-18.8	Enel SpA
102-43	**Information requests from retail shareholders** [7]	(no.)	**75**	**85**	**148**	-10	-11.8	Enel SpA

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	LENDERS							
	Debt							
	Total debt	(mil euros)	**41,089**	**37,410**	**37,553**	3,679	9.8	Enel
	Debt to Equity	(i)	**0.9**	**0.7**	**0.7**	0.2	28.6	Enel
	Rating							
	S&P	(i)	**BBB+**	**BBB+**	**BBB**	-	-	Enel
	Outlook	(i)	Stable Outlook	Stable Outlook	Stable Outlook	-	-	Enel
	Moody's	(i)	**Baa2**	**Baa2**	**Baa2**	-	-	Enel
	Outlook	(i)	Stable Outlook	Stable Outlook	Stable Outlook	-	-	Enel
	Fitch	(i)	**A-**	**BBB+**	**BBB+**	-	-	Enel
	Outlook	(i)	Stable Outlook	Stable Outlook	Stable Outlook	-	-	Enel
102-22; 405-1	**CORPORATE GOVERNANCE**							
	Board of Directors (BoD)							
	Members of BoD by type	(no.)	**9**	**9**	**9**	-	-	Enel SpA
	Executive members	(no.)	1	1	1	-	-	Enel SpA
	Non-executive members	(no.)	8	8	8	-	-	Enel SpA
	- of whom independent [8]	(no.)	7	7	7	-	-	Enel SpA
	Directors nominated by minority shareholders	(no.)	**3**	**3**	**3**	-	-	Enel SpA
	Women on BoD of the Group							
	Women on the BoD of Enel SpA	(no.)	3	3	3	-	-	Enel SpA
	Women on the BoD of Group companies	(no.)	215	200	157	15	7.5	Enel
	Members of the BoD by age group							
	Under 30 years old	(%)	-	-	-	-	-	Enel SpA
	30 - 50 years old	(%)	11	11	11	-	-	Enel SpA
	Over 50 years old	(%)	89	89	89	-	-	Enel SpA
	BoD meetings	(no.)	**18**	**15**	**13**	3	20.0	Enel SpA
	ETHICAL AUDITING							
	Implementation of the Code of Ethics							
	Reports received by type of stakeholder	(no.)	**144**	**123**	**85**	21	17.1	Enel
	Internal stakeholders	(no.)	25	21	15	4	19.0	Enel
	External stakeholders	(no.)	40	34	19	6	17.6	Enel
	Anonymous	(no.)	79	68	51	11	16.2	Enel
	Reports received for harmed or potentially harmed stakeholder	(no.)	**144**	**123**	**85**	21	17.1	Enel
	Shareholder	(no.)	67	51	44	16	31.4	Enel
	Customer	(no.)	12	27	11	-15	-55.6	Enel
	Employee	(no.)	45	26	18	19	73.1	Enel
	General public	(no.)	3	3	3	-	-	Enel
	Suppliers	(no.)	17	16	9	1	6.3	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Reports received by status	(no.)	**144**	**123**	**85**	21	17.1	Enel
	Reports being assessed	(no.)	7	-	-	-	-	Enel
	Reports for which a violation has not been confirmed	(no.)	107	92	64	15	16.3	Enel
	Reports for which a violation has been confirmed	(no.)	30	31	21	-1	-3.2	Enel
	Reports related to	(no.)	**144**	**123**	**85**	21	17.1	Enel
	Conflict of interests/Bribery/ Corruption	(no.)	33	27	19	6	22.2	Enel
	Misappropriation	(no.)	42	53	25	-11	-20.8	Enel
	Work practices	(no.)	38	22	22	16	72.7	Enel
	Community and society	(no.)	-	1	2	-1	-100.0	Enel
	Other reasons	(no.)	31	20	17	11	55.0	Enel
	Violations confirmed by type of harmed stakeholder [9]	(no.)	**30**	**31**	**21**	-1	-3.2	Enel
	Shareholder	(no.)	19	12	12	7	58.3	Enel
	Customer	(no.)	-	6	1	-6	-100.0	Enel
	Employee	(no.)	8	8	6	-	-	Enel
	General public	(no.)	-	2	1	-2	-100.0	Enel
	Suppliers	(no.)	3	3	1	-	-	Enel
406-1	**Violations related to incidents of** [9]	(no.)	**30**	**31**	**21**	-1	-3.2	Enel
205-3	Conflict of interests/Bribery/ Corruption [10]	(no.)	10	7	6	3	42.9	Enel
	Misappropriation	(no.)	7	15	7	-8	-53.3	Enel
	Work practices	(no.)	8	6	6	2	33.3	Enel
	Community and society	(no.)	-	1	-	-1	-100.0	Enel
	Other reasons	(no.)	5	2	2	3	-	Enel
	Violations regarding incidents of conflict of interest/ corruption, by Country	(no.)	**10**	**7**	**6**	3	42.9	Enel
	Argentina	(no.)	1	-	-	1	-	Argentina
	Brazil	(no.)	1	1	1	-	-	Brazil
	Chile	(no.)	4	1	2	3	-	Chile
	Colombia	(no.)	1	2	-	-1	-50.0	Colombia
	Italy	(no.)	1	2	2	-1	-50.0	Italy
	Romania	(no.)	-	-	-	-	-	Romania
	Russia	(no.)	2	-	-	2	-	Russia
	Slovakia [11]	(no.)	-	-	-	-	-	Slovakia
	Spain	(no.)	-	1	1	-1	-100.0	Spain
	Actions taken in response to incidents of conflict of interest/corruption	(no.)	**13**	**9**	**7**	4	44.4	Enel
	- of which: actions taken against employees in response to cases of conflict of interest/corruption	(no.)	7	6	6	1	16.7	Enel
	- of which: actions taken against contractors in response to cases of conflict of interest/corruption	(no.)	6	3	1	3	100.0	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
412-3	**Significant investment agreements that include human rights clauses**	(no.)	**9**	**6**	**10**	3	50.0	Enel
412-3	**Percentage of significant investment agreements that include human rights clauses**	(%)	**100**	**100**	**100**	-	-	Enel
	INSTITUTIONAL RELATIONS							
201-4	**Grants**							
	Grants supplied in the period by geographic area	(mil euros)	**83.2**	**66.7**	**41.0**	16.5	24.7	Enel
	Italy	(mil euros)	81.8	64.6	38.3	17.2	26.6	Italy
	Slovakia [11]	(mil euros)	-	-	-	-	-	Slovakia
	Spain	(mil euros)	0.9	0.6	1.5	0.3	39.0	Spain
	Brazil	(mil euros)	-	-	0.4	-	-	Brazil
	Colombia	(mil euros)	0.5	1.5	-	-1.0	-66.2	Colombia
	Chile	(mil euros)	-	-	0.8	-	-	Chile
	Grants received by destination							
	Energy networks	(%)	88.8	90.9	73.6	-2.1	-	Enel
	R&D	(%)	1.3	4.3	12.0	-3.0	-	Enel
	Renewable	(%)	2.4	3.8	11.2	-1.4	-	Enel
	Training	(%)	-	-	-	-	-	Enel
	Other	(%)	7.6	1.03	3.20	6.6	-	Enel
	Number of projects which received grants	(no.)	**88**	**42**	**41**	46.0	-	Enel
	Loans granted by the EIB and others							
	Remaining debt on loans from EIB and others by geographic area	(mil euros)	**6,279**	**5,253**	**5,130**	1,026	19.5	Enel
	- Italy	(mil euros)	3,760	3,608	3,755	152	4.2	Italy
	- Abroad (Latin America, Spain, Slovakia, Russia, Romania)	(mil euros)	2,519	1,645	1,375	874	53.1	Enel
	Remaining debt on loans from EIB and others by destination							
	Energy network	(%)	66.9	66.7	64.7	0.2	-	Enel
	R&D	(%)	0.1	0.1	-	-	-	Enel
	Renewable	(%)	29.7	24.7	25.8	5.0	-	Enel
	Training	(%)	-	-	-	-	-	Enel
	Other	(%)	3.2	8.5	9.5	-5.3	-	Enel
	Number of projects in progress approved with loans from EIB and others	(no.)	**171**	**123**	**99**	48	39.0	Enel
	Taxes	(mil euros)	**3,168**	**3,273**	**3,244**	-105	-3.2	Enel
	IRES, IRAP and other taxes	(mil euros)	1,076	1,264	1,052	-188	-14.9	Enel
	Taxes abroad	(mil euros)	775	618	941	157	25.4	Enel
	Other taxes and duties	(mil euros)	1,150	1,222	1,085	-72	-5.9	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Fees net of contributions received	(mil euros)	167	169	166	-2	-1.2	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 comparing the number of shares held by identified Socially Responsible Investors with 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) Only certified meetings are considered (meetings held during the different road shows).
(7) Only requests received have been considered and not also the responses provided.
(8) 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.
(9) In 2018, the analysis of reports received in 2017 was completed, and, for this reason, the number of confirmed violations for 2017 was restated from 27 to 31. Of the 4 confirmed violations, 2 concerned conflicts of interests/corruption and 2 misappropriation.
(10) Corruption consists of the abuse of power 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, extortion, collusion, conflicts of interest and money laundering.
(11) Slovakia was removed from the scope on 2016.

