Consolidated Non-financial Statement (NFS) prepared in accordance with Italian Legislative Decree 254/16_year 2018

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Consolidated Non-financial Statement 2018



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Letter to stakeholders

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

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, 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

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Francesco Starace Chief Executive Officer and General Manager

Klesser

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Profile and organizational model

Enel's sustainable business model enhances synergies between various business areas and the outside world in order to find new solutions at all times to reduce environmental impact, meet the needs of local communities and improve the safety of personnel and suppliers. Knowledge of the outside world, and engagement with all stakeholders, makes it possible to create sustainable value in the long term, combining economic with social growth.

To foster new, efficient uses of energy and new ways of making it accessible to an ever-increasing number of people, Enel has made innovation and digitalization key elements of its strategy. It is a path that involves both traditional business and the development of new models and technologies and which relies on creativity, passion, ideas and technologies not only within, but also outside the Company. A strategic and operational approach based on the concept of openness, "Open Power", where sustainability and innovation are an indispensable combination.

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. Since June 1, 2015, Enel's Chief Executive Officer has been on the Board of Directors of the United Nations Global Compact.

A key aspect of this approach is the use of ESG (environmental, social and governance) sustainability indicators along the entire value chain, not only to take into account results achieved, but above all to anticipate decisions and develop a proactive approach in line with the United Nations' sustainable development goals for 2030.

Non-financial information is increasingly analyzed by investors and the financial market, that look at a company's ability to develop industrial plans which are sustainable over time and translate into measurable concrete actions and better economic results.

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).

The Group is listed on main sustainability indexes such as the Dow Jones Sustainability Index World, the FTSE4Good, the CDP (Carbon Disclosure Project) Climate and the CDP Water, MSCI ESG Universal Indexes and MSCI ESG Focus Indexes, the STOXX Global ESG Leaders, the Euronext Vigeo-Eiris, the OE-KOM Prime Rating, the Thomson Reuters/S-Network ESG Best Practices Indices, the Thomson Reuters Diversity & Inclusion Index, the Equileaps Top 200 ranking, and the ECPI.

Company profile

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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.

КРІ	UM	2018	2017	2016	2018-2017	%
Number of employees	no.	69,272	62,900	62,080	6,372	10.1
EBITDA	mil euros	16,351	15,653	15,276	698	4.5
Revenues	mil euros	75,672	74,639	70,592	1,033	1.4

Energy generation

Enel produces energy through a balanced mix of sources, in which renewables (hydroelectric, wind, solar, geothermal and biomass power) play a leading role and fossil fuels are diversified into natural gas, coal and fuel oil.

KPI	UM	2018	2017	2016	2018-2017	%
Total net installed capacity (1)	MW	85,620	84,917	82,679	703	0.8
Renewable net installed capacity	MW	39,203	38,305	35,907	898	2.3
Total net production	GWh	250,339	249,876	261,812	463	0.2
Renewable net production	GWh	98,940	81,695	85,974	17,245	21.1
Emission-free production	%	49.1	43.3	45.6	5.8	-

(1) Additional installed capacity in 2018 was equal to approximately 2,700 MW, mainly in North, Central and South America. The difference between the increase in the Group's capacity and new renewable capacity is due to some renewable power plants no longer being included in the Group's scope of consolidation, because of a BSO ("Build, Sell and Operate") process.

Net production by geographical area

КРІ	UM	2018	2017	2016	2018-2017	%
Italy	GWh	53,232	53,518	60,912	-286	-0.5
Iberia (1)	GWh	74,193	78,618	72,323	-4,425	-5.6
South America	GWh	67,897	64,627	62,165	3,270	5.1
North and Central America ⁽²⁾	GWh	12,433	9,793	12,268	2,640	27.0
Europe and Euro-Mediterranean Affairs	GWh	41,076	41,839	53,613	-763	-1.8
Africa, Asia and Oceania	GWh	1,508	1,481	531	27	1.8
Total net production	GWh	250,339	249,876	261,812	463	0.2

(1) The decrease in Iberia is due to a reduction in the production of thermoelectric and nuclear power.

(2) The increase in North and Central America is due to a greater production from renewable sources.

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Distribution

Through its distribution companies, the Group transports energy in Italy, Romania, Iberia and South America, thanks to over 2 million kilometers of distribution lines crossing two continents.

Distributed energy

KPI	UM	2018	2017	2016	2018-2017	%
Distributed energy (1)	TWh	485.4	460.7	426.7	24.7	5.4

(1) 2017 figures include a more specific determination of the quantities of energy distributed.

Length of distribution lines by geographic area

KPI	UM	2018	2017	2016	2018-2017	%
Italy	km	1,153,323	1,149,219	1,144,987	4,104	0.4
Iberia	km	319,613	317,782	316,562	1,831	0.6
Romania	km	128,508	127,548	91,412	960	0.8
South America (1)	km	624,653	566,010	322,146	58,643	10.4
Total distribution lines	km	2,226,097	2,160,559	1,875,107	65,538	3.0

(1) The increase in 2018 compared to 2017 is mainly due to the acquisition of the company Eletropaulo in Brazil.

The electricity and gas market

The Group operates through its business companies on the regulated utility market, with regulated tariffs, and on the free market. The average number of gas and energy customers to-

tals approximately 68 million, up on 2017, following the acquisition of the company Eletropaulo in Brazil.

Average number of customers on the electricity and gas markets

КРІ	UM	2018	2017	2016	2018-2017	%
Total	no.	67,637,151	63,744,260	61,429,305	3,892,891	6.1
Electricity market	no.	61,908,719	58,187,931	56,039,735	3,720,788	6.4
- Italy	no.	25,602,096	26,420,058	26,776,635	-817,962	-3.1
- Iberia	no.	10,799,974	10,941,644	11,047,937	-141,670	-1.3
- Romania	no.	2,921,353	2,782,014	2,736,908	139,339	5.0
- South America	no.	22,585,296	18,044,215	15,478,255	4,541,081	25.2
Gas market	no.	5,728,432	5,556,329	5,389,570	172,103	3.1
- Italy	no.	4,103,790	4,003,484	3,876,191	100,306	2.5
- Iberia	no.	1,589,630	1,550,424	1,513,379	39,206	2.5
- Romania	no.	35,012	2,421	-	32,591	-



Supply chain

Enel bases its purchasing processes on pre-contractual and contractual conduct, focused on reciprocal loyalty, transparency and collaboration, in order to have a resilient and responsible supply chain that understands and adapts to the external context and which is committed to adopting best practices in order to take opportunities and mitigate any economic, environmental and social risks. Enel requires its suppliers to adopt the highest standards in the areas of health and safety, fighting corruption, respecting human rights and protecting the environment.

The procurement process has a matrix-style organization struc-

ture that allows experiences and specific skills to be shared, so as to be able to respond adequately and quickly to business needs.

Within this structure, five different global units manage procurement procedures together with local units according to well-defined, integrated responsibilities and governance that promote development and sharing at all levels. This organization structure is complemented by two service units that monitor procurement processes and dealings with suppliers.

Main organizational changes

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 Gali-

cia 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.

Enel's organizational model

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

- → Business Lines (Global Thermal Generation, Global Trading, Global Infrastructures 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 are entrusted with the task of managing within each country where the Group operates 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 Global 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.

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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, no-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 since 2014 the CEO has been a member of the Advisory Board. Since 2017, Enel has officially been a "Delivery Partner" of the organization, with the aim of attaining SDG 7 faster. During 2018, Enel took part in the first meeting of SEforALL Electrification Accelerator, whose aim is to encourage and support action in the private sector in Sub-Saharan Africa.

CSR Europe - CSR Europe is the leading European business network dedicated to corporate social responsibility. 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.

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. In 2011, it became part of the Global Compact LEAD, a group that represents the world's foremost sustainability leaders in the private sector (34 in 2018). Since June 2015, Enel's CEO has been a member of the Global Compact Board, a position to which he was re-appointed in June 2018 for a further three years. Since the end of 2017, Enel has supported, among others, the UNGC platform dedicated to new, innovative financing to accelerate achievement of the SDGs, and has been a member of the two Action Platforms "Reporting on the SDGs" and "Financial Innovation for SDGs", and since 2018, of the two platforms focused on goals 13 (Climate Action) and 16 (Peace, Justice & Strong Institutions). Within the framework of the UNGC program, 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.

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 issues. In 2017, Enel took part in the activities related to the launch of the new reporting standard (GRI Standards). 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.

Enel's CEO was also appointed Chair of **eurelectric** (the European-level electricity industry association) for 2017-2019. Enel is also a member of the **European Commission Multi-stake-holder platform on SDGs**, that promotes the adoption of the SDGs throughout the European Community and furthermore it has been a member of the **World Business Council for Sustainable Development** and the **International Integrat-ed Reporting Council** (IIRC) since 2016.

Corporate governance system 102-11 102-15 102-18 102-22

Enel's shareholders

Since 1999 (year of its listing) Enel has been listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana SpA and has the highest number of shareholders of any Italian company. Enel's shareholders include the most important international investment funds, insurance companies,

pension funds and ethical funds, also thanks to the implementation by Enel and the Group of the best international practices on transparency and corporate governance.

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OWNERSHIP STRUCTURE AS	OF DECEMBER 31, 2018
Ministry of Economy and Finance	23.6%
Institutional investors	57.6%
Retail investors	18.8%

In addition, as of the date of this report, the Enel Group includes 14 listed companies whose shares are traded on the Argentine, Brazilian, Chilean, Peruvian, Russian, Spanish and American stock exchanges.

Enel deems it in line with its own specific interest - as well as with its duty towards the market - to ensure an ongoing and open relationship, based on mutual understanding of their respective roles, with its shareholders in general, as well as with institutional investors, in order to increase the relevant level of understanding about the activities carried out by the Company and the Group; in this context, Enel maintains a fair and transparent dialogue with its investors, in accordance with national and European regulations on market abuse and in line with international best practices. During recent years, this engagement activity has gone along with the increasing participation of institutional investors in the Shareholders' Meetings. In particular, since its listing, Enel deemed it appropriate to establish corporate units dedicated to the dialogue with institutional investors, as well as with its shareholders in general. The Company therefore created the Investor Relations unit, which is currently within the Administration, Finance and Control Function, and a specific area within the Corporate Affairs unit, which is itself part of the Legal and Corporate Affairs Function. Furthermore, economic/financial, environmental, social and governance information can be found on the Company's website (www.enel.com, "Investors" section), as well as updated data and documents of particular interest, making a multidisciplinary and integrated vision possible.

The corporate governance model

Board of Statutory Auditors

Audit Firm

The corporate governance structure of Enel complies with the principles set forth in the Corporate Governance Code for listed companies¹ (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.

