



ESG engagement Seeding energies

September 2016



ESG engagement

Agenda



Enel today



Enel sustainable business model



From planning to action: creating shared value



Financial targets



Closing remarks

ESG engagement

Enel today¹: operating footprint



North America

Capacity: 2.5 GW

Mexico & Central America

Capacity: 1.0 GW

Latin America

Capacity: 18.6 GW

Networks: 0.32 mn km

End users: 15.3 mn

Africa

Capacity: 0.2 GW

India

Capacity: 0.2 GW

Enel Group

Capacity: 87.1 GW

Networks: 1.87 mn km

End users: 61.5 mn

Free customers: 23.1 mn

Italy

Capacity: 27.8 GW

Networks: 1.14 mn km

End users: 31.6 mn

Free customers: 10.5 mn

Iberia

Capacity: 22.8 GW

Networks: 0.32 mn km

End users: 11.9 mn

Free customers: 12.5 mn

East Europe

Capacity: 14.0 GW

Networks: 0.09 mn km

End users: 2.7 mn

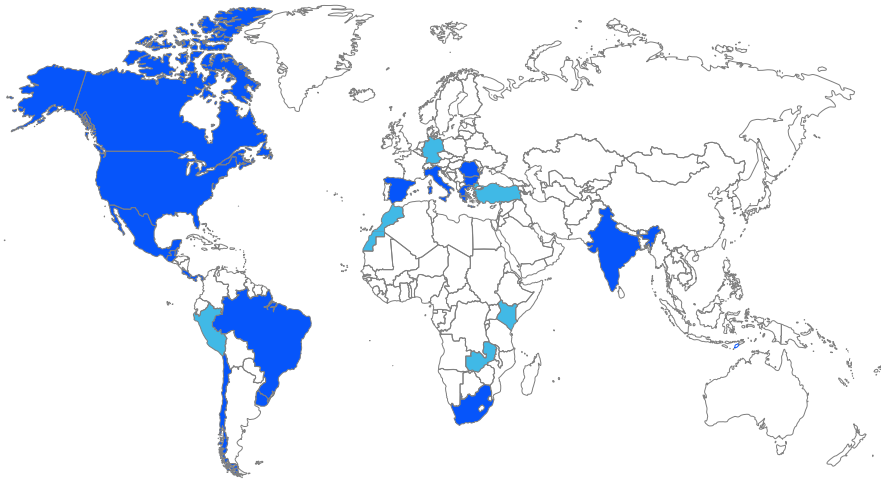
Free customers: 0.1 mn

Global diversified operator

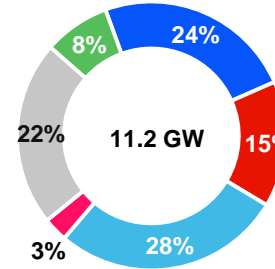
1. As of June 30, 2016

ESG engagement

Enel today¹: renewable footprint

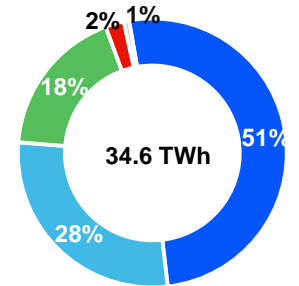


Installed capacity by geography¹



■ Latam
■ Iberia
■ Italy
■ North America
■ RoW
■ RoE

Net production by technology²



■ Wind
■ Hydro
■ Geo
■ Solar
■ Other

1. As of June 30, 2016
2. LTM data as of June 30, 2016

ESG engagement

Enel today¹: industrial footprint



Networks

~44% of Group EBITDA

61.5 mn end users

39.7 mn smart meters

~40 €bn RAB²



Retail

~18% of Group EBITDA

56 mn power customers

5.4 mn gas customers



Renewables

~12% of Group EBITDA

11.2 GW installed

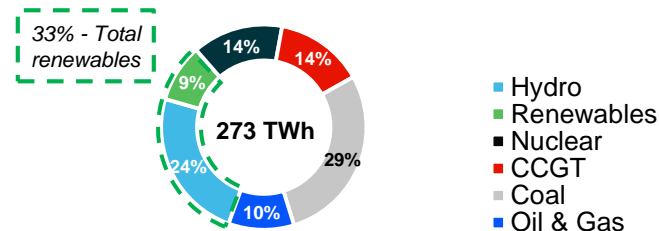


Conventional generation

~26% of Group EBITDA

75.8 GW installed

Total Group production³



1. As of June 30, 2016

2. As of December 2015

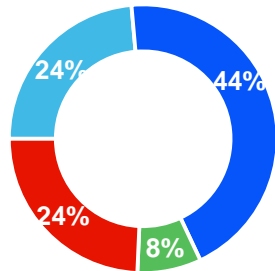
3. LTM data as of June 30, 2016. Renewables include geothermal, wind, solar and other

ESG engagement

Enel today: sustainability footprint (2/2)

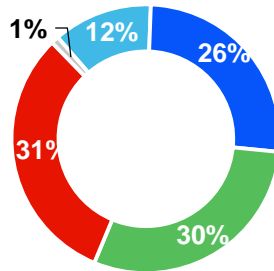


Shareholding structure^{1,2}



- Ministry of Economy and Finance
- Institutional investors
- Institutional investors: SRI focus
- Retail investors

SRI investors geographic breakdown²



- UK
- Norway
- Rest of Europe
- North America
- Rest of the world

Inclusion in main sustainability indices²

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good



DRIVING SUSTAINABLE ECONOMIES



Member 2015/2016



Since 2004
Score **84/100**

Since 2002
Score **4.1/5**

Since 2005
Performance **B** Disclosure **100**

Since 2014
E. **53.32** – S. **90.72** – G. **88.93**

Since 2013
Maintenance

Since 2007
ESG Rating **EE- /EEE**

1. As of March 2016. Share capital breakdown. SRI focus investors as of December 2015

2. As of October 2016

ESG engagement

Agenda



Enel today



Enel sustainable business model



From planning to action: creating shared value



Financial targets



Closing remarks

ESG engagement

Enel is Open Power



VALUES

Responsibility

Each of us is responsible for the group's success, at every level. We devote our energy to the service of people, in order to improve life and make it more sustainable

Innovation

We live and work with inquisitiveness, we strive to go beyond existing practices and overcome our fears, in order to make energy available for new uses, technologies and people, learning from each other and leveraging failures as much as successes

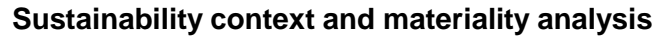
Trust

We always act with competence, in an honest and transparent way, in order to gain the trust of colleagues, customers and partners in the field, while valuing individual differences. In turn, we reciprocate by trusting in their ability to create shared value