Occupational Health and Safety

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	SAFETY [1]							
	Lost Time Injuries Frequency Rate, LTIFR [2] **Enel**	(i)	**0.19**	**0.24**	**0.25**	-0.05	-20.83	Enel
	Lost Time Injuries Frequency Rate, LTIFR [2] **Contractors**	(i)	**0.17**	**0.19**	**0.21**	-0.02	-10.53	Enel
	Enel People							
403-9	**Number of fatalities and frequency rate** [3]							
	Number of fatalities	(no.)	**1**	**2**	**-**	-1	-50	Enel
	Fatalities by geographical area							
	Italy	(no.)	-	-	-	-	-	Italy
	Iberia [4]	(no.)	-	1	-	-1	-100	Iberia
	South America	(no.)	1	1	-	-	-	South America
	North and Central America	(no.)	-	-	-	-	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(no.)	-	-	-	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Fatalities frequency rate	(i)	**0.009**	**0.018**	**-**	-0.009	-50	Enel
	Fatalities frequency rate by geographical area							
	Italy	(i)	-	-	-	-	-	Italy
	Iberia [4]	(i)	-	0.060	-	-0.060	-100	Iberia
	South America	(i)	0.035	0.038	-	-0.003	-8	South America
	North and Central America	(i)	-	-	-	-	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(i)	-	-	-	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Number of "high-consequence" injuries [5] **(excluding fatalities) and frequency rate** [6]							
	Number of "high-consequence" injuries	(no.)	**5**	**1**	**2**	4	-	Enel
	Number of "high-consequence" injuries by geographical area							
	Italy	(no.)	3	1	1	2	-	Italy
	Iberia [4]	(no.)	-	-		-	-	Iberia
	South America	(no.)	2	-	1	2	-	South America
	North and Central America	(no.)	-	-	-	-	-	North and Central America

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Europe and Euro-Mediterranean Affairs	(no.)	-	-	-	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	"High-consequence" injuries frequency rate	(i)	**0.044**	**0.009**	**0.017**	0.035	-	Enel
	"High-consequence" injuries frequency rate by geographical area							
	Italy	(i)	0.055	0.018	0.018	0.037	-	Italy
	Iberia [4]	(i)	-	-	-	-	-	Iberia
	South America	(i)	0.070	-	0.038	0.070	-	South America
	North and Central America	(i)	-	-	-	-	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(i)	-	-	-	-	-	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Total number of injuries [7] and frequency rate [8]							
	Number of injuries	(no.)	**108**	**133**	**147**	-25	-19	Enel
	Injuries by geographical area							
	Italy	(no.)	60	68	73	-8	-12	Italy
	Iberia [4]	(no.)	6	5	5	1	20	Iberia
	South America	(no.)	41	57	62	-16	-28	South America
	North and Central America	(no.)	-	1	1	-1	-100	North and Central America
	Europe and Euro-Mediterranean Affairs	(no.)	1	2	6	-1	-50	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Injury frequency rate	(i)	**0.943**	**1.199**	**1.251**	-0.256	-21	Enel
	Frequency rate by geographical area							
	Italy	(i)	1.104	1.237	1.292	-0.133	-11	Italy
	Iberia [4]	(i)	0.366	0.300	0.288	0.066	22	Iberia
	South America	(i)	1.434	2.160	2.360	-0.726	-34	South America
	North and Central America	(i)	-	0.468	0.589	-0.468	-100	North and Central America
	Europe and Euro-Mediterranean Affairs	(i)	0.097	0.193	0.391	-0.096	-50	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Hours worked	(no.)	**114,552,443**	**110,927,204**	**117,472,448**	3,625,239	3	Enel
403-9	**Contractors**							
	Number of fatalities and frequency rate [3]							
	Number of fatalities [9]	(no.)	**7**	**11**	**5**	-4	-36	Enel
	Fatalities by geographical area							
	Italy	(no.)	2	3	1	-1	-33	Italy
	Iberia [4]	(no.)	-	-	1	-	-	Iberia
	South America	(no.)	5	7	3	-2	-29	South America
	North and Central America	(no.)	-	-	-	-	-	North and Central America