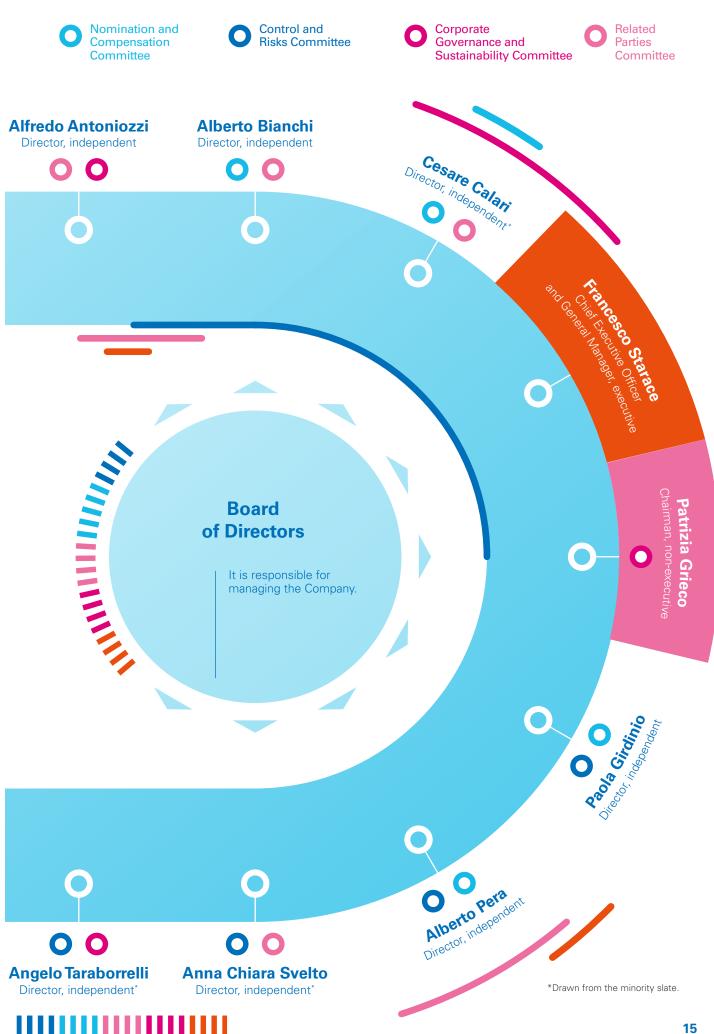
It is responsible for monitoring: the Company's compliance with the law and bylaws, as well as compliance with proper management principles in the carrying out of the Company's activities, the process of financial disclosure and the adequacy of the Company's organizational structure, internal audit system. and administration and accounting system, the audit of the stand-alone and the consolidated financial statements and the independence of the external audit firm and, lastly, how the corporate governance rules provided by the Corporate Governance Code are actually implemented.

The external audit of the accounts is entrusted to a specialized firm enrolled in the relevant registry and appointed by the Shareholders' Meeting, upon a reasoned proposal by the Board of Statutory Auditors.

Shareholders' Meeting

> It is responsible for: the appointment or removal of members of the Board of Directors and the Board of Statutory Auditors, as well as their compensation and responsibilities, the approval of financial statements and the allocation of net earnings, the purchase and sale of treasury shares, the remuneration policy and share-based compensation plans, amendments to the Company's bylaws, and the issue of convertible bonds.

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.



Board of Directors

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.

OFFICE SENIORITY DIVERSITY (% OF TOTAL NUMBER OF DIRECTORS	5)
1-3 financial years	11%
4-6 financial years	78%
Over 6 financial years	11%

A _{GE DIVERSITY} (%) From 30 to 50 years	11%
Over 50 years	89%

DIVERSITY (NO.)	
Female	3
Male	6

BACKGROUND (NO.)

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Energy	3
Engineering	2
Strategy and Finance	5
Cyber security	1
Legal	4
Expertise in international environments	5

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 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.

Moreover, at the end of 2018 and in the first two months of 2019, the Board of Directors, assisted by an industry specialist, assessed the size, composition and functioning of the Board and its committees (board review), in line with the latest corporate governance practices adopted abroad and implemented in the Corporate Governance Code. As part of this board review, specific aspects were analyzed concerning the Board's handling and management of sustainability. The Company also organized a specific induction program to give directors adequate knowledege of business activities performed by the Group, of 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. 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 in which importance was given to auditors having experience in large multinationals, as well as expertise and experience relative to financial reporting and/or internal control systems and risk management 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). Further details of the corporate governance system are included in the Report on Corporate Governance and Ownership Structure for 2018, available on the Company's website.

Internal Control and Risk Management System

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"), which constitutes the internationally recognized benchmark for the analysis and integrated assessment of the effectiveness of the SCIGR. The SCIGR specifically 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, reduce conflicts of interest; it guarantees the traceability of the tasks of identifying, assessing, managing, and monitoring risks, ensuring

over time the reconstruction of the sources and 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.

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).

Main types of risks and management procedures

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 ²:

- → the results of materiality assessment (see the chapter "Materiality assessment and definition of non-financial targets");
- → 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, in

cluding 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 Principle³ 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.

² The analysis considers and assesses perceived risk, in the absence of controls.

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

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 <i>ad hoc</i> 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.
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.

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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).
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.

Further details on the above risks and the risk management system in general are included in the 2018 Annual Report and 2018 Sustainability Report, available on the Company's website (www.enel.com).

As regards specific areas covered by Legislative Decree 254/16, sections further on in this document report on the relative risks and management procedures, concerning in particular the management of human rights, anti-corruption, occupational health and safety, the supply chain and community relations, as well as the relative policies and controls adopted. With regard to human rights and anti-corruption, the provisions of the regulations in force (for example, Italian Legislative Decree 231/01 in Italy) and/or internationally recognized guidelines (United Nations' Guiding Principles on Business and Human Rights) have been taken into account for the issues at hand.

102-42	102-43	102-44
102-46	102-47	103-1

Materiality assessment and definition of non-financial targets

Materiality assessment

Enel launched a process aimed at identifying the priority issues or the Group and for the Company's stakeholders in 2012, and said process has been reinforced over time. This is what is known as the materiality assessment. 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 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 in order to verify their "alignment" (or "misalignment") and identify any gaps to be filled.

Over the years, the materiality assessment process has widened in terms of covered geographical scope and has involved an increasing number of companies, according to the materiality principle. In particular, 231 initiatives, 18 countries and 46 companies were involved in the 2018 assessment.

On the basis of the assessment's overall results and considering the topics contemplated by Legislative Decree 254/16, the focus areas for preparing the Consolidated Non-Financial Statement, Sustainability Report and contents to include in the Annual Report are defined, and the targets for the 2019-2021 Strategic Plan and 2019-2021 Sustainability Plan (see the section "2019-2021 Sustainability Plan" for further details) are established. See the "Methodological note" for detailed information about the process used.

Stakeholder engagement

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 engaging stakeholders, who are annually involved in the analysis 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;
- \rightarrow evaluating and weighting the different categories according to parameters of dependency, influence and urgency;

-> engaging with stakeholders according to the most appropriate methods based on the type of relationship concerned, the frequency of interaction and reference context.

Enel's engagement process involves external and internal stakeholders, including top management, in ad hoc interviews and questionnaires, and also analyzes different initiatives with stakeholders conducted during the year by various company departments. The main stakeholder categories and the respective communication and engagement channels are indicated in the "Methodological note".

Priority issues

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 attribute to the various issues, appropriately weighted based on their materiality. On the right part of the matrix are the issues for which the stakeholders require Group commitment in terms of greater investments, strengthening of existing practices and management systems, formalization of commitments and clear policies;
- → the vertical axis shows the issues on which Enel plans to focus its efforts, with the associated degree of priority, also taking into consideration planned investments, commitments and issues included in the Group's Strategic Plan. The upper part of the matrix shows the issues for which a high level of commitment for the coming years is envisaged as part of the Group's strategic objectives.

The most significant issues, according to the priorities assigned by stakeholders, are: "New technologies, services and digitalization," "Decarbonization of the energy mix," "Customer focus" and "Economic and financial value creation." With regard to the different issues, also on the basis of the priorities assigned by stakeholders, the Company commits itself to working proactively to respond to the expressed needs, by identifying, monitoring and achieving objectives and targets formalized in the Sustainability Plan (see the section "Definition of non-financial targets" for more details). The results essentially show an alignment between stakeholders' requirements and the priorities assigned by the Company to the various issues.

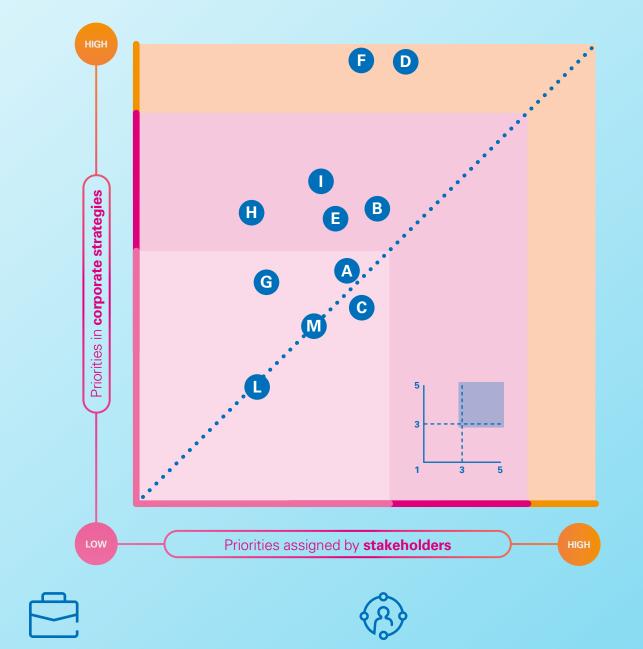
The issues of "Economic and financial value creation" and "New technologies, services and digitalization" are particularly significant in the Company strategies, in line with the provisions of the Strategic Plan.

The following chapters of this Statement address non-financial issues in more detail, for which the Company has publicly shared its commitment to achieving non-financial targets. They are fully disclosed in the following section on the Sustainability Plan.

The priority issues covered in this Statement are: "Sound governance and fair corporate conduct," "Decarbonization of the energy mix," "Environmental compliance and management," "People management, development and motivation," "Occupational health and safety," "Engaging local communities," "Sustainable supply chain."

All the issues analyzed in the materiality assessment are addressed in other company reporting documents, and in particular in the 2018 Annual Report and the 2018 Sustainability Report, available on the Company's website (www.enel.com).

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

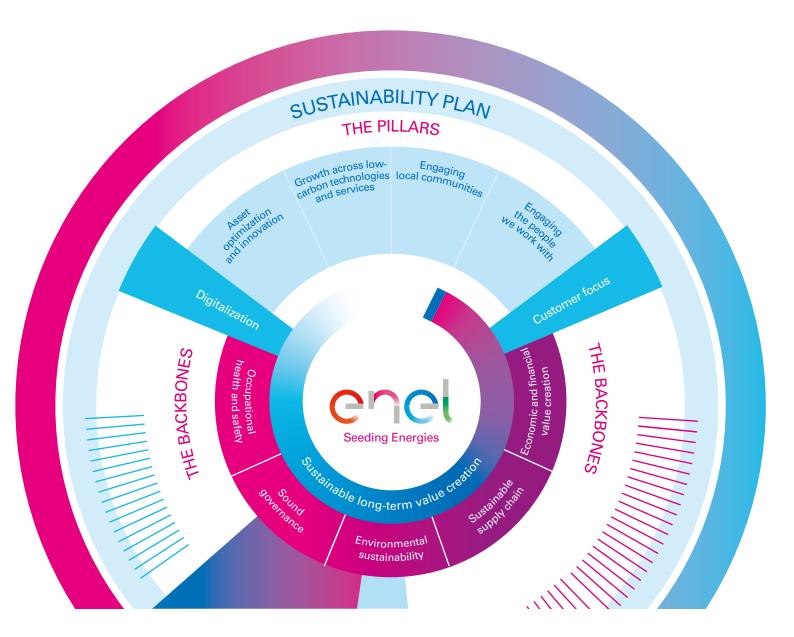
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Definition of non-financial targets

2018-2020 Sustainability Plan progress

Enel integrates sustainability in all aspects of its business, in order to keep finding new solutions to reducing environmental impact, meet customers' and local communities' needs and improve relations with employees and suppliers, putting people's safety first. By actively engaging with all stakeholders and rationally using resources, a synergy between social and economic progress can be promoted, with the aim of creating shared, inclusive value in the medium and long term. For this reason, the 2018-2020 Sustainability Plan, in line with the Strategic Plan, identified the following pillars, backbones and enablers.