Proactivity

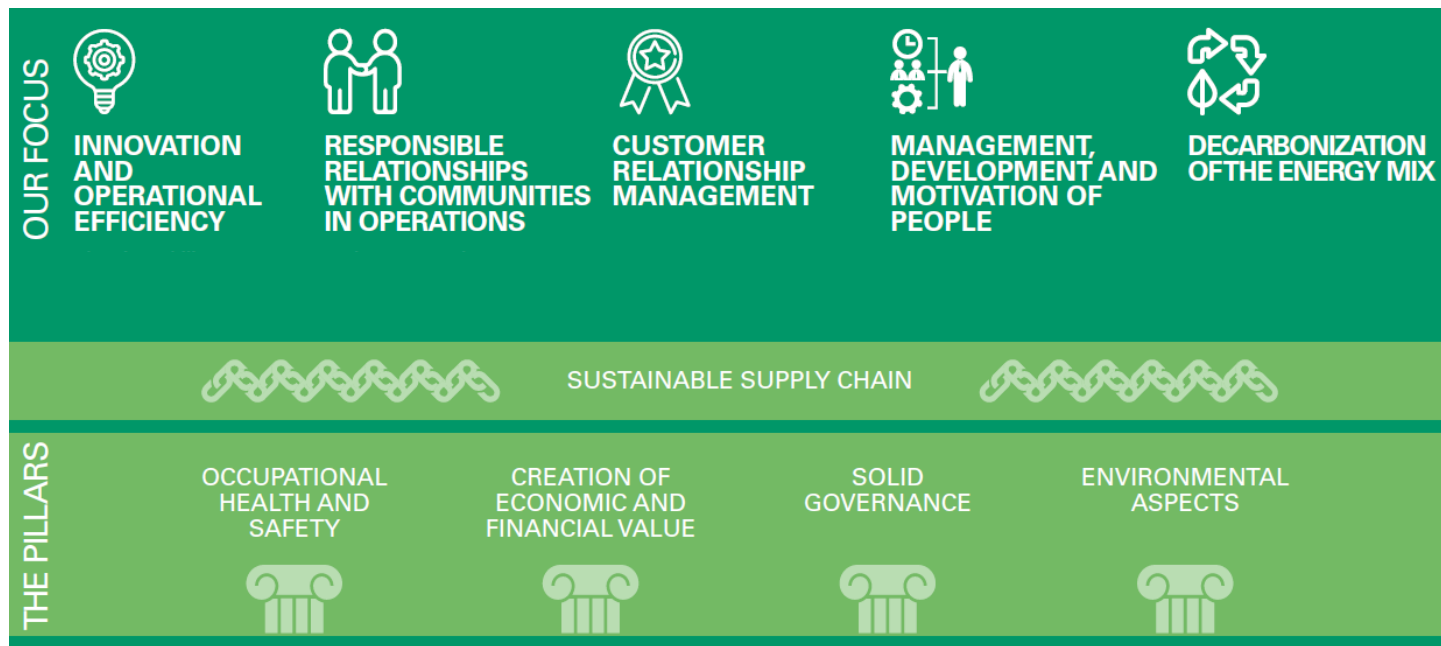
We take personal charge of our work. We continually interpret scenarios and global challenges in order to anticipate change, redefining our priorities if the context requires it

Materiality assessment and identification of plan issues



ESG engagement

2015-19 sustainability strategic guidelines



ESG engagement

2015-19 sustainability strategic guidelines: Sustainable Development Goals (SDGs)



The global goals for sustainable development




Enel commitment to the global SDGs

	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	Ensure access to affordable, reliable, sustainable and modern energy for all
	Promote inclusive and sustainable economic growth, employment and decent work for all
	Take urgent action to combat climate change and its impacts

ESG engagement

Planning: decarbonization of the energy mix



Issue	Industrial actions	Related targets/commitments
	Development of renewable capacity #	+9.2GW of additional renewable capacity by 2019 #
	Thermal capacity reduction plan @	~ -17GW of conventional capacity by 2019 @
Related SDGs	Decarbonization of energy mix \$	44% of production from renewables by 2019 \$
	Specific CO ₂ emissions reduction *	< 350 gCO ₂ /kWheq by 2020 (-25% base year 2007) *



ESG engagement

Planning: responsible relationships with communities



Issue	Industrial actions	Related targets/commitments
-------	--------------------	-----------------------------



	Access to affordable, sustainable and modern energy	#
--	---	---

	3,000,000 of people, mainly in Africa, Asia and Latin America by 2020	#
--	---	---

	High-quality, inclusive and fair education	@
--	--	---

	400,000 people by 2020	@
--	------------------------	---

	Employment and sustained, inclusive and sustainable economic growth	\$
--	---	----

	500,000 people by 2020	\$
--	------------------------	----

Related SDGs



ESG engagement

Planning: innovation and operational efficiency



Issue	Industrial actions	Related targets/commitments
-------	--------------------	-----------------------------



	Large scale infrastructure innovation: storage, electric vehicles, grid digitization and smart meters	#
--	---	---

		30m smart meters (o/w 21m second generation) by 2019	#
--	--	--	---

Related SDGs



	Open fiber: ultrabroadband deployment in Italy	@
--	--	---

		224 Italian municipalities by 2019 7.5 million homes	@
--	--	---	---

ESG engagement

Planning: customer relationship management



Issue	Industrial actions	Related targets/commitments
-------	--------------------	-----------------------------



	Active customer and new home and energy efficiency services	#
--	---	---

		+4.7m new customers in power and gas free market by 2019
--	--	--

	Innovative technology for integrated energy services	#
--	--	---

	Initiatives focused on vulnerable customer groups	
--	---	--

Related SDGs



ESG engagement

Planning: management, development and motivation of people



Issue	Industrial actions	Related targets/commitments
-------	--------------------	-----------------------------



Related SDGs



Appraise performance of all employees having worked for at least 3 months in the Group

#

Foster corporate climate

@

Promote inclusive, sustainable and long-lasting economic growth and employment

\$

Global implementation of the diversity and inclusion policy

\$

Development of dedicated local initiatives

Involvement of 100% of employees eligible and reachable through the internet in 2016

#

Assessment of 80% of the target population in 2016

#

Involvement of 100% of employees eligible and reachable through the internet in 2016

@

Appraisal of 78% of the target population in 2016

\$

Recruitment to ensure equal gender splitting of the candidates accessing selection (50%)

\$

ESG engagement

Planning: mitigation of other environmental impacts



Pillar



Related SDGs



Industrial actions

Reduction of SO₂ specific emissions

Reduction of NO_x specific emissions

Reduction of particulates specific emissions

Reduction of water specific consumption

Reduction of waste produced

Related targets/commitments

-30% by 2020 (vs 2010)

-30% by 2020 (vs 2010)

-70% by 2020 (vs 2010)

-30% by 2020 (vs 2010)

-20% by 2020 (vs 2015)