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Europe and Euro-Mediterranean Affairs	(no.)	-	1	-	-1	-100	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Fatalities frequency rate	(i)	**0.030**	**0.051**	**0.023**	-0.021	-41	Enel
	Fatalities frequency rate by geographical area							
	Italy	(i)	0.049	0.078	0.029	-0.029	-37	Italy
	Iberia [4]	(i)	-	-	0.029	-	-	Iberia
	South America	(i)	0.038	0.058	0.025	-0.020	-34	South America
	North and Central America	(i)	-	-	-	-	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(i)	-	0.073	-	-0.073	-100	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Number of "high-consequence" injuries [5] (excluding fatalities) and frequency rate [6]							
	Number of "high-consequence" injuries	(no.)	**12**	**12**	**5**	-	-	Enel
	Number of "high-consequence" injuries by geographical area							
	Italy	(no.)	4	7	2	-3	-43	Italy
	Iberia [4]	(no.)	4	2	2	2	100	Iberia
	South America	(no.)	4	2	1	2	100	South America
	North and Central America	(no.)	-	-	-	-	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(no.)	-	1	-	-1	-100	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	"High-consequence" injuries frequency rate	(i)	**0.051**	**0.056**	**0.023**	-0.005	-9	Enel
	"High-consequence" injuries frequency rate by geographical area							
	Italy	(i)	0.098	0.183	0.058	-0.085	-46	Italy
	Iberia [4]	(i)	0.101	0.058	0.058	0.043	74	Iberia
	South America	(i)	0.030	0.017	0.008	0.013	76	South America
	North and Central America	(i)	-	-	-	-	-	North and Central America
	Europe and Euro-Mediterranean Affairs	(i)	-	0.073	-	-0.073	-100	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Total number of injuries [7] and frequency rate [8]							
	Number of injuries	(no.)	**205**	**209**	**228**	-4	-2	Enel
	Injuries by geographical area							
	Italy	(no.)	56	60	52	-4	-7	Italy
	Iberia [4]	(no.)	34	34	50	-	-	Iberia
	South America	(no.)	111	100	118	11	11	South America

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	North and Central America	(no.)	1	10	4	-9	-90	North and Central America
	Europe and Euro-Mediterranean Affairs	(no.)	3	5	4	-2	-40	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(no.)	-	-	-	-	-	Africa, Asia and Oceania
	Injury frequency rate	(i)	**0.873**	**0.969**	**1.027**	-0.096	-10	Enel
	Frequency rate by geographical area							
	Italy	(i)	1.367	1.570	1.514	-0.203	-13	Italy
	Iberia [4]	(i)	0.859	0.990	1.447	-0.131	-13	Iberia
	South America	(i)	0.843	0.830	0.986	0.013	2	South America
	North and Central America	(i)	0.226	1.239	0.448	-1.013	-82	North and Central America
	Europe and Euro-Mediterranean Affairs	(i)	0.175	0.365	0.197	-0.190	-52	Europe and Euro-Mediterranean Affairs
	Africa, Asia and Oceania	(i)	-	-	-	-	-	Africa, Asia and Oceania
	Hours worked	(no.)	**234,755,218**	**215,608,456**	**221,986,509**	19,146,762	9	Enel
EU18	**Health and safety training**							
	Contractors and subcontractors employees that have undergone health and safety training and information	(%)	**100**	**100**	**100**	-	-	Enel
	Construction activities	(%)	100	100	100	-	-	Enel
	Operation and maintenance activities	(%)	100	100	100	-	-	Enel
	- of which operation activities	(%)	100	100	100	-	-	Enel
	- of which maintenance activities	(%)	100	100	100	-	-	Enel

(1) Rates and data in this chapter do not include companies acquired during 2018 (Eletropaulo, YouSave, Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución). Given the short time since they have been acquired, these companies will be consolidated as of the financial year 2019, in order to align systems and relative reporting procedures.
(2) The LTIFR (Lost Time Injury Frequency Rate) is calculated by comparing the number of injuries with the hours worked per 200,000.
(3) This rate is calculated by comparing the number of fatalities with the hours worked/1,000,000.
(4) In 2018 Iberia included Spain and Portugal. In 2016 and 2017 Iberia included Spain, Portugal and Morocco.
(5) Sum of: injuries which, at December 31, 2018, resulted in more than 6 months of absence from work and, of cases not closed, injuries considered severe (initial prognosis > 30 days).
(6) This rate is calculated by comparing the number of "high-consequence" injuries with the hours worked/1,000,000.
(7) Includes all injuries (including those resulting in 3 or fewer days of absence).
(8) This rate is calculated by comparing the number of injuries with the hours worked/1,000,000.
(9) Considering the activities managed in all the areas in which the Group operates, to which some of the companies consolidated with the equity method and companies for which the BSO (Build, Sell and Operate) mechanism has been applied, in 2018 the total figure for fatalities is equal to 8.