The next chapters of this Consolidated Non-Financial Statement and the 2018 Sustainability Report present the results and actions relative to the targets of the Sustainability Plan.



2019-2021 Sustainability Plan

As a result of the process to integrate sustainability in company strategy, started several years ago, in November 2018 the new Strategic Plan was presented to the financial market, with its increasing focus on sustainability as a building block for the Group's policies and objectives, aimed at creating sustainable value in the long term for all stakeholders.

In particular, the 2019-2021 Sustainability Plan presents:

- → the 4 pillars on which the Group wants to focus its commitment to sustainable goals
 - Growth across low-carbon technologies and services
 - Operational improvement for a better service
 - Engaging local communities

- Engaging the people we work with
- → the 5 backbones that have always been essential to the way Enel works
 - Occupational health and safety
 - Sound governance
 - Environmental sustainability
 - Sustainable supply chain
 - Economic and financial value creation.

Two cross boosts are also present – innovation and digitalization – as drivers to accelerate growth and promote even greater efficiency.



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The main non-financial targets of the 2019-2021 Sustainability Plan, included in the presentation made during the 2018 Capital Markets Day, are listed below, while details of all targets are disclosed in the 2018 Sustainability Report.

Scope of the 2019-2021 Sustainability Plan	Target theme			
	Reduction of specific CO_2 emissions (SDG 13)			
Growth across low-carbon technologies and services	Implementation of environmental international best practices at selected coal plants			
	Inclusive and equitable quality education (SDG 4)			
Engaging local communities	Affordable, reliable, sustainable and modern energy (SDG 7)			
	Sustained, inclusive and sustainable economic growth (SDG 8)			
	Promotion of digital skills among all employees			
	Workplace climate survey			
Engaging the people we work with	Performance appraisal for our people ⁴			
	Global adoption of the diversity and inclusion policy			

In November 2018, Enel relaunched to 2030 its commitment to four of the United Nations' 17 Sustainable Development Goals:



SDG 4 – Quality education;



SDG 7 – Affordable and clean energy;



SDG 8 - Decent work and economic growth;



SDG 13 – Climate action.

The Group has also made a new commitment to two additional SDGs at 2021:



SDG 9 and 11 – Industry, innovation and infrastructure and Sustainable cities.

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

Values and pillars of company ethics

The Enel Group's activities are supported by a sound ethical system. Its constantly evolving nature is aimed at incorporating best practices at the national and international levels. Everyone who works in Enel and for Enel must respect and apply it in their daily activities. This system is based on specifier accordance with national regulations. 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 programs that may be adopted by Group companies in accordance with national regulations.

Code of Ethics

In 2002, Enel adopted its Code of Ethics, which states 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, and takes into account the cultural, social and economic diversity between the various countries in which Enel operates. Specifically, the document is divided into:

ic compliance programs, such as: the Code of Ethics, Human

→ general principles for stakeholder relations. They define the values which inspire the Group in carrying out its various activities;

Reports by stakeholders

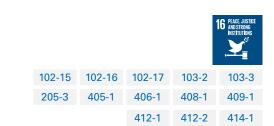
Any violation or suspected violation of Enel Compliance Programs can be reported, including anonymously, through a single platform at the Group level ("Ethics Point") accessible at the following address: www.enel.ethicspoint.com.

Reports can also be sent by email 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.

→ criteria of conduct towards each class of stakeholder. They provide the guidelines and standards that Enel's 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 behaviour in line with the general principles of the Code.



Reports received and confirmed violations

КРІ	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) During 2018, the number of reports received went up, due to the change in the scope of consolidation in 2017 and internal communication and awareness activities regarding the use of the Code of Ethics.

(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.

Active and passive anti-corruption management system

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-corruption 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's 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 is 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.

Reports by stakeholders

During 2018, as regards reports received, 10 incidents were confirmed, attributable to "conflicts of interest" for which there was no evidence of bribery. In relation to all these incidents, Enel has taken specific measures against the parties involved, in line with the relevant legislation. Such measures entailed 7 lawsuits against employees and 6 against contractors. For further information on the stakeholder reporting procedure, see paragraph "Active and passive anti-corruption management system" above.

Confirmed violations regarding conflicts of interest/corruption and actions taken

КРІ	UM	2018	2017	2016	2018-2017	%
Reports regarding incidents of conflict of interest/ corruption	no.	33	27	19	6	22.2
Violations regarding incidents of conflict of interest/corruption (1)	no.	10	7	6	3	42.9
Actions taken against employees in response to incidents of conflict of interest/corruption	no.	7	6	6	1	16.7
Actions taken against contractors in response to incidents of conflict of interest/corruption	no	6	3	1	3	100.0

(1) During 2018, analysis of reports received in 2017 was completed. For this reason, the number of confirmed violations relative to 2017 was restated, from 5 to 7, and consequently the number of actions taken went up from 4 to 6 as regards employees, and from 2 to 3 as regards contractors.

Human rights

Enel is committed to actively supporting the Universal Declaration of Human Rights. This is why respecting human rights

Human rights policy

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 identifies eight principles that the people working in Enel SpA and in its subsidiaries must observe in carrying out all their activities. They concern two overarching issues: work practices and relations with communities and companies.

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

is one of the founding principles inspiring Enel's conduct and a constant focus in all countries where the Group operates.

- 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 (Innovation and Sustainability) with planning and coordinating the adoption of the due diligence process⁵ jointly with the other relevant Functions, as

⁵ In the context of the Guiding Principles on Business and Human Rights (Principles 17-21), this term refers to a continuous management system 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 implies "identifying, preventing, mitigating and reporting" potentially negative effects caused by the company.

far as their respective competence is concerned; reporting to the Control and Risk Committee on the adoption of the due diligence process; annually reporting on Enel's performance

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

Perceived risk assessment at the country level

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 probability 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

Impact assessment

The second phase of the due diligence process was aimed at assessing Enel's practices and policies safeguarding human rights through the use of a standard tool across all the Group's countries. The process makes it possible to identify possible areas for improvement and recommendations for defining action plans.

Specifically, interviews were conducted with senior management at both the Holding and individual country levels in order to analyze the level of integration of respect for human rights regarding its commitments in the Group's Sustainability Report.

country level regarding labor, local community and environmental rights;

- impact assessment aimed at identifying and analyzing the organizational and risk control systems;
- 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.

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.

in the daily management of the Company, by identifying potential risks and opportunities. At the same time an assessment of the Company's policies, procedures, systems and practices was carried out in each of the areas of the value chain by analyzing over 100 indicators.

This analysis made it possible to verify that Enel has a set of sound mechanisms and management systems that ensure respect for human rights and adequately manage existing risks.

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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				
Fair and favorable working conditions	Acceptable risk	Robust	 and clearly show all the terms included in the contracts that provide details on the rights of workers (working hours, salary, overtime, compensations, benefits). 				
Rejection of child labor	Risk to be monitored	Robust	The terms are translated into workers' native langua and are supported with information contained documents shared with all people. Human resources management systems and procedu ensure there are no minors in the workforce. Internsh and school-to-work programs are also available.				
Diversity and inclusion	Risk to be monitored	Robust	For details, see the chapter "People management, development and motivation".				
Health and safety	Risk to be monitored	Robust	For details, see the chapter "Occupational health and safety".				
Community and society							
Relations with communities	Risk to be monitored	Robust	For details, see the chapter "Responsible relations with communities".				
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, procedures) to protect human rights: Robust (75%-100%); Good (50%-75%); Sufficient (25%-50%); Needs improvement (0%-25%).



Areas of improvement and action plans

The due diligence process used to assess the compliance of Enel's practices with the Human Rights Policy and its alignment with the UN Guiding Principles identified opportunities for improvement to strengthen the Company's commitment to respecting human rights when carrying out 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 at Holding level aimed at harmonizing and integrating processes and policies defined at the global level and applied at the local level. In 2018, action plans prepared at the end of the due diligence process described above were started, and are scheduled for completion by the end of 2019. In total, some 160 actions were planned, of which 67% have been completed, to consolidate the management and control system (processes, policies and procedures).

The areas of improvement identified concerning labor practices are shown below.

Topics	Business Lines	Countries	Areas of 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.

Areas of improvement were identified and relative correction actions regarding procurement practices have already been taken. During the process, conditions relating to the supply chain, relationship with customers and training of Enel's people were also analyzed.

Supplier management

Supplier management is divided into three basic phases: qualification system, general contract conditions and vendor rating. These processes are also needed to integrate environmental, social and governance aspects into assessments.

The global supplier qualification system enables a thorough assessment of companies wishing to participate in procurement procedures, while the vendor rating system is aimed at monitoring supplier performance in terms of quality, timeliness and sustainability in the execution of contracts.

In particular, as set out in current regulations, the qualification system requires the submission of specific documents (self-certification regarding the fulfillment of general requirements, financial statements, certifications, etc.) as well as conformity to Enel's Compliance Programs and the 10 principles of the Global Compact. Furthermore, this system provides for an assessment of technical, economic/financial, legal, environmental, safety, human rights, ethical and integrity requirements. In relation to merchandise groups at high health and safety risk, further checks are carried out on specific aspects, such as injury rate trends, policies adopted, compliance with health and hygiene regulations, etc. Through this system, all suppliers⁶ considered critical in terms of categories of purchased merchandise with higher environmental and occupational safety risk are evaluated. A risk analysis is performed on 100% of merchandise categories. During 2018, 100% of gualified suppliers were assessed according to social, environmental and safety criteria⁷, and the number of suppliers with whom a new contract was stipulated in the year amounted to 31,434. Supplier relations are governed by specific contractual conditions consisting of a general part, applicable to all contracts regardless of the country in which the activities take place, and specific annexes for each country.

Thanks to company monitoring procedures, continuous dialogue is in place between Enel and its suppliers, which, in the event of problems or oversight, leads to the definition of improvement measures. In particularly severe cases, the contract is terminated and/or the qualification is suspended.

6 First-level suppliers with whom Enel has a direct active contract with a value of > €25,000 were considered in this assessment.

⁷ New suppliers for 2018 with an active direct contract with a value of > €25,000 amounted to over 10,731, of which around 23% (around 30% in 2017) are qualified. The figure for 2018 takes into account a more specific measurement.