ESG engagement

Agenda



Enel today



Enel sustainable business model



From planning to action: creating shared value



Financial targets



Closing remarks

ESG engagement

From planning to action: creating shared value

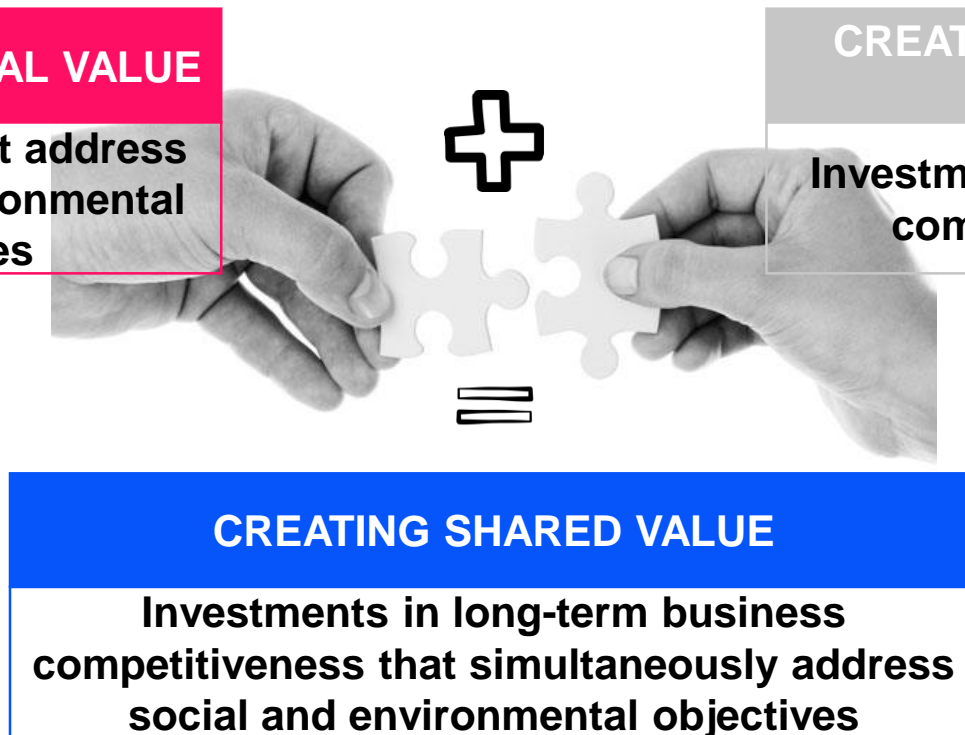


CREATING SOCIAL VALUE

Investments that address social and environmental objectives

CREATING BUSINESS VALUE

Investments in long-term competitiveness



CREATING SHARED VALUE

Investments in long-term business competitiveness that simultaneously address social and environmental objectives

ESG engagement

Creating shared value: lessons learnt



Chile - Neltume



- 490MW run-of-the-river hydro plant
- Consultation process with indigenous communities launched in 2006 to factor in the latter's needs into the specificities of the project
- Original designing included involvement of lake having religious relevance to indigenous communities
- Opposition to the original configuration led us to withdraw it in 2015 and to analyse alternative propositions that could meet the surrounding local, social and environmental context

Colombia - El Quimbo



- 400MW hydro plant
- Specific initiatives have been established for resident or landowning families in the area affected by the project on an agreed and participatory basis
- Overall investment included building of new homes, bridges, biodiversity protection (such as the restoration of over 11,000 hectares of tropical vegetation on the left bank of the basin) and the setting up of veterinary help centers
- Despite the intensive relationship building and involvement, in 2015 legal proceedings were launched by local inhabitants

ESG engagement

Creating shared value: access to electricity



Project specifications

- **Location:** Candarave district - Ollague (Chile)
- **2015 beneficiaries:** 900
- **Status:** on-going
- **Partners:** Local NGO, Barefoot College, Antofagasta University, mine El Abra, Local Municipality

Project description

- Offgrid hybrid system: innovative combination of thin-film PV modules (205kWp), wind turbine (30kW), Battery Energy Storage System (BESS) and diesel generator (already existing)
- Local community involved from business development to operations phase

Value created for Enel

- Installation of production capacity, development of technical know-how and definition of a replicable Hybrid plant model
- Apply CSV model application within protected indigenous communities.

Business issue

- Off-grid solutions for isolated areas with development of innovative hybrid solutions
- Technical training of local workers to be entrusted with the operations and maintenance of the plant

Value created for stakeholders

- Availability of electricity and hot water around the clock as opposed to just 2 hours
- Development of entrepreneurship through the engagement of the women in the Barefoot College program
- Creation of new job opportunities in the renewable energy and tourism fields

Related SDGs



ESG engagement

Creating shared value: social and economic development



Project specifications

- **Location:** San Juan Marcona – Ica (Peru)
- **2015 beneficiaries:** 500
- **2016 beneficiaries:** 1,160
- **Status:** on-going
- **Partners:** Ministry of production, Fishing Institute, GSEP, Barefoot College

Business issue

New business development and promotion of renewable sources

Related SDGs



Project description

- Safety and first aid training programs organization to reduce accident and mortality rates
- Restructuring of the fishing activities production line with installation of new technologies to dry and pre-treat the algae
- Marketing training courses organization
- Energy needs covered through a hybrid off-grid system of 600 kW

Value created for Enel

- Off-grid hybrid model testing
- Improving community relations
- Opening new business opportunities

Value created for stakeholders

- Greater safety in fishing operations
- Improvement of the artisanal fishing supply chain
- Marketing of products (seaweed and fish)
- Increase in income available



ESG engagement

Creating shared value: education



Project specifications

- **Location:** Bogotá (Colombia)
- **2015 beneficiaries:** 7,290
- **2016 beneficiaries:** 4,400
- **Status:** on-going
- **Partners:** Compensar

Project description

- Program aiming at improving professional skills so that more than 7,000 young people from six public schools in Bogotá may access a wider variety of jobs
- Promotion of social-skills, such as teamwork, leadership, assertive communication, ethics and social responsibility
- First phase launched by an interdisciplinary team consisting of psychologists, social workers, and teachers

Value created for Enel

- Foster corporate reputation
- Enhance relationship with the territory

Business issue

Open new opportunities through a positive relationship with the community for social development

Value created for stakeholders

- Social inclusion
- Education and training for teenagers

Related SDGs



ESG engagement

Agenda



Enel today



Enel sustainable business model



From planning to action: creating shared value



Financial targets



Closing remarks

ESG engagement

Group targets



	2015A	New 2016 ¹	2017	2019	GAGR (%) 2015-19
Ordinary EBITDA (€bn)	15.0	~ 15.0	~ 15.5	~ 17.3	~ +4%
Net ordinary income (€bn)	2.9	~ 3.2	~ 3.4	~ 4.4	~ +11%
Minimum DPS (€/sh)	0.16 ¹	0.18	0.18		
Pay-out	50% ²	55%	60%	65%	~ +15 p.p.
FFO/Net debt	25%	23%	26%		

1. Old ordinary EBITDA and net ordinary income targets respectively of 14.7 €bn and 3.1 €bn

2. Paid on June 22nd, 2016

3. Implicit payout of 55% as a consequence of newly issued shares after EGP integration

ESG engagement

Agenda



Enel today



Enel sustainable business model



From planning to action: creating shared value



Financial targets



Closing remarks

ESG engagement

Closing remarks



Energy sector at the heart of a transition towards environmentally sound and sustainable development