Environment

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	EMISSIONS							
305-5	**Emissions avoided** (1)	(mil t)	**78.5**	**71.3**	**83.8**	7.2	10.1	Enel
305-1	**Direct greenhouse gas emissions (Scope 1)**							
	CO_2 emissions from the electricity production and heat	(mil t)	94.44	105.20	106.29	-10.76	-10.2	Enel
	Direct emissions due to other activities	(mil t eq)	0.36	0.31	0.44	0.05	16.1	Enel
	Total direct emissions (Scope 1) (2)	(mil t eq)	**94.80**	**105.51**	**106.73**	-10.71	-10.2	Enel
	Specific emissions							
305-4	**Specific CO_2 emissions from total net production** (3)	(kg/kWh eq)	**0.369**	**0.411**	**0.395**	-0.042	-10.2	Enel
305-2	**Indirect greenhouse gas emissions (Scope 2)** (4)							
	Fuel deposit and movement	(mil t eq)	0.002	0.002	0.002	-	-	Enel
	Electricity distribution	(mil t eq)	0.168	0.165	0.161	0.003	1.8	Enel
	Property management	(mil t eq)	0.106	0.077	0.068	0.029	37.7	Enel
	Mining	(mil t eq)	0.001	0.001	-	-	-	Enel
	From electricity acquired from the grid (hydroelectric plant)	(mil t eq)	0.812	0.941	1.168	-0.129	-13.7	
	Total indirect emissions (Scope 2, location based) (4,5)	(mil t eq)	**1.09**	**1.19**	**1.40**	-0.10	-8.4	Enel
	Total indirect emissions (Scope 2, market based) (4,6)	(mil t eq)	**1.62**	**1.73**	**1.95**	-0.11	-6.4	Enel
305-3	**Other indirect greenhouse gas emissions (Scope 3)** (7)							
	Emissions related to grid losses of the consumed electricity	(mil t eq)	0.017	0.017	0.022	-	-	Enel
	Coal mining	(mil t eq)	5.602	5.903	6.004	-0.301	-5.1	Enel
	Transport of coal by sea	(mil t eq)	0.797	0.805	0.835	-0.008	-1.0	Enel
	Transport of coal by train	(mil t eq)	0.330	0.381	0.371	-0.051	-13.4	Enel
	Transport of fuel (gas oil, biomass, WDF)	(mil t eq)	0.008	0.011	0.011	-0.003	-27.3	Enel
	Transport raw materials and waste	(mil t eq)	0.026	0.028	0.027	-0.002	-7.1	Enel
	Total indirect emissions (Scope 3)	(mil t eq)	**6.78**	**7.14**	**7.27**	-0.36	-5.1	Enel
305-7	**Other atmospheric emissions**							
	SO_2 emissions	(t)	192,796	214,057	220,746	-21,261	-9.9	Enel
	NO_x emissions	(t)	184,468	203,329	200,660	-18,861	-9.3	Enel
	H_2S emissions	(t)	5,347	5,809	5,227	-462	-8.0	Enel
	Dust emissions	(t)	43,059	68,095	59,627	-25,036	-36.8	Enel
	Specific emissions compared to total net production (2)							
	SO_2 emissions	(g/kWh eq)	0.75	0.84	0.82	-0.09	-10.7	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	NO_x emissions	(g/kWh eq)	0.72	0.79	0.75	-0.07	-8.9	Enel
	Dust emissions	(g/kWh eq)	0.17	0.27	0.22	-0.10	-37.0	Enel
	Nuclear emissions into atmosphere							
	Noble gases	(TBq per Unit)	0.42	0.40	4.71	0.02	5.0	Enel
	Iodine	(MBq per Unit)	47.09	0.26	32.29	46.83	-	Enel
	Aerosol	(GBq per Unit)	0.01	0.01	0.05	-	-	Enel
	Other radioactive	(MBq per Unit)	0.01	0.22	0.14	-0.21	-95.5	Enel
305-6	**Ozone Depleting Substances emissions**							
	CFC	(kg CFC-11 eq)	2,263	312	131	1,951	-	Enel
	HCFC	(kg CFC-11 eq)	1	3	23	-2	-66.7	Enel
	R22	(kg CFC-11 eq)	5	41	65	-36	-87.7	Enel
	Freon 113	(kg CFC-11 eq)	109	1,091	1,162	-982	-90.0	Enel
	Total	(kg CFC-11 eq)	**2,378**	**1,447**	**1,381**	931	64.3	Enel
	Environmental expenditures							
	Environmental expenditures [8]	(mil euros)	**1,175**	**984**	**1,049**	191	19.4	Enel
	Current expenditures (costs)	(mil euros)	**783**	**771**	**680**	12	1.6	Enel
	- for waste disposal, emission treatment and environmental restoration	(mil euros)	629	489	506	140	28.6	Enel
	- for environmental prevention and management	(mil euros)	154	282	174	-128	-45.5	Enel
	Investments	(mil euros)	**392**	**213**	**369**	179	84.0	Enel
	- for waste disposal, emission treatment and environmental restoration	(mil euros)	244	133	225	111	83.5	Enel
	- for environmental prevention and management	(mil euros)	148	80	144	68	85.0	Enel
	Environmental expenditures - EUROSTAT criterion	(mil euros)	**860**	**748**	**690**	112	14.9	Enel
	Total current expenditures	(mil euros)	468	535	321	-67	-12.5	Enel
	Total environmental investments	(mil euros)	392	213	369	179	83.7	Enel
	Staff for environmental aspects	(no.)	**536**	**425**	**371**	111	26.1	Enel
307-1	**Environmental disputes**							
	Environmental proceedings as defendant [9]	(no.)	**292**	**569**	**569**	-277	-48.7	Enel
	Monetary value of environmental fines [10]	(mil euros)	12.48	2.08	2.10	10.40	-	Enel
	Specific environmental taxes due to exceeding polluting limits	(mil euros)	0.26	0.55	0.55	-0.29	-52.4	Russia
	Environmental certifications							
	Extent of EMAS registration coverage	(%)	**25.5**	**31.3**	**34.6**	-5.8	-	Enel
	Extent of ISO 14001:2015 coverage							
	Net maximum capacity	(%)	98.5	99.0	97.9	-	-	Enel
	km of grid	(%)	81.1	89.9	94.7	-8.8	-	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	ENERGY CONSUMPTION							
302-1	**Fuel consumption by primary source in TJ**							
	from non-renewable sources	(TJ)	**1,488,072**	**1,671,664**	**1,649,723**	-183,591	-11.0	Enel
	Coal	(TJ)	634,761	686,761	708,322	-52,000	-7.6	Enel
	Lignite	(TJ)	18,003	25,121	27,674	-7,118	-28.3	Enel
	Fuel oil	(TJ)	59,997	69,668	84,782	-9,671	-13.9	Enel
	Natural gas	(TJ)	481,105	525,904	500,825	-44,799	-8.5	Enel
	Diesel	(TJ)	39,272	84,071	52,461	-44,799	-53.3	Enel
	Uranium	(TJ)	254,934	280,139	275,659	-25,205	-9.0	Enel
	from renewable sources	(TJ)	**58,992**	**59,034**	**61,672**	-42	-0.1	Enel
	Biomass, biogas and waste	(TJ)	6,615	5,945	7,829	670	11.3	Enel
	Geothermal fluid	(TJ)	52,377	53,089	53,842	-712	-1.3	Enel
	Total direct consumption	(TJ)	**1,547,064**	**1,730,698**	**1,711,395**	-183,634	-10.6	Enel
	Fuel consumption by primary source in Mtoe							
	from non-renewable sources	(Mtoe)	**35.5**	**39.9**	**39.4**	-4.4	-11.0	Enel
	Coal	(Mtoe)	15.2	16.4	16.9	-1.2	-7.6	Enel
	Lignite	(Mtoe)	0.4	0.6	0.7	-0.2	-28.3	Enel
	Fuel oil	(Mtoe)	1.4	1.7	2.0	-0.2	-13.9	Enel
	Natural gas	(Mtoe)	11.5	12.6	12.0	-1.1	-8.5	Enel
	Diesel	(Mtoe)	0.9	2.0	1.3	-1.1	-53.3	Enel
	Uranium	(Mtoe)	6.1	6.7	6.6	-0.6	-9.0	Enel
	from renewable sources	(Mtoe)	**1.5**	**1.4**	**1.5**	0.1	6.4	Enel
	Biomass, biogas and waste	(Mtoe)	0.2	0.1	0.2	0.1	40.8	Enel
	Geothermal fluid	(Mtoe)	1.3	1.3	1.3	-	-	Enel
	Total direct consumption	(Mtoe)	**37.0**	**41.3**	**40.9**	-4.3	-10.4	Enel
	Incidence of fuel consumption from non-renewable sources							
	Coal	(%)	42.7	41.1	42.9	1.6	-	Enel
	Lignite	(%)	1.2	1.5	1.7	-0.3	-	Enel
	Fuel oil	(%)	4.0	4.2	5.1	-0.2	-	Enel
	Natural gas	(%)	32.3	31.5	30.4	0.8	-	Enel
	Diesel	(%)	2.7	5.0	3.2	-2.3	-	Enel
	Uranium	(%)	17.1	16.7	16.7	0.4	-	Enel
302-1	**Indirect energy consumption by destination**							
	Fuel deposit and movement	(TJ)	30	29	27	1	3.4	Enel
	Electricity distribution	(TJ)	2,107	1,872	1,765	235	12.6	Enel
	Property management	(TJ)	1,558	932	894	626	67.2	Enel
	Mining	(TJ)	6	6	6	-	-	Enel
	Total energy consumption	(TJ)	**3,701**	**2,839**	**2,692**	862	30.4	Enel
301-1	**Internal consumption**							
	Electricity consumption for civilian uses	(MWh)	432,761	258,874	248,407	173,887	67.2	Enel
	Fuel consumption	(toe)	32,475	25,768	84,153	6,707	26.0	Enel