Customer management

In all the countries where Enel operates, customers have access to various contact channels (mail, website, freephone). Enel constantly monitors feedback in order to understand the customer's perception and any ongoing critical issues, and implement the appropriate corrective actions. In Italy, for example, commercial quality control for all contact channels is ensured by carrying out systematic monitoring on 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.

Training and information

During 2018, approximately 800 thousand 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 issues, with an average of 11.9 hours training *per capita*, up on the figure of 2017 (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 personnel 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.

Reports by stakeholders

During 2018, 144 reports concerning the Code of Ethics were received, of which 38 regarding cases relative to labor practices, while no reports were received concerning the community and society. Of the 38 reports related to labor practices, a violation was identified in 8 cases: one case attributable to mobbing, five concerning the company climate and two concerning health and safety breaches. For further information on the stakeholder reporting procedure, see the previous paragraph "Code of Ethics - Reports by stakeholders".

Reports received and confirmed violations regarding human rights

KPI	UM	2018	2017	2016	2018-2017	%
Reports received	no.	38	23	24	15	65.2
Violations regarding incidents of:	no.	8	7	6	1	14.3
Labor practices	no.	8	6	6	2	33.3
Community and society	no.	-	1	-	-1	-100.0

People management, development and motivation



Enel puts the people who work for the Company at the center of its business model, encouraging an open and inclusive approach that helps people to express their potential – given their experience and background – while also enhancing the diversity that generates new ideas and opportunities.

Main risks

The profound technology-driven transformations of the energy world require a significant cultural and organizational shift. In addition to health and safety risks (see the chapter "Occupational health and safety"), in this scenario one of the main risks for personnel concerns skill management and developing new ways of working. Organizations must turn towards business models that are innovative and flexible, that can quickly adapt. Risk management procedures are indicated in the next section. See also the paragraph "Main types of risk and management procedures" in the chapter "Corporate governance system".

Policies and management model

Since 2015, Enel has adopted a model of values and conducts, the "Open Power" model, which takes form in various operational aspects, in order to increase the involvement and participation of the people working at Enel, and which serves as the point of reference for all people management and development processes. Specifically, there are four values (responsibility, trust, innovation and proactivity) and 10 behaviors:

- Adopt and promote safe behaviors and take the initiative in order to improve conditions regarding health, safety and well-being.
- Take decisions in their daily activities and accept the responsibility that goes with them.
- 3. Deliver results and aim for excellence.
- Seek new solutions and do not give up when faced with obstacles or failures.
- **5.** Change their priorities rapidly when required to do so by changes in the scenario.
- Share relevant information and are cooperative, as well as willing to listen to other people's opinions and ideas.
- 7. Acknowledge colleagues' merit and provide feedback when

asked or independently which improves their work.

- Ensure customers' and/or colleagues' satisfaction by acting effectively and fast.
- Strive to include everyone, acknowledge and enhance the value of individual differences (culture, gender, age, disability, personality, etc.).
- **10**.Fulfill commitments and perform their work passionately and with determination.

The "People and Organization" Function defines organizational models in line with the Group's strategy and the long-term plan for managing people that work in the Company. The various people management, development and motivation processes are governed by specific policies and procedures at global and local level (for example, procedures to recruit, employ and manage people), and dedicated sections are available on the company intranet (for example on meritocracy).

Enel's organizational model has a matrix of Business Lines/ Countries and Regions, flanked by the Global Service Functions and Holding Functions that provide support for the business.

Activities and results

As of December 31, 2018 the Enel Group had 69,272 employees, of whom 44% were in companies based in Italy. The balance between the start and end of the year was positive, with an increase of approximately 6,400 resources, mainly due to acquisitions in Brazil, Italy and Spain. 23% of new hires, equal to 3,414 in total, refer to Italy, while the remaining figure of 77% refers to other countries.

A context of continual change calls for lean, agile structures, a clear understanding of objectives and priorities, relationships based on trust, a prompt response to solving problems, flexibility and innovation.

In line with this scenario, the recruitment process plays a key role. To identify the most suitable profiles, partnerships with universities have been strengthened, including through days dedicated to exchanging skills and thematic lessons during courses. The "job posting" internal recruitment system was made more robust, and is an important opportunity to meet organizational needs and the aspirations of people working in the Company. This system promotes internal mobility, cross-training and the integration of cultures and professional expertise in different countries where the Group operates. During 2018, a new IT platform to manage the process for both internal and external recruitment was also launched at global level.

The digitalization of various business areas plays a key role in the company's strategy. In 2018, Enel launched a program to disseminate digital skills, with the aim of involving the entire company population by 2020 and maintaining this level of engagement also in 2021. In particular, a number of training programs were started, including "Digital Pills," available on the online company platform, comprising 18 video pills with an overall duration of one hour on the following topics: digital transformation, the agile methodology, data, methodologies for innovation and the digital revolution. In the last year, approximately 35% of the population was involved in initiatives to develop digital skills.

In a company context increasingly focused on being open and sharing, the qualitative performance appraisal process which involves Group personnel at different levels, was revised during 2018. Logics, tools and the frequency have been reviewed, switching from an annual appraisal to a smooth process of exchange and comparison, from a dual relationship (supervisor/employee) to all-round feedback (supervisor/employee/colleagues/agile team members) shifting the focus to an organized network rather than a hierarchical model. In particular, during 2018, the qualitative appraisal which focused on Enel's four values set out in the 10 Open Power conducts adopted in 2018, involved 100% of eligible and reachable people,⁸ of whom 99% were appraised. A quantitative appraisal was instead conducted for the population with variable remuneration, with objectives assigned and subsequently assessed.

To adequately manage and value merit, the Enel Group has also had a talent management process in place for several years, to effectively oversee the governance of managerial positions, facilitating the generational handover by identifying younger employees earmarked for development. The aim is to empower gender and age differences, and encourage a process of gradual assimilation to promote the growth of colleagues and thus of the Group. This pool of earmarked talent is preferred when selecting new managers, and these employees are appointed after an aptitude and motivational assessment to assess alignment between the level of responsibility to assign to the person and the management model the Company considers necessary for the present and future, in keeping with the Open Power approach.

The Company's climate survey is an important part of engagement. It provides information on areas for improvement and suggestions on issues and aspects of working life. In 2018, the survey was reviewed, with 20 questions divided into three key topics: Well-being, Engagement and Safety. Over 86% of the Enel population⁹ participated at global level, rating aspects such as courtesy, respect, cooperation, worklife balance, motivation, meritocracy and collaboration and this information will be analyzed to define global and local action plans.

⁸ Eligible and reachable: people who have a permanent contract and have been in the workforce for at least 3 months during 2018.

⁹ 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.

Diversity and inclusion

Enel's commitment to diversity and inclusion began in 2013 with the issue of its Human Rights Policy, followed by the Global "Diversity and inclusion" policy approved in 2015.

Enel's approach is based on the fundamental principles of non-discrimination, equal opportunities and equal dignity for all forms of diversity, inclusion and achieving a worklife balance. Adopting this policy has made it possible to develop global and local projects that value diversity in gender, age, nationality and disability and disseminate a culture of inclusion at all levels and in all organizational contexts. The impact of the policy is monitored periodically at global level based on a detailed set of internal indicators associated with different actions and dimensions. In particular, Enel has set itself a public objective of ensuring fair representation of the two genders in the initial stages of recruitment processes (approximately 50% by 2020). In line with this objective, women accounted for 39% in 2018 recruitment processes.

Industrial relations

Enel applies the labor law of the various countries and the International Labour Organization's (ILO) conventions on workers' rights (freedom of association and collective bargaining, consultation, right to strike, etc.), systematically promoting dialog between the parties and seeking an adequate level of agreement on corporate strategies among personnel. 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 global federations IndustriAll and Public Services International. The agreement is based on the principles of human rights, labor law and the best and most advanced 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, in accordance with the provisions of the ILO conventions. Enel guarantees that the principle of fair income will be respected in all the countries where it operates. The GFA agreement has also been recognized and appreciated as a best practice for European and non-European multinationals.

In the event of organizational changes, Enel provides prompt notice as per the table below.

The minimum notice period in case of organizational changes in the main Group countries

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; tra- ditionally the notice period for changes in working hours, em- ployee 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 mini- mum notice period in the event of organizational changes.	-
Peru	Neither the law nor collective bargaining provide for a mini- mum notice period in the event of organizational changes.	-
Chile	Neither the law nor collective bargaining provide for a mini- mum notice period in the event of organizational changes.	-

Workforce by geographical area

КРІ	UM	2018	2017	2016	2018-2017	%
Total workforce	no.	69,272	62,900	62,080	6,372	10.1
- Italy (1)	no.	30,311	31,114	31,956	-803	-2.6
- Iberia (2)	no.	9,947	9,884	10,185	63	0.6
- European and Euro-Mediterranean Affairs (3)	no.	5,683	5,724	5,856	-41	-0.7
- South America	no.	20,858	13,903	12,979	6,955	50.0
- North and Central America (4)	no.	2,232	2,050	891	182	8.9
- Africa, Asia and Oceania	no.	241	195	185	46	23.6
- Other ⁽⁵⁾	no.	-	30	28	-	-

(1) Includes Branch Enel Produzione (Russia, Slovakia), Enelpower (Saudi Arabia), Branch Enel Trading (Algeria), Enel New Hydro, and Dutch financial companies.

(2) Includes International Endesa BV (IEBV).

(3) Includes Croatia.

(4) 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.

(5) The companies and branches listed under "Other" in 2017 and 2016 have been redistributed as indicated above; indicating the change compared to 2017 was not considered necessary.