Mindset change needed to embrace the future

Innovation and opening to the outside world are key factors

Creation of value shall combine business and social components

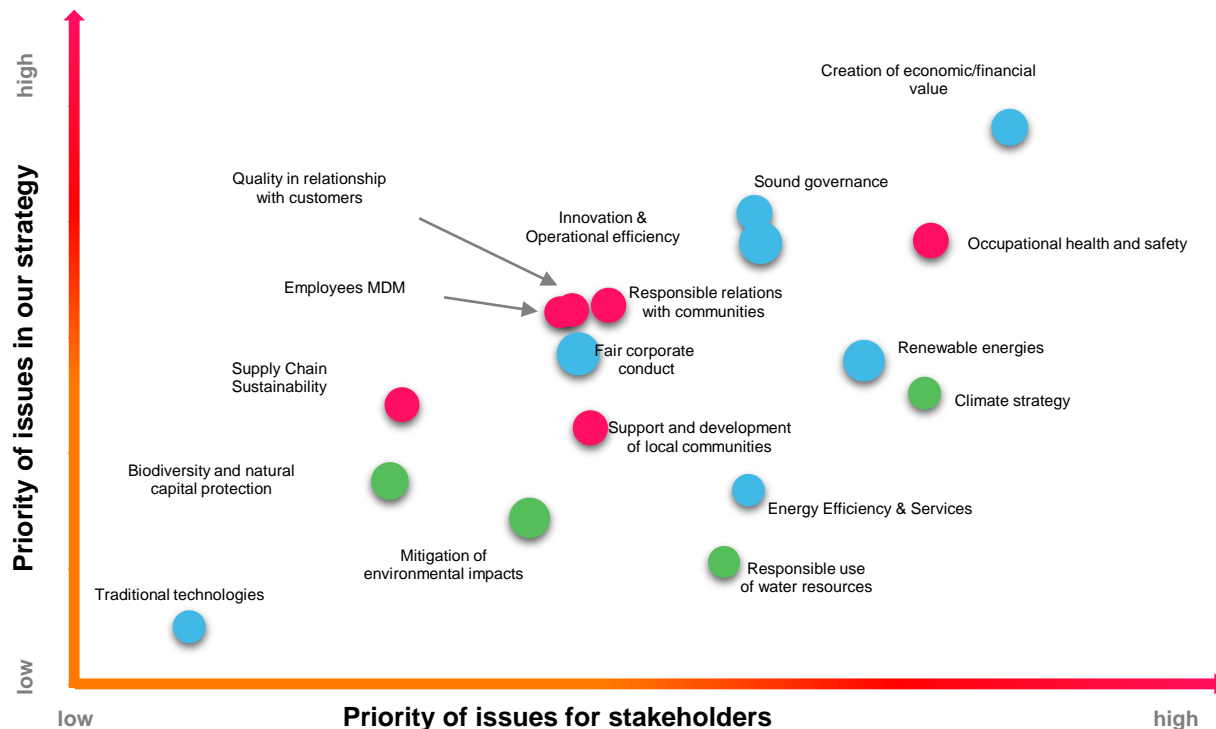


Seeding energies

**Sustainability and financial plan
annexes**

ESG engagement - Sustainability annexes

Detailed 2015 materiality matrix

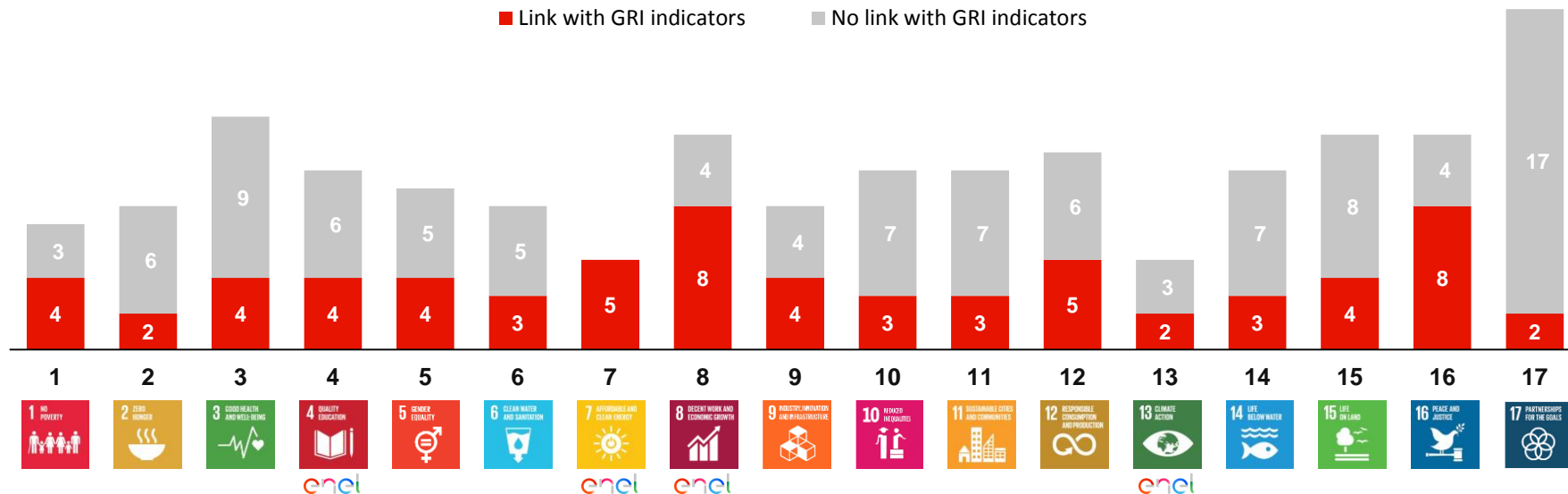


ESG engagement - Sustainability annexes

How SDGs relate to GRI-G4 KPIs



■ Link with GRI indicators ■ No link with GRI indicators



68 targets are directly linked with specific GRI-G4 KPIs¹

1. Considering "GRI G4 Sustainability Reporting Guidelines" and "GRI G4 Electric Utilities Sector Disclosures"

ESG engagement- Sustainability annexes

Responsible relationships with communities: Futur-E



Project specifications

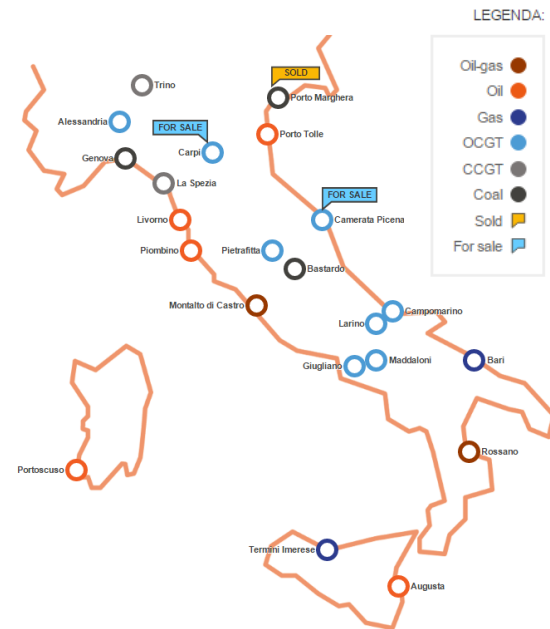
- Fresh life to obsolete or non-competitive plants
- 22 plants involved
- Identification of possible 'destinations' for the plants and protection of direct employment
- Action based on a differentiated approach and strategy according to the destination of the sites:
 - active involvement of communities, institutions, universities to achieve a shared project, also through a 'competition of ideas' to identify the intended use
 - spreading of information to illustrate and share the new industrial project