	Water requirement for civilian uses	(,000 m^3)	6,624	6,965	6,901	-341	-4.9	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Paper bought for printers/ photocopiers	(mil A4 eq)	86.5	123.7	184.5	-37.2	-30.1	Enel
	RAW MATERIALS							
	Resources used in the production process							
301-1	**Fuel consumption for thermoelectric production**							
	from non-renewable sources							
	Coal	(,000 t)	31,105	32,775	33,337	-1,670	-5.1	Enel
	Lignite	(,000 t)	1,344	1,947	2,333	-603	-31.0	Enel
	Fuel oil	(,000 t)	1,488	1,726	2,095	-238	-13.8	Enel
	Natural gas	(mil m^3)	13,080	14,318	13,883	-1,238	-8.6	Enel
	Diesel	(,000 t)	929	1,986	1,276	-1,057	-53.2	Enel
	from renewable sources							
	Biomass and waste for thermoelectric production	(,000 t)	574	519	642	55	10.6	Enel
	Biogas	(mil m^3)	1.2	1.0	1.0	0.2	23.0	Enel
	Geothermal steam used for electricity production	(,000 t)	53,548	47,323	47,668	6,225	13.2	Enel
	Fuel consumption for nuclear production							
	Uranium	(t)	84	78	110	6	7.6	Enel
301-1	**Consumables**							
	Lime	(,000 t)	576.1	743.7	675.1	-167.6	-22.5	Enel
	Ammonia	(,000 t)	26.0	29.6	38.6	-3.6	-12.2	Enel
	Caustic soda	(,000 t)	83.0	83.7	84.2	-0.7	-0.8	Enel
	Slaked lime	(,000 t)	15.3	15.6	33.4	-0.3	-1.9	Enel
	Sulfuric/chloride acid	(,000 t)	11.6	11.8	12.9	-0.3	-2.3	Enel
	Other	(,000 t)	52.3	43.5	64.6	8.8	20.2	Enel
	Total	(,000 t)	**764.3**	**927.9**	**908.7**	-163.6	-17.6	Enel
301-2	**Percentage of materials used that derive from recycled material compared to total consumption of each resource**							
	Lubricant	(%)	4.0	5.2	1.8	-1.3	-	Enel
	Dielectric oil	(%)	56.9	99.0	68.5	-42.0	-	Enel
	Ferric chloride	(%)	3.9	8.3	1.6	-4.4	-	Enel
	Paper for printing	(%)	0.4	0.1	0.2	0.3	-	Enel
	Equipment with PCB	(%)	0.6	0.7	1.4	-0.1	-	Enel
	PCB quantity contained in equipment with PCB > 50 ppm	(t)	3,976.3	6,142.2	6,786.9	-2,165.9	-35.3	Enel
	WATER CONSUMPTION							
	Volumes of water used by production process [11]							
	Requirements [11] by thermoelectric power production [12]	(mil m^3)	94.5	110.4	110.4	-15.9	-14.4	Enel
	Requirements [11] by nuclear power production [13]	(mil m^3)	1.7	1.8	23.0	-0.1	-5.6	Enel
	Requirements [11] by geothermal power production and for the storage and handling of fuels	(mil m^3)	0.071	0.043	0.032	0.028	65.1	Enel
	Total requirements by production processes [14]	(mil m^3)	**96.3**	**112.2**	**133.5**	-15.9	-14.2	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Requirements by other industrial uses	(mil m³)	0.02	0.02	0.29	-	-	Enel
	Total requirements	(mil m³)	**96.3**	**112.2**	**133.8**	-15.9	-14.2	Enel
	Specific requirements by production process							
	Specific requirements by thermoelectric power production [12]	(l/kWh eq)	0.71	0.75	0.74	-0.04	-5.3	Enel
	Specific requirements by nuclear power production [13]	(l/kWh eq)	0.07	0.07	0.68	-	-	Enel
	Specific requirement for total production from production processes [14]	(l/kWh eq)	**0.38**	**0.44**	**0.50**	-0.06	-13.6	Enel
303-5	**Volumes of water consumed by production process** [15]	(mil m³)	48.70	58.40	-	-9.70	-16.6	Enel
	Volumes of water consumed in "water-stressed" areas	(mil m³)	5.98	6.45	-	-0.47	-7.3	Enel
303-3	**Volumes of water withdrawn by source**							
	From scarce sources	(mil m³)	**84.4**	**97.5**	**119.7**	-13.1	-13.4	Enel
	Surface water (wetlands, lakes, rivers)	(mil m³)	64.2	79.3	101.5	-15.1	-19.0	Enel
	Ground water (from wells)	(mil m³)	12.2	11.3	11.1	0.9	8.0	Enel
	Water from aqueducts	(mil m³)	8.0	6.9	7.0	1.1	15.9	Enel
	From non-scarce sources	(mil m³)	**11.9**	**14.7**	**14.1**	-2.8	-19.1	Enel
	Seawater (used as is and desalinated)	(mil m³)	7.4	7.8	7.7	-0.4	-5.1	Enel
	from waste (amount used inside plants)	(mil m³)	4.5	6.9	6.3	-2.4	-34.8	Enel
	Total	(mil m³)	**96.3**	**112.2**	**133.8**	-15.9	-14.2	Enel
303-3	**Volumes of water withdrawn by source in "water-stressed" areas**							
	From scarce sources	(mil m³)	**11.2**	**10.3**	**8.0**	0.9	8.7	Enel
	Surface water (wetlands, lakes, rivers)	(mil m³)	-	-	-	-	-	Enel
	Ground water (from wells)	(mil m³)	8.1	7.0	5.1	1.1	15.7	Enel
	Water from aqueducts	(mil m³)	3.1	3.3	2.9	-0.2	-6.1	Enel
	From non-scarce sources	(mil m³)	**-**	**0.3**	**-**	-0.3	-100.0	Enel
	Seawater (used as is and desalinated)	(mil m³)	-	-	-	-	-	Enel
	from waste (amount used inside plants)	(mil m³)	-	0.3	-	-0.3	-100.0	Enel
	Total	(mil m³)	**11.2**	**10.6**	**7.8**	0.6	5.7	Enel
303-3	**Percentage of recycled and reused water**	(%)	**4.7**	**6.1**	**4.2**	-1.4	-	Enel
	Water used for open-cycle cooling							
	in thermoelectric power plants	(mil m³)	17,062.2	18,276.7	18,872.6	-1,214.4	-6.6	Enel
	in nuclear plants	(mil m³)	2,577.4	2,507.4	2,508.2	70.0	2.8	Enel
303-4	**WATER EFFLUENT**							
	Waste water (quantity discharged) [16,17]	(mil m³)	**47.6**	**53.8**	**111.5**	-6.2	-11.5	Enel
	from thermal power production	(mil m³)	45.9	51.9	104.5	-6.0	-11.6	Enel
	from nuclear production	(mil m³)	1.7	1.9	6.9	-0.2	-10.5	Enel
	for storage and transport of fuel oil	(mil m³)	0.01	0.01	0.06	-	-	Enel
	Nuclear emissions into water							
	Tritium	(TBq per Unit)	98.7	66.7	85.8	32.1	48.1	Enel
	Fission and corrosion products	(GBq per Unit)	12.0	11.5	12.4	0.5	4.0	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
306-2	**WASTE** [18]							
	Waste produced							
	Non-hazardous waste	(t)	8,846,150	9,315,552	9,074,122	-469,402	-5.0	Enel
	Hazardous waste [19]	(t)	150,673	67,453	70,060	83,220	-	Enel
	- of which waste containing PCB	(t)	89	695	706	-606	-87.2	Enel
	Total waste produced	(t)	**8,996,823**	**9,383,005**	**9,144,182**	-386,182	-4.1	Enel
	Total waste sent for recovery	(%)	**22.9**	**22.5**	**25.7**	0.4	-	Enel
	Hazardous waste by disposal method							
	Recycled or sent for recovery	(t)	15,413	26,406	29,240	-10,993	-41.6	Enel
	Sent to landfill	(t)	135,260	41,047	40,820	94,213	-	Enel
	Total	(t)	**150,673**	**67,453**	**70,060**	83,220	-	Enel
	Non-hazardous waste by disposal method							
	Recycled or sent for recovery	(t)	2,047,476	2,082,742	2,317,053	-35,266	-1.7	Enel
	Sent to landfill	(t)	6,798,673	7,232,810	6,757,069	-434,136	-6.0	Enel
	Total	(t)	**8,846,150**	**9,315,552**	**9,074,122**	-469,402	-5.0	Enel
	Waste produced in nuclear plants							
	Liquid radioactive waste at low/ medium activity level	(m^3)	2	2	43	-	-	Enel
	Solid radioactive waste at low/ medium activity level [20]	(t)	-	-	31	-	-	Enel
	Solid radioactive waste at low/ medium activity level [20]	(m^3)	212	197	264	15	7.6	Enel
	Liquid radioactive waste at high activity level	(m^3)	-	-	-	-	-	Enel
	Solid radioactive waste at high activity level	(t)	64	61	65	3	4.9	Enel
DMA EU	**Provision for the decommissioning of nuclear power plants** [21]	(mil euros)	**552**	**538**	**567**	14	2.6	Enel
	Mitigation of the impact on the landscape/territory [22]							
	LV/MV cabling ratio	(%)	**60.0**	**60.0**	**72.4**	-	-	Enel
	LV cabling ratio	(%)	**82.0**	**81.9**	**84.0**	0.1	-	Enel
	MV cabling ratio	(%)	**28.5**	**28.1**	**46.5**	0.4	-	Enel