Change to size

KPI	UM	2018	2017	2016	2018-2017	%
New hires	no.	3,414	2,301	3,360	1,113	48.4
Changes in scope	no.	7,704	2,931	-4,280	4,773	-
Terminations	no.	4,746	4,413	4,914	333	7.5
Balance	no.	6,372	820	-5,834	5,552	-

Changes to size

КРІ	UM	2018	2017	2016	2018-2017	%
New hires rate	%	4.9	3.7	5.4	1.2	-
New hires by gender						
- men	no.	2,410	1,619	2,618	791	48.9
	%	70.6	70.4	77.9	0.2	-
- women	no.	1,004	682	742	322	47.2
	%	29.4	29.6	22.1	-0.2	-
New hires by age groups						
up to 30	no.	1,622	927	1,709	695	75.0
	%	47.5	40.3	50.8	7.2	-
from 30 to 50	no.	1,628	1,127	1,406	501	44.5
	%	47.7	49.0	41.9	-1.3	-
over 50	no. %	164 4.8	247	245 7.3	-83 -5.9	-33.6
New hires by geographic area	70	4.0	10.7	7.3	-0.9	-
Italy	no.	796	403	1,136	393	97.5
	%	23.3	17.5	33.8	5.8	
Iberia	no.	425	315	362	110	34.9
	%	12.4	13.7	10.8	-1.2	-
South America	no.	1,173	861	992	312	36.2
	%	34.4	37.4	29.5	-3.0	-
European and Euro-Mediterranean Affairs	no.	345	275	295	70	25.5
	%	10.1	11.9	8.8	-1.8	-
North and Central America	no.	603	405	182	198	48.9
	%	17.7	17.6	5.4	0.1	-
Africa, Asia and Oceania	no.	72	36	77	36	100.0
	%	2.1	1.6	2.3	0.5	-
Other ⁽¹⁾	no.	-	6	316	-	-
	%	-	0.3	9.4	-	-
Turnover rate	%	6.9	7.0	7.9	-0.1	-
Terminations by gender						
- men	no.	3,845	3,656	4,021	189	5.2
	%	81.0	82.8	81.8	-1.8	-
- women	no.	900	757	893	143	18.9
Tomainsticus has and manne	%	19.0	17.2	18.2	1.8	-
Terminations by age groups up to 30	20	499	321	257	178	55.5
		10.5	7.3	5.2	3.2	55.5
from 30 to 50		1,532	1,088	1,119	444	40.8
	%	32.3	24.6	22.8	7.7	
over 50	no.	2,715	3,004	3,538	-289	-9.6
	%	57.2	68.1	72.0	-10.9	-
Terminations by geographical area						
Italy	no.	1,668	1,250	2,141	418	33.4
	%	35.1	28.3	43.6	6.8	-
Iberia	no.	425	642	911	-217	-33.8
	%	9.0	14.5	18.5	-5.5	-
South America	no.	1,815	1,847	1,073	-32	-1.7
	%	38.2	41.9	21.8	-3.7	-
European and Euro-Mediterranean Affairs	no.	384	407	465	-23	-5.7
	%	8.1	9.2	9.5	-1.1	-
North and Central America	no.	421	237	101	184	77.6
	%	8.9	5.4	2.1	3.5	-
Africa, Asia and Oceania	no.	33	26	12	7	26.9
	%	0.7	0.6	0.2	0.1	-
Other ⁽¹⁾	no.	-	4	211	-	-
	%	-	0.1	4.3	-	-

(1) The branches listed under "Other" in 2017 and 2016 have been redistributed as defined in notes (1)-(4) to the table on the previous page. It was not considered necessary to show the change compared to 2017.

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Workforce by type of contract

Workforce by type of contract						
KPI	UM	2018	2017	2016	2018-2017	%
By gender						
Permanent contracts	no.	68,137	62,053	60,921	6,084	9.8
- of whom men	no.	54,112	49,320	48,656	4,792	9.7
- of whom women	no.	14,025	12,733	12,265	1,292	10.1
Fixed-term contracts (1,2,3)	no.	1,135	847	1,159	288	34.0
- of whom men	no.	860	650	891	210	32.3
- of whom women	no.	275	197	268	78	39.6
By geographical area						
Italy	no.	30,311	31,114	31,956	-803	-2.6
Permanent contracts	no.	30,271	31,053	31,915	-782	-2.5
Fixed-term contracts	no.	40	61	41	-21	-34.4
Iberia	no.	9,947	9,884	10,185	63	0.6
Permanent contracts	no.	9,610	9,637	9,943	-27	-0.3
Fixed-term contracts	no.	337	247	242	90	36.4
South America	no.	20,858	13,903	12,979	6,955	50.0
Permanent contracts	no.	20,215	13,489	12,205	6,726	49.9
Fixed-term contracts (1)	no.	643	414	774	229	55.3
European and Euro-Mediterranean Affairs	no.	5,683	5,724	5,856	-41	-0.7
Permanent contracts	no.	5,648	5,709	5,780	-61	-1.1
Fixed-term contracts ⁽²⁾	no.	35	15	76	20	-
North and Central America	no.	2,232	2,050	891	182	8.9
Permanent contracts	no.	2,154	1,949	876	205	10.5
Fixed-term contracts	no.	78	101	15	-23	-22.8
Africa, Asia and Oceania	no.	241	195	185	46	23.6
Permanent contracts	no.	239	189	175	50	26.5
Fixed-term contracts ⁽³⁾	no.	2	6	10	-4	-66.7
Other ⁽⁴⁾	no.	-	30	28	-	-
Permanent contracts	no.	-	27	27	-	-
Fixed-term contracts	no.	-	3	1	_	-
By type:						
Full-time contracts	no.	68,390	61,930	61,156	6,460	10.4
- of whom men	no.	54,748	49,678	49,303	5,070	10.2
- of whom women	no.	13,642	12,252	11,853	1,390	11.3
Part-time contracts	no.	882	970	924	-88	-9.1
- of whom men	no.	224	292	244	-68	-23.3
- of whom women	no.	658	678	680	-20	-2.9

(1) 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.

(2) The data also includes 63 trainee contracts for 2016 in European and Euro-Mediterranean Affairs (Romania).

(3) The data also includes 10 trainee contracts for 2016 in Asia, Africa and Oceania (South Africa).

(4) The branches listed under "Other" in 2017 and 2016 have been redistributed as defined in notes (1)-(4) to the table on page 38. It was not considered necessary to show the change compared to 2017.

Average training by employee (1)

КРІ	UM	2018	2017	2016	2018-2017	%
Average training by employee	h/per cap	40.2	34.4	29.6	5.8	16.9
Training by gender						
- men	h/per cap	41.2	36.4	32.1	4.8	13.2
- women	h/per cap	36.2	25.0	27.1	11.2	44.8
Average training by level						
Managers	h/per cap	40.3	38.9	35.3	1.4	3.6
Middle managers	h/per cap	42.2	36.8	38.4	5.4	14.7
White-collar workers	h/per cap	33.5	27.1	24.8	6.4	23.6
Blue-collar workers	h/per cap	50.1	45.3	33.2	4.8	10.6
	Пурет сар	50.1	40.0	00.2	4.0	

Appraisal distribution

КРІ	UM	2018	2017	2016	2018-2017	%
People assessed by gender	%	94.8	94.8	95.0	-	-
- men	%	95.5	95.1	94.1	0.4	-
- women	%	92.2	93.7	92.4	-1.5	-
People assessed by level						
Managers	%	95.9	97.3	97.6	-1.4	-
Middle managers	%	91.2	92.3	94.8	-1.1	-
White-collar workers	%	94.3	97.5	94.5	-3.2	-
Blue-collar workers	%	94.8	91.2	91.6	3.6	-

Diversity

КРІ	UM	2018	2017	2016	2018-2017	%
Workforce by gender	no.	69,272	62,900	62,080	6,372	10.1
- of whom men	no.	54,972	49,970	49,547	5,002	10.0
	%	79.4	79.4	79.8	-	-
- of whom women	no.	14,300	12,930	12,533	1,370	10.6
	%	20.6	20.6	20.2	-	-
Workforce by age range						
< 30	%	11.8	10.2	10.6	1.6	-
30-50	%	57.0	52.2	51.9	4.8	-
> 50	%	31.2	37.6	37.5	-6.4	-
Workforce by level						
Managers	%	1.9	2.0	2.1	-0.1	-
Middle managers	%	15.9	16.6	15.8	-0.7	-
White-collar workers	%	50.1	51.9	52.6	-1.8	-
Blue-collar workers	%	32.1	29.5	29.5	2.6	-
Incidence of personnel that are disabled or						
belong to protected categories	%	3.2	3.2	3.2	-	-

(1) Average hours of training calculated according to the average number of employees in the relevant year and in line with previous reporting documents. Job shadowing 760 training hours (on-site coaching between same-level employees) have been included, as from 2018.

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Occupational health and safety

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

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102-15	103-2	103-3	403-1	403-2
	403-3	403-4	403-5	403-6
	403-7	403-9	DMA	A EU

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.

Main risks

The main health and safety risks to which Enel's personnel and contractors are exposed are attributable to carrying out operating activities at the Group's sites and with its assets. The risk identification process was carried out by analyzing the main events of the last three years. Specifically, in terms of frequency, events related to mechanical risks (falls, impacts, crushing and cuts) are the most significant and accounted for 70% of total injuries in 2018. As regards severity, the impact associated with events related to electric accidents (which accounted for 14% of injuries in 2018) or falls from height result in the most serious consequences (fatalities or "high-consequence" injuries¹⁰). Risk management procedures are indicated in the next section.

Policies and management model

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 strengthen 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;



^{10 &}quot;High consequence" is calculated as the sum of:

[•] injuries which, at December 31, 2018, resulted in more than 6 months of absence from work;

[•] of cases not closed, injuries considered severe (initial prognosis > 30 days).

- → 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 Declaration 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 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.

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.

Enel also 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 three-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.

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.

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.

Infrastructure safety and technological innovation

During 2018, some safety innovation projects continued, and other new projects were launched to improve processes, starting from people 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 personnel at the Company 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 management system

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, as well as a "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 personnel 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

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 thousand 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 SHE365 project was completed. It aimed to focus awareness on health, safety and the environment 365 days a year.

The project had three main themes:

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



Industrial relations for health and safety issues

In order to facilitate the implementation of the health and safety initiatives and to encourage the sharing of decisions and results, in all the Group countries a number of joint committees have been set up dedicated to monitoring and controlling health and safety conditions 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
ltaly	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: representa- tives 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 <i>Comisión de participación y control</i> has been set up and, at local level, <i>Comités de seguridad y salud</i> 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 <i>Comités paritarios de hygiene y seguridad</i> , 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 <i>Comissão interna de prevenção de acidentes</i> , 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.

Activities and results¹¹

In 2018, the total injuries frequency rate confirmed the decrease trend in previous years, with a figure of 0.90¹² injuries per million hours worked, down by 14% compared to 2017. In particular, the frequency rate for Enel's 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 7¹³ 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. Various initiatives were undertaken in 2018 to consolidate the system of controls, particularly regarding contractors, and integrate business areas and health and safety Functions, in order to identify potential areas at risk and prevent the occurrence of accidents, also through the use of innovative technologies.

¹¹ 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.

¹² 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.

¹³ 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).

Enel people						
КРІ	UM	2018	2017	2016	2018-2017	%
Number of fatalities and frequency rate (1)						
Number of fatalities	no.	1	2	-	-1	-50
Fatalities by geographical area						
Italy	no.	-	-	-	-	-
Iberia ⁽²⁾	no.	-	1	-	-1	-100
South America	no.	1	1	-	-	-
North and Central America	no.	-	-	-	-	-
European and Euro-Mediterranean Affairs	no.	-	-	-	-	-
Africa, Asia and Oceania	no.	-	-	-	-	-
Fatalities frequency rate	i	0.009	0.018	-	-0.009	-50
Fatalities frequency rate by geographical area						
Italy	i	-	-	-	-	-
Iberia ⁽²⁾	i	-	0.060	-	-0.060	-100
South America	i	0.035	0.038	-	-0.003	-8
North and Central America	i	-	-	-	-	-
European and Euro-Mediterranean Affairs	i	-	-	-	-	-
Africa, Asia and Oceania	i	-	-	-	-	-
Number of "high-consequence" injuries (3) (excludin	g fatalities) and f	requency rate	4)			
Number of "high-consequence" injuries	no.	5	1	2	4	-
Number of "high-consequence" injuries by geograp	ohical area					
Italy	no.	3	1	1	2	-
Iberia (2)	no.	-	-	-	-	-
South America	no.	2	-	1	2	-
North and Central America	no.	-	-	-	-	-
European and Euro-Mediterranean Affairs	no.	-	-	-	-	-
Africa, Asia and Oceania	no.	-	-	-	-	-
"High-consequence" injuries frequency rate	i	0.044	0.009	0.017	0.035	-
"High-consequence" injuries frequency rate by geo	graphical area					
Italy	i	0.055	0.018	0.018	0.037	-
Iberia (2)	i	-	-	-	-	-
South America	i	0.070	-	0.038	0.070	-
North and Central America	i	-	-	-	-	-
European and Euro-Mediterranean Affairs	i	-	-	-	-	-
Africa, Asia and Oceania	i	-	-	-	-	-

(1) This rate is calculated by comparing the number of fatalities with the hours worked/1,000,000.