Case study

- **Region:** Piedmont
- **Province:** Alessandria
- **Plant type:** 2x88MW oil/gas units
- **Area size:** 6.6 ha (owned by Enel)
- **Surrounding context:** Industrial / Agriculture
- **Chosen approach:** competition of ideas

Current status of the case study

- Competition of ideas ended mid-December 2015
- 30 projects received
- 3 projects shortlisted:
 - extreme sport centre
 - agricultural centre of excellence
 - elderly home and cancer research centre
- Identification of financing sources and potential parties interested to develop the sports centre underway



ESG engagement - Sustainability annexes



Management, development and motivation of people: focus on Enel's diversity policy

Gender



- Both genders to be equally represented in staffing e recruiting processes.
- Partnership with universities to promote the participation of female students
- Parental program to balance parental needs and professional growth aspiration. In addition tutoring actions

Age



- Tutorship program to support employees during selected major transitional periods (e.g. hiring)
- Academies to facilitate knowledge transfer among Junior and Senior colleagues

Nationality



- Tutorship program for expatriates. A tutor will be assigned to all expatriates. Such tutor will belong to the host country and they will assist and support the expatriate

Disability



- Each country to identify a focal point supporting Human Resources Business Partners, Health and Safety Unit, Supervisors and employees to address any issue connected with disability
- The aim is to meet the needs and aspirations of disabled colleagues

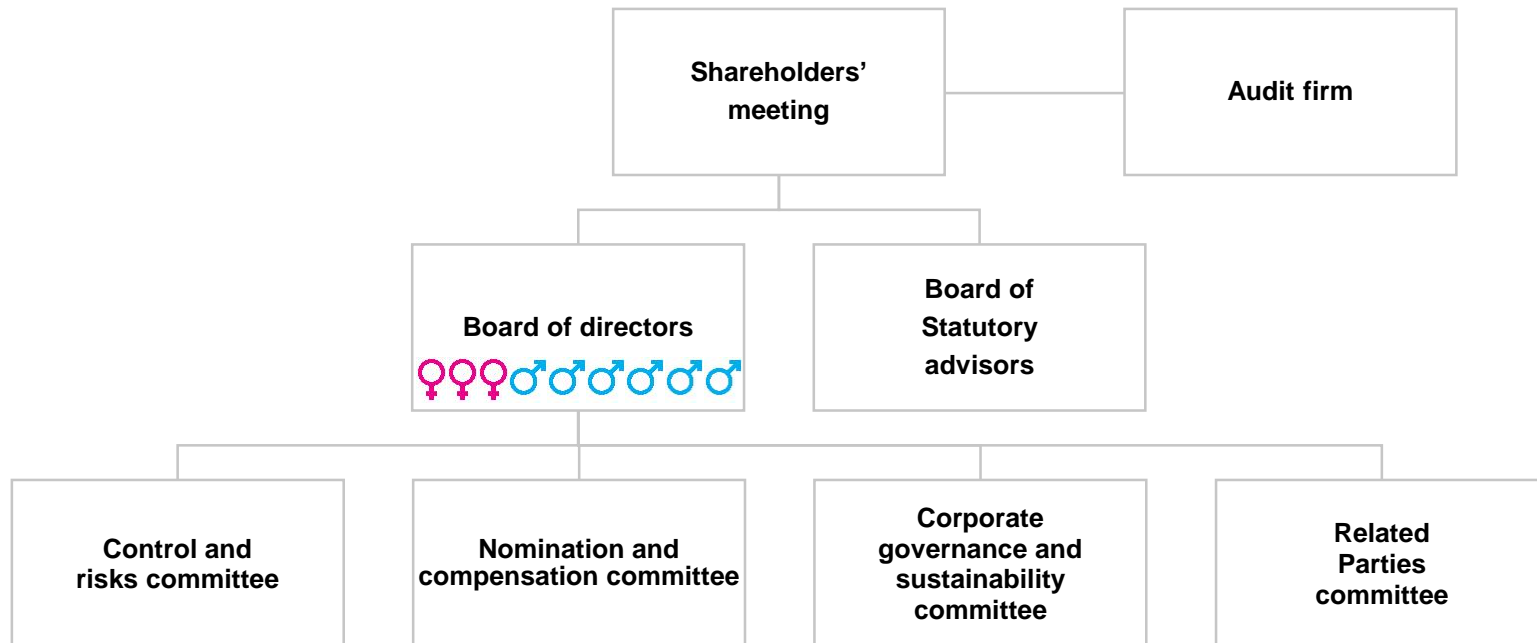
CROSS DIMENSION:

Specific training courses/workshops on diversity and inclusion behaviors and values for Human Resources Business Partners, newly-hired employees and new supervisors

Diversity and inclusion are included in Enel's behavioral model for the performance appraisal process

ESG engagement - Sustainability annexes

Corporate governance and business: focus on the corporate governance structure



ESG engagement - Sustainability annexes

Corporate governance and business: focus on remuneration



Short-term variable remuneration

Management by objectives (MBO) are based on:

-Company Guidance

- FFO/Net Debt
- Ordinary EBITDA
- Cash Cost

-Safety criteria:

- Work related accident frequency index

Long-term variable remuneration

Starting from 2015, long-term incentives (LTI) are linked to:

- **Stock TSR (60% weight)**
- **ROACE (40% weight)**

Changes approved in last AGM

Long term variable remuneration (LTI):

- **Access threshold: from 80% to 90% of Enel TSR vs Index TSR**
- **Relative performance assessment: from comparison w/ cluster of peers TSR to comparison w/ EUROSTOXX Utilities – Euro Area (Economic and Monetary Union – EMU) - (2016-18 period)**

Methodological note:

Comparison with an index reduces volatility and discretionary adjustments caused by changes in the peer panel due to lack of representative peers and facilitates investors analysis

Additional information on the LTI structure

- **Negative TSR threshold:** If Enel TSR during the relevant performance period (2016-2018) is negative no over performance will be recognized (a cap would apply to the maximum incentive disbursement, which may not exceed 100% of the base value)
- **Other compensation (CEO and GM, only):** the total amount including severance payment (2 years of fixed compensation) and non-competition agreement (that the company has the right to activate) shall not exceed 24 months of fixed and short-term variable compensation

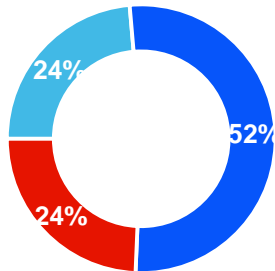
ESG engagement - Sustainability annexes

Corporate governance and business: focus on slate voting mechanism



Issue

Board of Directors' appointment (9 members)