(1) Avoided emissions are calculated as the sum of the emissions avoided in the different regions, using the specific CO_2 emissions of the individual country's average thermoelectric power generation as a reference, taken from the Enerdata database (https://www.enerdata.net/). The figure is the product of the electricity production obtained with the renewable or nuclear source by the specific emission of CO_2 from thermal power production in the country where Enel is present.

(2) "Scope 1": in addition to CO_2 emissions from the production of electricity and heat, also includes SF_6 expressed as tons of CO_2 equivalent. The value obtained is calculated by converting the tons of each single gas identified, applying the average reference Global Warming Potential value (source: GHG Protocol).

(3) Specific emissions are calculated considering the total emissions from simple and combined thermal production of electricity and heat, in proportion to the total renewable, nuclear, simple and combined thermal power and heat generation (including the contribution of heat in MWh_{eq}). For "minor" pollutants (such as metals, including mercury), Enel has undertaken wide-scale measurement campaigns of the concentrations in fumes produced by thermal 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 2018 a total of 564 kg was recorded only for Italy, Spain, Russia and Chile which currently represent almost 100% of thermal production using coal throughout the Group. Furthermore, there are mercury emissions from the geothermal sector equal to 472 kg. In Europe, mercury emissions are communicated to the competent authorities for registration in the European Pollutant Release and Transfer Register (E-PRTR) 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).