(2) In 2018, Iberia included Spain and Portugal. In 2016 and 2017, Iberia included Spain, Portugal and Morocco.

(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) This rate is calculated by comparing the number of "high-consequence" injuries with the hours worked/1,000,000.

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КРІ	UM	2018	2017	2016	2018-2017	%
Total number of injuries ⁽¹⁾ and frequency rate ⁽²⁾						
Number of injuries	no.	108	133	147	-25	-19
Injuries by geographical area						
Italy	no.	60	68	73	-8	-12
Iberia ⁽³⁾	no.	6	5	5	1	20
South America	no.	41	57	62	-16	-28
North and Central America	no.	-	1	1	-1	-100
European and Euro-Mediterranean Affairs	no.	1	2	6	-1	-50
Africa, Asia and Oceania	no.	-	-	-	-	-
Injury frequency rate	i	0.943	1.199	1.251	-0.256	-21
Frequency rate by geographical area						
Italy	i	1.104	1.237	1.292	-0.133	-11
Iberia ⁽³⁾	i	0.366	0.300	0.288	0.066	22
South America	i	1.434	2.160	2.360	-0.726	-34
North and Central America	i	-	0.468	0.589	-0.468	-100
European and Euro-Mediterranean Affairs	i	0.097	0.193	0.391	-0.096	-50
Africa, Asia and Oceania	i	-	-	-	-	-
Hours worked	no.	114,552,443	110,927,204	117,472,448	3,625,239	3

(1) Includes all injuries (including those resulting in 3 or fewer days of absence).

(2) This rate is calculated by comparing the number of injuries with the hours worked/1,000,000.

(3) In 2018, Iberia included Spain and Portugal. In 2016 and 2017, Iberia included Spain, Portugal and Morocco.

Contractors

КРІ	UM	2018	2017	2016	2018-2017	%
Number of fatalities and frequency rate (1)						
Number of fatalities	no.	7 (3)	11	5	-4	-36
Fatalities by geographical area						
Italy	no.	2	3	1	-1	-33
Iberia ⁽²⁾	no.	-	-	1	-	-
South America	no.	5	7	3	-2	-29
North and Central America	no.	-	-	-	-	-
European and Euro-Mediterranean Affairs	no.	-	1	-	-1	-100
Africa, Asia and Oceania	no.	-	-	-	-	-
Fatalities frequency rate	i	0.030	0.051	0.023	-0.021	-41
Fatalities frequency rate by geographical area						
Italy	i	0.049	0.078	0.029	-0.029	-37
Iberia ⁽²⁾	i	-	-	0.029	-	-
South America	i	0.038	0.058	0.025	-0.020	-34
North and Central America	i	-	-	-	-	-
European and Euro-Mediterranean Affairs	i	-	0.073	-	-0.073	-100
Africa, Asia and Oceania	i	-	-	-	-	-

(1) This rate is calculated by comparing the number of the number of fatalities with the hours worked/1,000,000.

(2) In 2018, Iberia included Spain and Portugal. In 2016 and 2017, Iberia included Spain, Portugal and Morocco.

(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).



КРІ	UM	2018	2017	2016	2018-2017	%
Number of "high-consequence" injuries (1) (excluding	ıg fatalities) a	nd frequency ra	te ⁽²⁾			
Number of "high-consequence" injuries	no.	12	12	5	-	-
Number of "high-consequence" injuries by geogra	ohical area					
Italy	no.	4	7	2	-3	-43
Iberia (3)	no.	4	2	2	2	100
South America	no.	4	2	1	2	100
North and Central America	no.	-	-	-	-	-
European and Euro-Mediterranean Affairs	no.	-	1	-	-1	-100
Africa, Asia and Oceania	no.	-	-	-		-
"High-consequence" injuries frequency rate	i	0.051	0.056	0.023	-0.005	-9
"High-consequence" injuries frequency rate by geo	graphical area	a				
Italy	i	0.098	0.183	0.058	-0.085	-46
Iberia ⁽³⁾	i	0.101	0.058	0.058	0.043	74
South America	i	0.030	0.017	0.008	0.013	76
North and Central America	i	-	-	-	-	-
European and Euro-Mediterranean Affairs	i	-	0.073	-	-0.073	-100
Africa, Asia and Oceania	i	-	-	-	-	-
Total number of injuries ${}^{\scriptscriptstyle(4)}$ and frequency rate ${}^{\scriptscriptstyle(5)}$						
Number of injuries	no.	205	209	228	-4	-2
Injuries by geographical area						
Italy	no.	56	60	52	-4	-7
Iberia (3)	no.	34	34	50	-	-
South America	no.	111	100	118	11	11
North and Central America	no.	1	10	4	-9	-90
European and Euro-Mediterranean Affairs	no.	3	5	4	-2	-40
Africa, Asia and Oceania	n.	-	-	-	-	-
Injury frequency rate	i	0.873	0.969	1.027	-0.096	-10
Frequency rate by geographical area						
Italy	i	1.367	1.570	1.514	-0.203	-13
Iberia (3)	i	0.859	0.990	1.447	-0.131	-13
South America	i	0.843	0.830	0.986	0.013	2
North and Central America	i	0.226	1.239	0.448	-1.013	-82
European and Euro-Mediterranean Affairs	i	0.175	0.365	0.197	-0.190	-52
Africa, Asia and Oceania	i	-	-	-	-	-
Hours worked	no.	234,755,218	215,608,456	221,986,509	19,146,762	9

(1) 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).

(2) This rate is calculated by comparing the number of "high-consequence" injuries with the hours worked/1,000,000.

(3) In 2018, Iberia included Spain and Portugal. In 2016 and 2017, Iberia included Spain, Portugal and Morocco.

(4) Includes all injuries (including those resulting in 3 or fewer days of absence).

(5) This rate is calculated by comparing the number of injuries with the hours worked/1,000,000.

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Responsible relations with communities



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.

Main risks

Searching for shared value for the Company and its stakeholders provides an opportunity to combine competitiveness with the creation of long-term social value. 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. Risk management procedures are indicated in the next section.

Policies and management model

The current Compliance Programs (Code of Ethics, Zero Tolerance of Corruption Plan, the Management Model pursuant to Italian Legislative Decree 231/01 and equivalents, Enel Global Compliance Program, Human Rights Policy) set out the way Enel works based on principles of ethics, transparency, inclusiveness, respect for human rights and maximum attention to safety.

Responsible community relations is 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. 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.

The CSV model covers six phases, which correspond to specific supporting applications:

- context analysis, which analyses the main elements that characterize the social, economic and environmental aspects of the country in question and communities;
- stakeholder identification, where the main stakeholders are mapped and weighted and the different needs and requirements are identified;

- materiality assessment and potential risks/opportunities, where local needs are linked to company objectives through a site-specific materiality matrix;
- definition of the CSV plan, which identifies all those projects and initiatives that correspond to the shared priorities;
- execution of the CSV plan, also with local partners on the ground;
- process monitoring, impact assessment and reporting of key indicators.

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

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.

An inclusive approach towards the stakeholders also means cir-

cular 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 www.future.it.

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 Innovability (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.

Activities and results

With more than 1,400 projects and over 6 million beneficiaries¹⁴ 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 17 Sustainable Development Goals (SDGs). In 2018 the Group obtained the following results¹⁵:

- → SDG 4 supported projects to ensure an inclusive and equitable quality education, in which 0.2 million beneficiaries were involved (0.2 million in 2017, 0.2 million in 2016);
- → SDG 7 made progress in providing access to affordable, reliable, sustainable and modern energy in Latin America¹⁶, Africa and Asia for 1.6 million beneficiaries (0.5 million in 2017, 0.7 million in 2016)¹⁷;
- → SDG 8 promoted sustained, inclusive and sustainable eco-

¹⁴ Beneficiaries are the persons for whom a project is carried out. Enel considers only the direct beneficiaries for the current year.

¹⁵ Considering 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), the number of beneficiaries for the 2015-2018 period was equal to: approximately 1 million for SDG 4; approximately 6.3 million beneficiaries in the entire Group perimeter, of whom 3.3 million in Africa, Asia and Latin America, for SDG 7; approximately 1.8 million for SDG 8.

¹⁶ South America and Central America.

¹⁷ With reference to the entire Enel perimeter, 2.1 million beneficiaries were involved in 2018.

nomic growth with projects involving 0.2 million beneficiaries (0.3 million in 2017, 0.7 million in 2016).

In 2018, there were 699 applications of the CSV model $^{18},\,$

across the various stages of the value chain: Business Development (BD), Engineering and Construction (E&C), Operation & Maintenance (O&M).

Application of the CSV model in the Group enel Renewable Infrastructure Thermal generation energies and Networks BD **Business** CSV 3 CSV 80 CSV 3 CSV 86 **Development Applications Applications Applications** Applications E&C Engineering CSV 1 CSV 42 CSV 1 44 CSV & Construction Applications **Applications Applications** Applications **M&O** Operation CSV 420 CSV 569¹ CSV 80 CSV 66 & Maintenance Applications Applications Applications Applications **TOTAL 699**

(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.

18 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 2018. 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 & Networks (I&N) can refer to the concession area but also to areas identified by municipalities and substations.



Environmental sustainability

				AN ENERGY		RESPONSIBLE CONSUMPTION AND PRODUCTION	1	3 action
102-15	103-2	103-3	301-1	302-	1	302-3		302-4
303-1	303-2	303-3	303-5	304-	4	305-1		305-2
		305-3	305-4	305-	7	306-2		307-1

Combating climate change and environmental protection are among the responsibilities of a large global energy company such as Enel, who is aiming to achieve complete decarbonization by 2050, contributing to achieving the United Nations SDG 13. This reflects a strategy based on a long-term vision that translates into concrete objectives. In addition to the actions that leverage the generation mix, Enel is active in innovation, digitalization, electric mobility, energy efficiency, etc. In this scenario, the circular economy, which combines growth and environmental sustainability, is mainstreamed in the decarbonization process.

Main risks

In the current climate scenario, extreme weather events, natural disasters, as well as the failure of climate change mitigation and adaptation measures expose the Group to operational and regulatory risks, especially as regards asset and infrastructure damage that could result in prolonged unavailability. Moreover, as regards environmental topics in general, risks related to ever-increasing changes in the legal framework have been identified, as well as impacts related to the scarcity of resources, water management, waste and biodiversity. For more details see the section "Corporate governance system - Main types of risk and management procedures" in this Report, and the chapter "Sustainability and the fight against climate change" in the 2018 Annual Report. Risk management procedures are indicated in the next section.