- Ministry of Economy and Finance
- Institutional investors
- Retail investors

Context

- Current shareholding structure and increasing attendance of institutional shareholders at Annual General Meetings could lead to scenarios where, despite the main shareholder submitting a slate with a number of candidates able to cover the majority of the places available in the Board, the slate would not receive the majority of the votes. There could also be the scenario where the slate submitted by institutional investors, despite receiving the majority of the votes, would have an insufficient number of candidates to cover the positions granted
- This would mean that appointment of the full Board would not be achieved, necessitating additional voting sessions. Also shareholders attending the Meeting by proxy would not be able to properly express their votes in the Meeting

Changes approved in last EGM

- The amendment approved in the last EGM provides that, if the slate having obtained the majority of the votes does not have enough candidates to cover the seven/tenths of the positions available, then all the candidates listed in this slate will be drawn
- Lastly, for the places not covered by this majority slate, the remaining directors shall be drawn by the minority slate that has obtained the next highest number of votes according to the capacity of this slate. In case of insufficient capacity, the remaining directors shall be drawn with the same methodology from the following slate and so on, based on the number of votes and on the capacities of slates
- This amendment obtained 99.3% of votes in favor at the last EGM

ESG engagement - Sustainability annexes

Enel approach to Cyber security



Protection of corporate know-how and security of individual citizens

Escalation of cyber security breaches: from over 650 attacks in 2014 to over 2,000 in 2015

SIEM (Security Information and Event Management Engine) in place








Awareness-raising and training campaigns

Founding member of European Energy Information Sharing and Analysis Center (EE-ISAC)

ESG engagement - Sustainability annexes

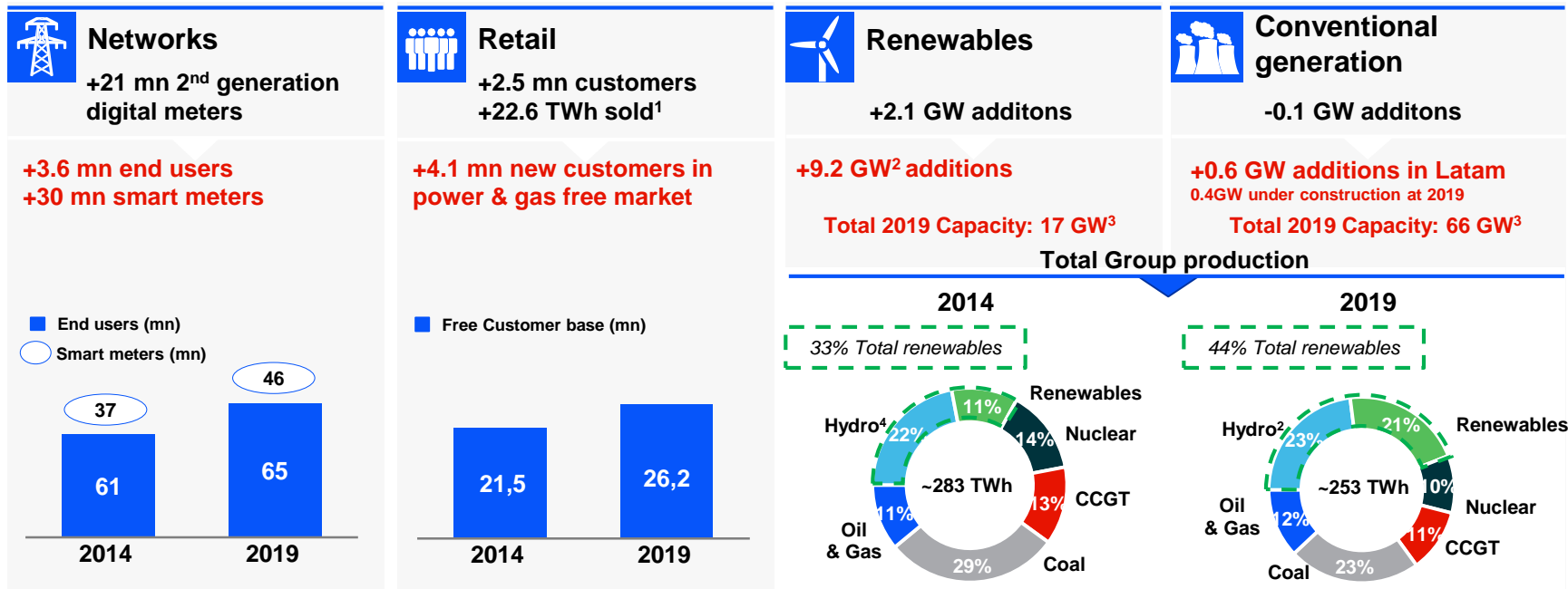
Enel's presence in the main energy and sustainability associations



Association	Role covered
 Global Sustainable Electricity Partnership	Member. The organization promotes sustainable energy development worldwide
	Member of the Board and active in the network meetings
	Member of its Steering Committee since January 2013 In June 2015, Enel's CEO was appointed member of the Global Compact Board of Directors
 SUSTAINABLE ENERGY FOR ALL	Enel CEO appointed member of the Board of Directors in 2015 Enel one of the most active members
 Global Reporting Initiative™	One of the companies having collaborated to the 'Reporting 2025' initiative Active in many other working groups
	Enel has adhered to the International Integrated Reporting Council (IIRC) since its creation
 bettercoal defining standards.refining practice	Member of the Board of Directors

ESG engagement - Financial plan annexes

Evolution of industrial footprint (2015-19)



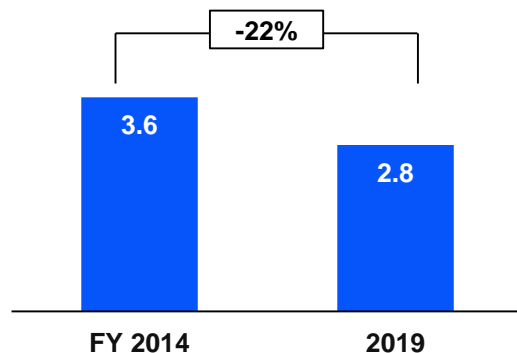
1. In Italy
2. Including 0.9 GW additional capacity from optional capex
3. Net of disposals
4. Including EGP Hydro operations

ESG engagement - Financial plan annexes

Enel Group 2015-19 plan targets: operational efficiency¹ (€bn)