(4) "Scope 2": the estimate of the indirect emissions of CO_2 relating to 2018 due to the consumption of electricity for electricity distribution, moving fuel, extracting coal, property management and the electricity purchased from the grid from hydroelectric plants is the product of the electricity consump-

tion multiplied by the respective weighted specific emission coefficients of the whole generation mix of the countries where the Enel Group operates (source: Enerdata - https://www.enerdata.net/). Following a change in methodology, data for 2018 also include all energy purchased from the grid for hydroelectric plant pumping. Emissions related to grid losses of the consumed electricity have been included in Scope 3 and they are not counted in the Scope 2 emissions. The figures for 2017 and 2016 have been recalculated.

(5) The calculation of Scope 2 according to the "location based" method is based on the company's location. It is the result of the calculation of greenhouse gas emissions resulting from electricity production in the area where consumption takes place. This figure is obtained by multiplying a company's electricity consumption (expressed in kWh) within the borders of the country in question and the average emissions of greenhouse gases per kWh in the country itself (source: Greenhouse Gas Protocol Scope 2 Guidance, 2015).

(6) The calculation of Scope 2 according to the "market based" method is based on the market where the company does business. For companies operating in European countries, the reference market is the European one (EU). Companies can obtain this figure by calculating the emissions caused by the electricity production plants that supply them. The electricity's origin must be certified by "contractual instruments that meet the minimum quality criteria". In Europe, the only way to prove the electricity's origin is the Guarantees of Origin. Companies that use electricity whose origin is not certified by these Guarantees must perform the calculation by referring to the emissions associated with the residual mix (source: Greenhouse Gas Protocol Scope 2 Guidance, 2015).

(7) "Scope 3": the estimate of indirect emissions of CO_2 relating to 2018 and arising from the transport of coal by sea is calculated starting from the quantity transported (equivalent to 69.5% of the total coal used), taking into consideration Panamax ships with a 67,600 t capacity, which cover average distances of 700 nautical miles in 22 days, consuming 35 t of oil a day, and an emission coefficient of 3.2 kg of CO_2 per liter of oil consumed, considering also 3 days stopover for unloading, to which consumption of 5 t 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 30.5% of the coal used) and taking into consideration trains with a capacity of 1,100 t, 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, fuel oil, diesel, solid biomass, WDF and waste is calculated, starting from the quantities of raw materials transported, taking into consideration trucks with capacity of 28 t, which cover average (return) distances of 75 km with a consumption of 1 liter of gas oil for each 3 km traveled 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 thermal production. The figure does not take into account the emissions due to the transport of lignite. Emissions related to grid losses of the consumed electricity have been included in Scope 3 and they are not counted in the Scope 2 emissions.

(8) 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.

(9) The 2018 figure is not comparable with previous years due to the change in calculation methodology.

(10) The increased recorded value in 2018 is mainly due to a penalty imposed on the distribution company Ampla Energia e Serviços SA in Brazil. The cumulative monetary value of environmental proceedings as defendant is equal to 47.69 million euros.

(11) Following the adoption of the new GRI Standard 303, the figure indicated previously referring to specific consumption now refers to specific requirements. Requirement means the total amount of water withdrawn, including the re-use of waste water, necessary for operation of the plant. This figure does not include water used for open-cycle cooling, which is entirely put back into the original water body.

(12) Specific requirements for thermal power generation are calculated considering the total consumption of water from simple and combined thermal production of electricity and heat, in proportion to the total simple and combined thermal power and heat generation (including the contribution of heat in MWh).

(13) Specific requirements for nuclear power production are calculated considering total water consumption from nuclear production, in proportion to the total of nuclear power production. The change in value in water withdrawal requirements is due to the change in the reporting criterion for the nuclear sector where cooling water returned to the receiving water body is no longer accounted for, as already recorded for all plants that adopt an "open cycle" cooling system. Based on the recalculation, in 2017, the overall water withdrawals for production processes amounted to 112.2 mil m^3 and in 2016 amounted to 133.5 mil m^3.

(14) Specific requirements from total production are calculated considering the total consumption of water from simple and combined thermal production of electricity and heat, and nuclear power production, in proportion to the total renewable, nuclear, simple and combined thermal power and heat generation (including the contribution of heat in MWh).

(15) As regards the "Water consumption by production process", the following table shows the values for 2018 by geographical area.

	KPI	UM	December 2018	Scope
303-5	Volumes of water consumed by production process	(mil m^3)	48.7	Enel
	By geographic area			
	Italy	(mil m^3)	11.3	Italy
	Iberia	(mil m^3)	24.4	Iberia
	South America	(mil m^3)	6.8	South America
	Chile	(mil m^3)	2.7	Chile
	Argentina	(mil m^3)	0.8	Argentina
	Colombia	(mil m^3)	0.1	Colombia
	Peru	(mil m^3)	2.5	Peru
	Brazil	(mil m^3)	0.6	Brazil
	Europe and Euro-Mediterranean Affairs	(mil m^3)	6.3	Europe and Euro-Mediterranean Affairs
	Russia	(mil m^3)	6.3	Russia

(16) Figures on waste water for 2018 report a change, due to the different reporting method adopted, only for the Iberia geographical area. Up until last year, this item included figures for discharges as required by authorizing entities, according to a fiscal reporting criterion. Since 2018, this figure was adjusted to a technical criterion. The figure for 2017 was recalculated according to the technical criterion adopted for 2018 (the figure for 2017 according to the previous fiscal reporting criterion was equal to 108.0 mil m^3).
(17) The 2017 figure was restated.
(18) As regards the production of waste, the following table shows the values for 2018 by significant geographical areas only.