Policies and management model

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;
- improving and promoting the environmental sustainability of products and services;
- 3. creating shared value for the Company and stakeholders;
- complying with legal obligations and voluntary commitments, promoting ambitious environmental management practices;
 and purpuse top strategie objectives;
- and pursues ten strategic objectives:
- organization-wide application of internationally recognized Environmental Management Systems based on the principle of continuous improvement and the definition of environmental indicators to measure the environmental performance of the entire organization;
- 2. optimally selecting the site of industrial plants and buildings,

while safeguarding biodiversity;

- reducing environmental impact by applying the best available technologies and best practices in the stages of plant construction, operation and decommissioning;
- leadership in renewables and in low-carbon electricity generation and efficient use of energy, water resources, and raw materials;
- 5. optimal management of waste and wastewaters;
- 6. development of innovative technologies for the environment;
- transparent reporting on the Company's environmental results to citizens, institutions and other stakeholders;
- employee training and raising awareness of environmental issues;
- promoting sustainable environmental practices among suppliers, contractors and customers;
- complying with legal obligations and voluntary commitments.

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.

The adoption of Environmental Management Systems certified to ISO 14001 throughout the entire organization is one of the strategic environmental objectives defined in the Group's environmental policy. In accordance with this objective, 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, to steer and coordinate Business Lines on environmental issues. The system obtained ISO 14001:2015 certification in 2018. Each Business Line then put in place its own Environmental Management System, following the Holding's guidelines, but focused on the management of environmental aspects related to its own specific activities. The Group signed the letter supporting the implementation of Bloomberg's guidelines of the Task Force on Climate-related Financial Disclosure (TCFD), with recommendations on the disclosure of financial impacts related to 'non-financial' parameters concerning climate change. For further details, see the chapter "Sustainability and the fight against climate change" of the 2018 Annual Report.

Activities and results¹⁹

At the end of December 2018, the Group's 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 plants in the United States (wind farms) and Mexico (solar plants). Today, the Group has, all over the world, plants powered by renewable sources for around 39 GW of net maximum capacity, which is about 46% of the Group's total power generation capacity.

Electricity production in 2018, equal to approximately 250 TWh, was stable compared to 2017, however with a change in the production mix, registering an increase in the renewable source segment. With regard to production sources, a decrease in coal-

fired thermal power generation was recorded (-9% compared to 2017) as well as in combined cycles (-14% compared to 2017), offset by a higher production from renewable sources (+21% compared to 2017). In 2018, zero-emission energy produced by the Enel Group amounted to around 49%²⁰.

In the renewables sector, hydroelectric power generation increased considerably (+19%) due mainly to a greater availability of water resources in Europe. As regards production from other renewable sources, wind and solar power production went up overall by 33% compared to the previous year for new wind and solar plants in Brazil, Mexico and the United States.

Chei

20 Considering managed capacity as well, zero-emission energy produced by the Enel Group in 2018 amounted to approximately 51%.

¹⁹ The rates and data in this chapter, relative to environmental reporting, do not include distribution companies acquired during 2018 (Eletropaulo, Empresa de Alumbrado Eléctrico de Ceuta Distribución). Given the short time since they have been acquired, these companies will be consolidated as from the 2019 financial year, in order to align systems and relative reporting procedures.

NET CAPACITY BY SOURCE 2018	85.6 GW
Renewables	46 %
Oil&Gas	12%
CCGT	20%
Coal	18%
Nuclear	4%

NET PRODUCTION BY SOURCE 2018	250.3 TWh
Renewables	39%
Oil&Gas	10%
CCGT	15%
Coal	26%
Nuclear	10%

NET CAPACITY BY SOURCE 2017 84.9 GV	V
Renewables 45	
Oil&Gas 12	%
CCGT 20'	%
Coal 19	%
Nuclear 4	%

NET PRODUCTION BY SOURCE 2017	249.9 TWh
Renewables	32%
Oil&Gas	11% ²¹
CCGT	18% ²¹
Coal	28%
Nuclear	11%

КРІ	UM	2018	2017	2016	2018-2017	%
Total installed capacity	GW	85.6	84.9	82.7	0.7	0.8
Total net production	TWh	250.3	249.9	261.8	0.4	0.2

21 Data for 2017 were restated following the turbogas reclassification.



Greenhouse gas emissions

Specific emissions of CO_2 in 2018 amounted to 0.369 kg/kWh_{eq}, down 10% on the previous year, due to a reduction in the Group's

thermal power production and a higher production from renewable sources.

Specific emissions						
КРІ	UM	2018	2017	2016	2018-2017	%
Specific CO ₂ emissions from total						
net production (1)	kg/kWh eq	0.369	0.411	0.395	-0.042	-10.2

(1) 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).

In 2018, direct CO_2 equivalent emissions (Scope 1), amounting to approximately 95 mil t_{eq} decreased by about 10% compared to 2017, a result due to a lower thermal power generation and compared to the previous year.

Scope 2 emissions (equal to 1.09 mil t_{eq}) relate to indirect emissions deriving from the generation of electricity purchased and consumed by the Company. This definition includes CO₂ emissions associated with the consumption of electricity purchased

on the grid for civil uses and for pumping in hydroelectric plants. 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 coal mining and the transportation of fuels used to power its plants. 2018 recorded a value of approximately 6.78 mil t_{eq} , down by about 5% compared to 2017, due to a slight decrease in coal-fired thermal power generation.

Indirect and direct greenhouse gas emissions (Scope 1, 2 and 3)

КРІ	UM	2018	2017	2016	2018-2017	%
CO ₂ emissions from the electricity production and heat	mil t	94.44	105.20	106.29	-10.76	-10.2
Total direct emissions (Scope 1) ⁽¹⁾	mil t eq	94.80	105.51	106.73	-10.71	-10.2
Total indirect emissions (Scope 2 location based) (2,3)	mil t eq	1.09	1.19	1.40	-0.10	-8.4
Total indirect emissions (Scope 2 market based) ^(2,4)	mil t eq	1.62	1.73	1.95	-0.11	-6.4
Total indirect emissions (Scope 3) (5)	mil t eq	6.78	7.14	7.27	-0.36	-5.1

(1) "Scope 1": in addition to CO₂ emissions from the production of electricity and heat, also includes SF₆ expressed as tons of CO₂ 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).

- (2) "Scope 2": the estimate of the indirect emissions of CO₂ 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 consumption 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.
- (3) 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).
- (4) 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).
- (5) "Scope 3": the estimate of indirect emissions of CO₂ 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 ton 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 CO₂ per liter of oil consumed, considering also three days stopover for unloading, to which consumption of 5 t of oil is associated. The estimate of the indirect emissions of CO₂ 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 CO₂ from the 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 CO₂ for each liter of gas oil consumed. The figure is a rough estimate of the fugitive emissions of methane (CH₄) 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.



Emissions of SO₂, NO_x and dust

The greatest atmospheric pollutants associated with thermal power generation are sulfur oxides (SO₂), nitrogen oxides (NO₂) and dust²².

As for CO_2 , SO_2 and NO_x decreased in 2018 by approximately 10% and 9% respectively compared to the previous year. Dust fell considerably (around -37%) compared to 2017, mainly due to works to improve dust reduction systems in Russia and, in second place, to lower coal-fired thermal power generation in Italy and Spain.

Specific emissions also registered a decrease attributable to fewer total emissions as a result of lower thermal power generation offset by a higher production from renewable sources.

In line with the objectives of reducing specific atmospheric emissions, Enel is committed to carrying out a series of actions on specific coal-fired plants, to align with best international practices, also by installing or improving pollutant abatement systems and gradually decommissioning less efficient plants.

Other atmospheric emissions

UM	2018	2017	2016	2018-2017	%
t	192,796	214,057	220,746	-21,261	-9.9
t	184,468	203,329	200,660	-18,861	-9.3
t	43,059	68,095	59,627	-25,036	-36.8
tion ⁽¹⁾					
g/kWh eq	0.75	0.84	0.82	-0.09	-10.7
g/kWh eq	0.72	0.79	0.75	-0.07	-8.9
g/kWh eq	0.17	0.27	0.22	-0.10	-37.0
	t t stion ⁽¹⁾ g/kWh eq g/kWh eq	t 192,796 t 184,468 t 43,059 etion ⁽¹⁾ g/kWh eq 0.75 g/kWh eq 0.72	t 192,796 214,057 t 184,468 203,329 t 43,059 68,095 ttion ⁽¹⁾	t 192,796 214,057 220,746 t 184,468 203,329 200,660 t 43,059 68,095 59,627 ttion (1)	t 192,796 214,057 220,746 -21,261 t 184,468 203,329 200,660 -18,861 t 43,059 68,095 59,627 -25,036 ttion ⁽¹⁾

(1) Specific emissions compared to total net production are calculated considering the total emissions in proportion to the total renewable, nuclear, simple and combined thermal power and heat generation (including the contribution of heat in MWh_{au}).

Consumption and energy efficiency

For Enel, using energy efficiently means, on the one hand, maximizing the efficiency of the mix of sources (thermal, nuclear and renewable) and, on the other, making the distribution network increasingly efficient, to prevent significant energy loss along distribution lines. The strategy to reduce Enel's energy consumption therefore includes investments to increase efficiency in all the Group's activities, from production to distribution, and also aims to spread a greater awareness in conduct. In 2018, improvement of process efficiency and the implementation of operational excellence programs continued by optimizing the production load distribution.

Direct total fuel consumption was equal to 1,547,064 TJ (equal to 37.0 Mtoe). During the year, energy consumption of fuel decreased by approximately 11%, linked to a lower thermal and nuclear power generation compared to the previous year. The overall geothermal production in Italy and Chile was basically stable.

22 Emissions are measured at the chimney, which in most large plants takes place through continuous monitoring systems, as required by national legislation.

Consumption of fuel by primary source (1)

КРІ	UM	2018	2017	2016	2018-2017	%
from non-renewable sources	TJ	1,488,072	1,671,664	1,649,723	-183,591	-11.0
Coal	TJ	634,761	686,761	708,322	-52,000	-7.6
Lignite	TJ	18,003	25,121	27,674	-7,117	-28.3
Fuel oil	TJ	59,997	69,668	84,782	-9,671	-13.9
Natural gas	TJ	481,105	525,904	500,825	-44,799	-8.5
Diesel	TJ	39,272	84,071	52,461	-44,799	-53.3
Uranium	TJ	254,934	280,139	275,659	-25,205	-9.0
from renewable sources	TJ	58,992	59,034	61,672	-42	-0.1
Biomass, biogas and waste	TJ	6,615	5,945	7,829	670	11.3
Geothermal fluid	TJ	52,377	53,089	53,842	-712	-1.3
Total direct consumption	TJ	1,547,064	1,730,698	1,711,395	-183,633	-10.6

(1) Energy consumption relating to the real estate sector is not included. The resulting indirect emissions from the purchase of grid electricity are, however, reported in the calculation of Scope 2, which is performed as indicated in note 2 of the table on page 56.