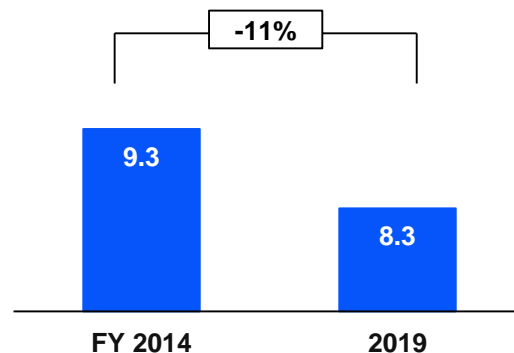


Maintenance capex



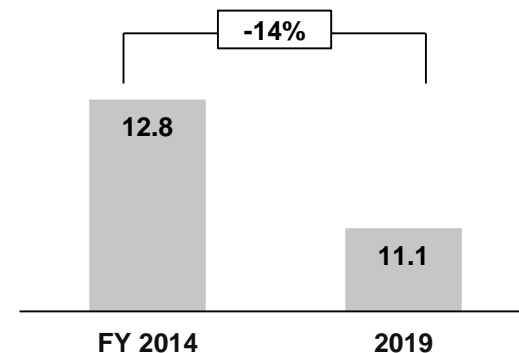
2015 achieved: 3.3 €bn

Opex



2015 achieved: 9.1 €bn

Cash cost



2015 achieved: 12.4 €bn

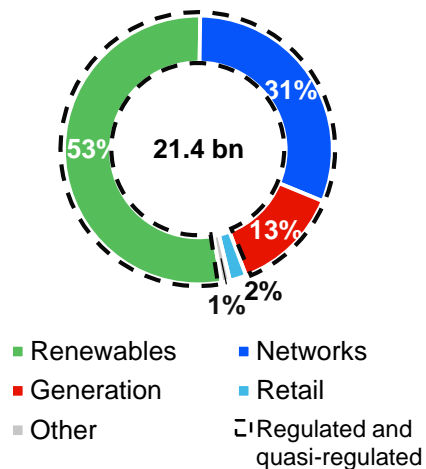
1. In nominal terms

ESG engagement - Financial plan annexes

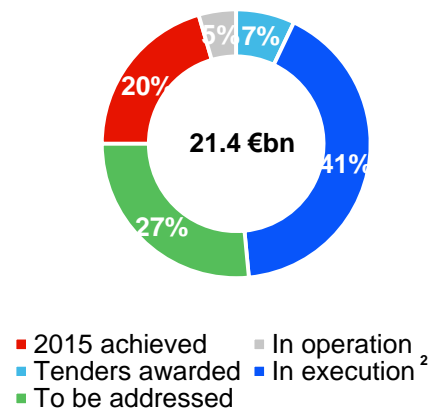
Enel Group 2015-19 plan targets: growth capex¹



Growth capex by business



Growth capex by progress



1. Including 2015A growth capex

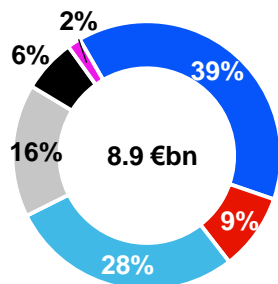
2. Excludes assets held for sale related to Slovenske Elektrarne

ESG engagement - Financial plan annexes

Industrial growth: capex in execution¹

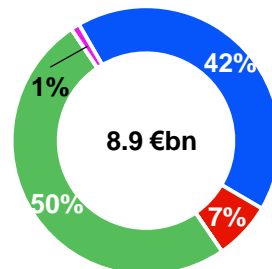


In execution by geography



■ Latam
■ Italy
■ North America
■ Iberia
■ RoW
■ East Europe

In execution by business



■ Networks
■ Renewables
■ Generation
■ Other

By year

2016	38%
2017	34%
2018	16%
2019	12%

By COD²

2016	22%
2017	50%
2018	19%
2019	9%

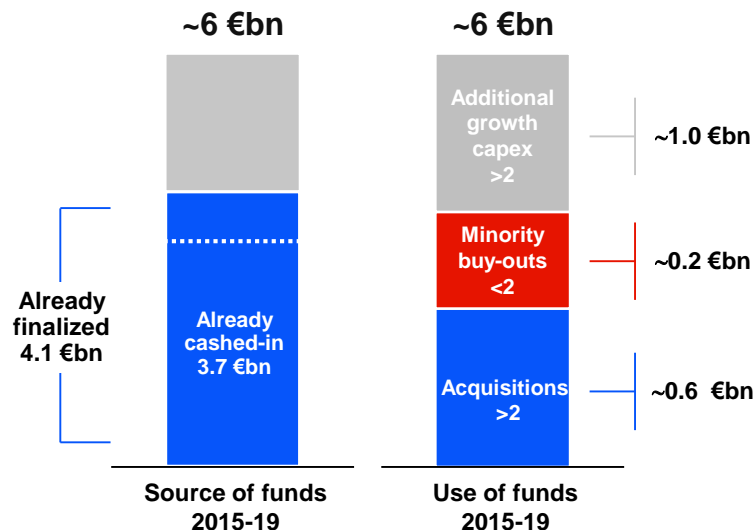
2016 EBITDA growth secured, with ~70% in the outer years

1. As of June 30, 2016. Excludes assets held for sale related to Slovenske Elektrarne

2. As of June 30, 2016. Refers to capacity in Generation and Renewables

ESG engagement - Financial plan annexes

Active portfolio management



Disposals already finalized¹ (€bn) Cashed-in^{1,2}

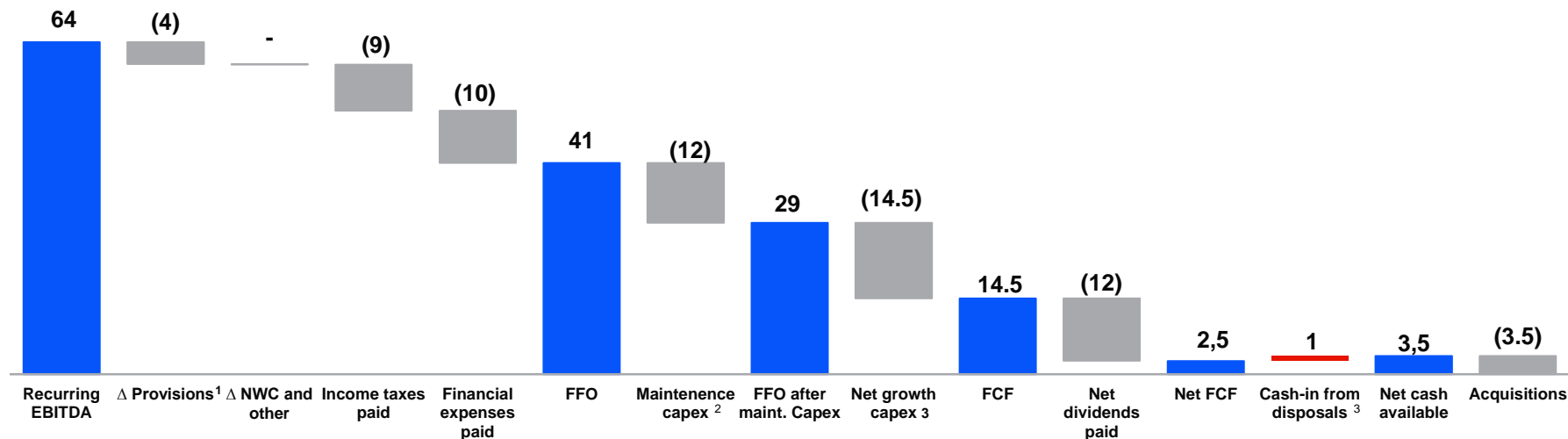
Slovenske Elektrarne ³	2.0	1.6
EGP Portugal	0.5	0.5
EGP North America	0.4	0.4
SE Hydropower - SF Energy	0.4	0.4
Hydro Dolomiti	0.3	0.3
Other	0.5	0.5
Total	4.1	3.7