	KPI	UM	December 2018	Scope
306-2	Hazardous waste by significant geographical areas			
	Italy	(t)	115,145	Italy
	Iberia	(t)	10,736	Iberia
	South America	(t)	6,774	South America
	Chile	(t)	1,986	Chile
	Argentina	(t)	829	Argentina
	Colombia	(t)	469	Colombia
	Peru	(t)	735	Peru
	Brazil	(t)	2,755	Brazil
	Europe and Euro-Mediterranean Affairs	(t)	14,166	Europe and Euro-Mediterranean Affairs
	Russia	(t)	3,367	Russia
	Romania	(t)	7,589	Romania
	Greece	(t)	3,208	Greece
	Bulgaria	(t)	2	Bulgaria
	Non-hazardous waste by significant geographical areas			
	Italy	(t)	1,349,212	Italy
	Iberia	(t)	2,164,994	Iberia
	South America	(t)	657,632	South America
	Chile	(t)	315,649	Chile
	Argentina	(t)	1,667	Argentina
	Colombia	(t)	248,779	Colombia
	Peru	(t)	59,844	Peru
	Brazil	(t)	31,693	Brazil
	Europe and Euro-Mediterranean Affairs	(t)	4,656,420	Europe and Euro-Mediterranean Affairs
	Russia	(t)	4,649,999	Russia
	Romania	(t)	6,415	Romania
	Greece	(t)	5	Greece
	Bulgaria	(t)	1	Bulgaria

(19) The considerable increase in hazardous waste in 2018 is due to a temporary reclassification of thermoelectric power generation waste of the Brindisi power plant. Following the seizure of the plant by the judicial authorities in September 2017, pending the completion of the investigation and as a precautionary measure, fly ash was classified as "hazardous waste" and disposed of accordingly. Following the release of the plant in August 2018, the ash was reclassified as "non-hazardous waste" and sent for recovery. For further information, see the section "Significant events in 2018" in the 2018 Annual Report.
(20) 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.
(21) The provision for "nuclear decommissioning" includes the costs incurred at the time of the decommissioning of nuclear facilities by Endesa Generación, a Spanish public company in charge of this activity.
(22) 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. The decrease in 2017 compared to 2016 is due to the acquisition of Enel Distribuição Goiás (formerly CELG-D), a distribution company that operates in Brazil in the State of Goiás.

Sustainable supply chain

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	NATURE OF SUPPLIERS							
	Number of suppliers with which a new contract was signed in the year	(no.)	**31,434**	**31,329**	**35,860**	105	0.3	Enel
EU17	**Workforce of contracting and subcontracting companies** [1]	(no.)	**133,384**	**122,505**	**126,130**	10,879	8.9	Enel
	Training hours and information of employees of the contractors [2]	(no.)	**885,938**	**822,173**	**677,000**	63,765	7.8	Enel
	Days worked by employees of contractors and subcontractors	(,000 d)	**29,344**	**26,951**	**27,749**	2,393	8.9	Enel
	Construction activity	(,000 d)	7,435	8,368	10,050	-933	-11.1	Enel
	Operating and maintenance activity	(,000 d)	21,909	18,583	17,699	3,326	17.9	Enel
	- of which operating activity	(,000 d)	6,573	5,575	5,310	998	17.9	Enel
	- of which maintencance activity	(,000 d)	15,337	13,008	12,389	2,328	17.9	Enel
	Concentration of material and service suppliers (top 15)	(%)	**41.3**	**47.6**	**45.1**	-6.3	-	Enel
204-1	**Local suppliers of materials and services** [3]							
	Local suppliers with contracts > 1 mil euros	(no.)	1,403	1,143	1,041	260	22.7	Enel
	Foreign suppliers with contracts > 1 mil euros	(no.)	197	158	188	39	24.7	Enel
	Spending on local suppliers with contracts > 1 mil euros	(mil euros)	11,173	8,288	9,271	2,885	34.8	Enel
	Spending on foreign suppliers with contracts > 1 mil euros	(mil euros)	1,912	707	1,938	1,205	-	Enel
	Concentration of spending on local suppliers	(%)	85	92	83	-7	-	Enel
	Concentration of spending on foreign suppliers	(%)	15	8	17	7	-	Enel
	Purchases and fuel							
	Purchases of materials and services	(mil euros)	**15,074**	**10,683**	**12,867**	4,391	41.1	Enel
	Supplies	(mil euros)	5,726	2,829	4,081	2,897	-	Enel
	Works	(mil euros)	3,656	3,713	2,977	-57	-1.5	Enel
	Services	(mil euros)	5,692	4,141	5,809	1,551	37.5	Enel
	Fuel purchases	(mil euros)	**4,322**	**4,652**	**4,250**	-330	-7.1	Enel
	Gas	(mil euros)	1,700	1,611	1,567	89	5.5	Enel
	Oil	(mil euros)	865	834	803	31	3.7	Enel
	Coal/Lignite/Biomass	(mil euros)	1,757	2,207	1,880	-450	-20.4	Enel
	Services	(mil euros)	-	-	-	-	-	Enel

GRI/ EUSS	KPI	UM	December 2018	December 2017	December 2016	2018-2017	%	Scope
	Management instruments							
	Active qualified companies	(no.)	**6,300**	**6,755**	**7,248**	-455	-6.7	Enel
	Online tenders as percentage of all tenders	(%)	**62.9**	**61.1**	**63.2**	1.8	-	Enel
	Online purchases as percentage of all purchases	(%)	**71.1**	**57.0**	**56.4**	14.1	-	Enel
	Use of prescription	(%)	**15.4**	**21.3**	**18.3**	-5.9	-	Enel
103-2	**Disputes involving suppliers**							
	Total proceedings	(no.)	**465**	**469**	**496**	-4	-0.9	Enel
	Incidence of proceedings as defendant	(%)	**77.8**	**85.1**	**82.9**	-7.3	-	Enel

(1) Calculated in FTE (Full Time Equivalent).
(2) The figure also includes the training and induction courses related to health and safety provided by Enel people required to access the Group's construction and/or operating sites.
(3) "Local suppliers" means those suppliers with their registered office in the country in which the supply contract was issued.

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GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	19 legal actions have been recorded in 2018 (11 in Italy, 4 in Iberia, 3 in South America and 1 in Romania)			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
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GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No violations of the rights of indigenous peoples have been reported			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
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GRI 415: Public Policy 2016	415-1 Political contributions	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			
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GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	111-112 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			
	417-3 Incidents of non-compliance concerning marketing communications	In 2018 Enel Group companies have not been concerned by proceedings for unfair commercial practices with focus on marketing communications, including advertising, promotion and sponsorship			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
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Seeding Energies.
Curiosity is the power of today.

Curiosity and knowledge are the energy that encourages us to grow more
and more each day, to tackle the present and look to the future with enthusiasm.
A journey of discovery that leads us to value diversity,
build relationships and establish trust.
Brilliant ideas and ever-new achievements make the difference, creating value
for our customers, for the communities where we work, for our people and shareholders.
Because it is through the power of curiosity, knowledge, cooperation and engagement
with others that we can safeguard and protect our planet in a sustainable way together.