~70% of 5-years plan already finalized

1. Impact on net debt
2. As of July 2016
3. Equity consideration for 50% Enel's stake equals to 375 €mn

Investor presentation - Financial plan annexes

Cash flow generation: cumulative 2016-19 (€bn)



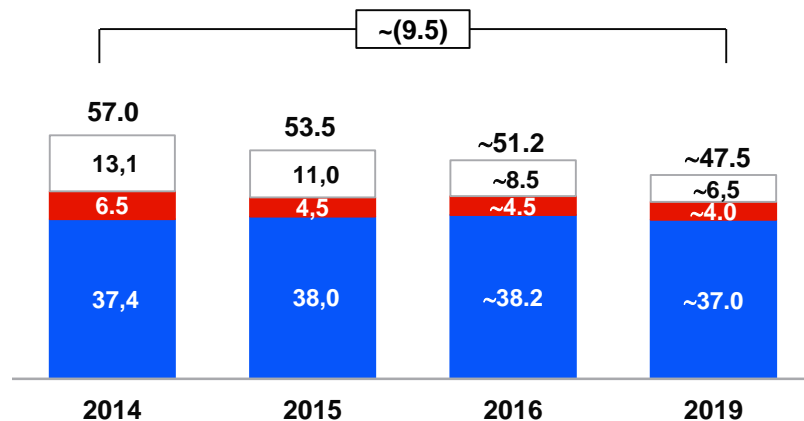
1. Accruals, releases, utilizations of provisions in EBITDA (i.e. personnel related and risks and charges). Inclusive of bad debt provision accruals equal to 2.3 €bn
2. Including maintenance capex from acquisitions
3. Net of funds from active portfolio management worth ~2.5 €bn

ESG engagement - Financial plan annexes

Enel Group 2015-19 plan targets: debt evolution and financial charges



Gross and net debt (€bn)



Net debt/
EBITDA

2.4x

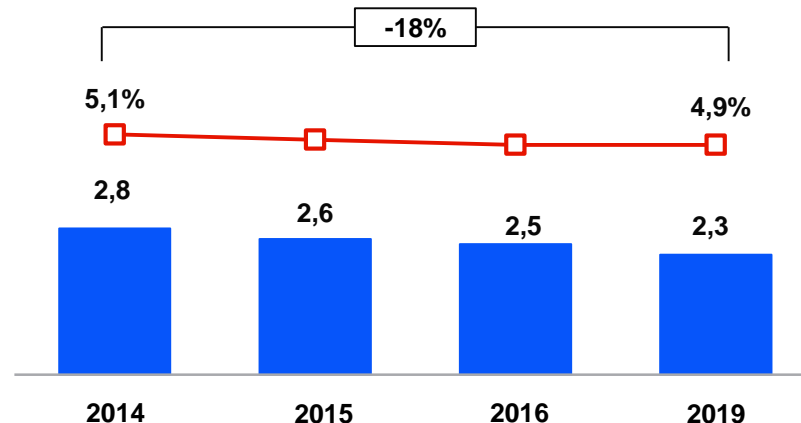
2.5x

2.6x

2.1x

- Net debt
- Financial receivables
- Cash

Net financial expenses on debt (€bn)



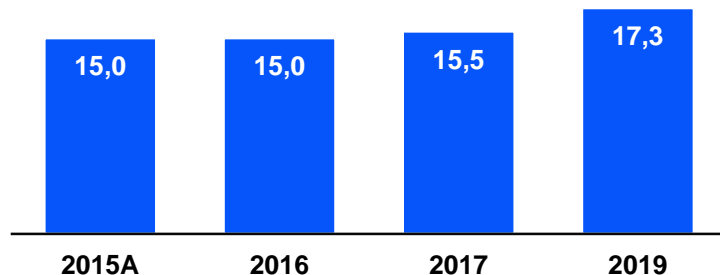
- Net financial exp.
- Cost of gross debt

ESG engagement - Financial plan annexes

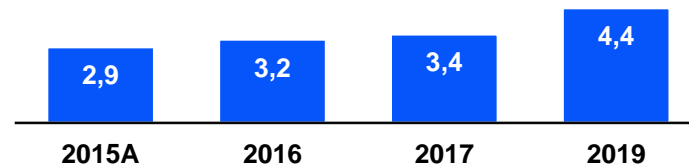
Enel Group 2015-19 plan targets: ordinary EBITDA and net ordinary income evolution



Ordinary EBITDA evolution (€bn)



Net ordinary income evolution (€bn)

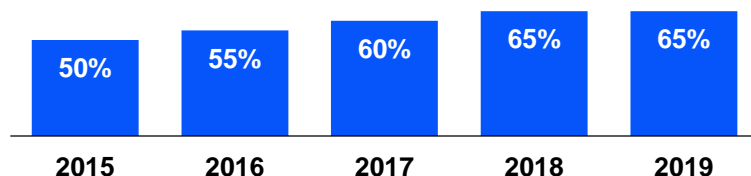


ESG engagement - Financial plan annexes

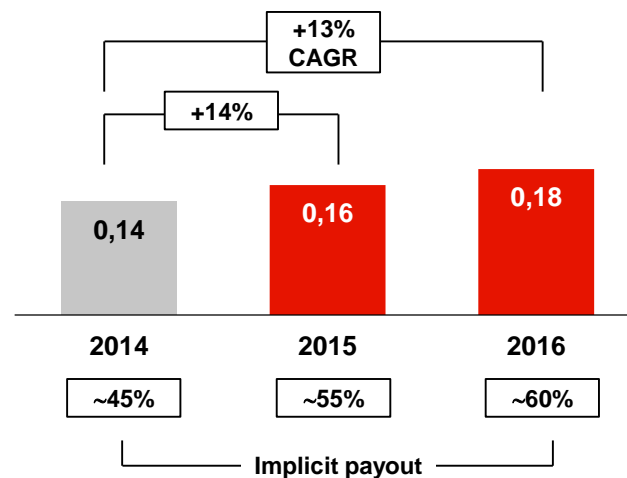
Enel Group 2015-19 plan targets: shareholder remuneration



Dividend policy



Minimum DPS (€/sh)



Dividend payment of 0.16€/share on 2015 results
Implicit payout ratio of ~55%

ESG engagement

Disclaimer



This presentation contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Enel S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Enel S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price and availability of fuel and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Enel S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party.

This presentation does not constitute a recommendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Enel S.p.A. or any of its subsidiaries.

Pursuant to art. 154-bis, paragraph 2, of the Italian Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Enel, Alberto De Paoli, declares that the accounting information contained herein correspond to document results, books and accounting records.

ESG engagement

Contact us



Email

investor.relations@enel.com

Phone

+39 06 8305 7975

Web site

www.enel.com

Luca Passa

Head of Group Investor Relations

Elisabetta Ghezzi

Investor Relations Holding

Donatella Izzo

Investor Relations Sustainability and Other Countries

Marco Donati

Investor Relations Reporting and Corporate Governance

Follow us