Consumption of fuel by primary source KPI UΜ 2018 2017 2016 2018-2017 Fuel consumption for thermal production Coal ,000 t 31,105 32,775 33,337 -1,670 ,000 t 1,344 Lignite 1,947 2,333 -603 Fuel oil 1,488 2,095 -238 -13.8 ,000 t 1,726 Natural gas mil m³ 13,080 14,318 13,883 -1,238 ,000 t 929 1,986 1,276 -1,057 Diesel from renewable sources Biomass and waste from thermal power production ,000 t 574 519 642 55 Biogas 0.2 mil m³ 1.2 1.0 1.0 Geothermal fluid ,000 t 53,548 47,323 47,668 6,225 Fuel consumption for nuclear production Uranium 78 84 110 6 t

In 2018, the Group's energy intensity decreased by over 11%. This decrease is due to a lower total energy consumption compared to 2017, given a production mix in the year which, in relation to stable Group production, reported an increase in production from renewable sources.

Energy intensity

KPI	UM	2018	2017	2016	2018-2017	%
Total energy consumption	TJ	1,547,064	1,730,698	1,711,395	-183,633	-10.6
Energy intensity (1)	MJ/kWh eq	6.0	6.8	6.4	-0.8	-11.2

(1) Energy intensity is calculated considering the total energy consumption in proportion to the total amount of renewable, nuclear, single and combined thermoelectric power and heat (including the contribution of heat in MWh).

%

-5.1

-31.0

-8.6

-53 2

10.6

23.0

13.2

7.6

 $\rm CO_2$ emissions avoided thanks to zero-emissions production from renewable sources and nuclear power amounted to approximately 78 mil t in 2018. This increase over 2017 is due to an increase in production from renewable sources, mainly hydroelectric power production, firstly in Europe, followed by South America. Moreover, wind and solar power made a positive contribution.

Avoided emissions

КРІ	UM	2018	2017	2016	2018-2017	%
Avoided emissions (1)	mil t	78.5	71.3	83.8	7.2	10.1

(1) Avoided emissions are calculated as the sum of the emissions avoided in the different regions, using the specific CO₂ emissions of the individual country's average thermoelectric power generation as a reference, taken from the Enerdata database (www.enerdata.net). The figure is the product of the electricity production obtained with the renewable or nuclear source by the specific emission of CO₂ from thermal power production in the country where Enel is present.

Responsible management of water sources

Water is an essential element for the production of energy and Enel is aware of the fact that the availability of this resource is considered a critical factor in future energy scenarios. Enel is traditionally involved in the efficient management of water resources, that employs and constantly monitors all production sites that are in areas at risk of water shortages 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.

As contemplated by the Group's environmental policy, Enel is committed to an efficient management of water resources, optimizing the treatment of waste water and safeguarding the quality of the end environment. In particular, waste water is from plants that, after being recovered and re-used for internal purposes, is returned to surface water bodies. Water is always discharged after treatment that has removed 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 uses treated waste water, typically from water management consortiums, as incoming water for its own processes. In 2018, the percentage of water sourced from treated waste water totaled 4.7%.

In 2018, the total water requirement amounted to approximately 96.3 mil m³, down by around 14.2% compared to 2017, due to a lower thermal and nuclear power generation. This figure does not include water used for open-cycle cooling, as it is entirely put back into the original water body.

Specific needs for 2018 amounted to 0.38 l/kWh_{eq}, decreasing by 14% compared to 2017 and considerably down on the figure of the previous year. The Group's water consumption calculated according to the new version of GRI Standard 303 "Water and Effluents"²³, was equal to 48.7 mil m³ (equal to 48,695 ML).

In 2018, approximately 8% of the total energy produced by the Enel Group used freshwater in "water stressed" areas²⁴. In these areas, withdrawals from scarce sources accounted for 12% of total Group withdrawals. In particular, this category involved withdrawals from wells (67% of the total Enel) and from aqueducts (39% of the total). Water consumption in "water stressed" areas in 2018 amounted to 5.98 mil m³ (equal to 5,978.7 ML), down by 7% compared to the previous year.

²³ 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.

²⁴ 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 m³.

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Volumes of water required by production process and source

КРІ	UM	2018	2017 ⁽⁵⁾	2016 ⁽⁵⁾	2018-2017	%
Volumes of water used by production process						
Requirements ⁽¹⁾ by thermoelectric power						
production (2)	mil m³	94.5	110.4	110.4	-15.9	-14.4
Requirements ⁽¹⁾ by nuclear power production ^(3,5)	mil m ³	1.7	1.8	23.0	-0.1	-5.6
Requirements ⁽¹⁾ by geothermal power production						
and for the storage and handling of fuels	mil m³	0.071	0.043	0.032	0.028	65.1
Total requirements ⁽¹⁾ by production processes ⁽⁴⁾	mil m ³	96.3	112.2	133.5	-15.9	-14.2
Requirements (1) by other industrial uses	mil m ³	0.02	0.02	0.29	-	-
Total requirements ⁽¹⁾ of water	mil m ³	96.3	112.2	133.8	-15.9	-14.2
Specific requirements ⁽¹⁾ by production process						
Specific requirement ⁽¹⁾ by thermoelectric power						
production ⁽²⁾	l/kWh eq	0.71	0.75	0.74	-0.04	-5.3
Specific requirement ⁽¹⁾ by nuclear power production						
(3,5)	l/kWh eq	0.07	0.07	0.68	-	-
Specific requirement ⁽¹⁾ for total production from						
production processes (4)	l/kWh eq	0.38	0.44	0.50	-0.06	-13.6

Volumes of water withdrawn by source

КРІ	UM	2018	2017 ⁽⁵⁾	2016 ⁽⁵⁾	2018-2017	%
From scarce sources	mil m ³	84.4	97.5	119.7	-13.1	-13.4
Surface water (wetlands, lakes, rivers)	mil m ³	64.2	79.3	101.5	-15.1	-19.0
Ground water (from wells)	mil m ³	12.2	11.3	11.1	0.9	8.0
Water from aqueducts (industrial and civil)	mil m ³	8.0	6.9	7.0	1.1	15.9
From non-scarce sources	mil m³	11.9	14.7	14.1	-2.8	-19.1
Seawater (used as is and desalinated)	mil m ³	7.4	7.8	7.7	-0.4	-5.1
from waste (amount used inside plants)	mil m ³	4.5	6.9	6.3	-2.4	-34.8
Total	mil m³	96.3	112.2	133.8	-15.9	-14.2
Percentage of treated waste water used	%	4.7	6.1	4.7	-1.4	-

(1) 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.

(2) 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).

(3) Specific requirements for nuclear power production are calculated considering total water consumption from nuclear production, in proportion to the total of nuclear power production.

(4) 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).

(5) 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 m³ and in 2016 amounted to 133.5 mil m³.

Volumes of water withdrawn by source in "water stressed" areas

KPI	UM	2018	2017	2016	2018-2017	%
From scarce sources	mil m³	11.2	10.3	8.0	0.9	8.7
Surface water (wetlands, lakes, rivers)	mil m ³	-	-	-	-	-
Ground water (from wells)	mil m³	8.1	7.0	5.1	1.1	15.7
Water from aqueducts (industrial and civil)	mil m ³	3.1	3.3	2.9	-0.2	-6.1
From non-scarce sources	mil m³	-	0.3	-	-0.3	-100.0
Seawater (used as is and desalinated)	mil m ³	-	-	-	-	-
from waste (amount used inside plants)	mil m³	-	0.3	-	-0.3	-100.0
Total	mil m³	11.2	10.6	7.8	0.6	5.7

Water effluent

KPI	UM	2018	2017	2016	2018-2017	%
Waste water (quantity discharged) (1)	mil m³	47.6	53.8	111.5	-6.2	-11.5
from thermal power production (1)	mil m ³	45.9	51.9	104.5	-6.0	-11.5
from nuclear production	mil m ³	1.7	1.9	6.9	-0.2	-10.5
for storage and transport of fuel oil	mil m ³	0.01	0.01	0.06	-	-

(1) 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 has been 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 m³).

Biodiversity

Enel operates in many different countries and regions, with diverse biodiversity values. Aware of the complexity and value of these ecosystems, the Group has gained considerable experience in managing biodiversity at its sites, guaranteeing continual alignment with best practices in the sector. The impact of operating plants on habitats and local animal and plant species is therefore evaluated in compliance with applicable laws and monitored during plant operation.

To pursue its objectives of protecting biodiversity, Enel registers, in each country where it is present, the number of species on the Red List of the IUCN²⁵ (International Union for Conservation of Nature) protected by the Group for mapped projects. In 2018, the number of species protected by the Group is shown in the table below.

Actions are being carried out for these species, focusing on characterization, inventories of their presence and monitoring, recovery and relocation, re-population and studies on the ecology of populations, to determine the direct and indirect effects produced by operating plants. Actions are also taken to support observed species, in order to conserve and/or increase the population, such as insulating electrical lines to prevent the risk of electrocution, installing artificial nests, building feeding stations and refuges.

²⁵ 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, classifying them as: 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).

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Species on the IUCN Red List (24) protected by biodiversity projects started by the Group in 2018⁽¹⁾

	IUCN Red List catego	ories (2)							
КРІ	CR	EN	VU	NT	LC				
Italy	2	5	6	4	19				
Spain	-	2	7	10	157				
Romania	11	1	7	3	1				
Greece	1	2	9	10	2				
Brazil		5	24	49	2,693				
Chile	1	6	5	5	9				
Colombia	8	10	29	41	104				
Peru	-	1	1	-	1				
USA	1	3	2	5	85				
Total	14	35	90	127	3,071				

The figures in the table refer only to biodiversity projects during 2018 in various countries where the Group operates.
 For the categories' description, please see note 25 on the previous page.

Waste

Waste produced by Group activities is always taken to authorized disposal sites and, based on its classification and in line with Group policies, is increasingly recycled. In 2018, Enel produced nearly 9 mil t of waste, of which 98% was classified as non-hazardous.

The amount produced decreased by 4.1% compared to 2017.

This change is due to a lower production of waste from thermal power production, 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.

Waste produced

КРІ	UM	2018	2017	2016	2018-2017	%
Non-hazardous waste	t	8,846,150	9,315,552	9,074,122	-469,402	-5.0
Hazardous waste (1)	t	150,673	67,453	70,060	83,220	-
Total waste produced	t	8,996,823	9,383,005	9,144,182	-386,182	-4.1
Total waste sent for recovery	%	22.9	22.5	25.7	0.4	-
Non-hazardous waste by disposal method						
Non-hazardous waste recycled or sent for recovery	t	2,047,476	2,082,742	2,317,053	-35,266	-1.7
Non-hazardous waste sent to landfill	t	6,798,673	7,232,810	6,757,069	-434,136	-6.0
Hazardous waste by disposal method						
Hazardous waste recycled or sent for recovery	t	15,413	26,406	29,240	-10,993	-41.6
Hazardous waste sent to landfill	t	135,260	41,047	40,820	94,213	-

(1) 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.

Environmental disputes

Legal proceedings²⁶ ongoing at 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 in 2018, up on the previous year (approximately €2 million 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 Cultural Heritage and Landscape (Legislative Decree 42/04) regarding some works to remove an electrical line. For further information, see the chapter "Potential assets and liabilities" of the 2018 Annual Report.

²⁶ Civil and criminal proceedings against the Group are included, as well as proceedings originating from third-party claims for the cancellation of favorable administrative rulings.

Methodological note

As a public interest entity pursuant to article 16, paragraph 1, of Italian Legislative Decree 39 of January 27, 2010, Enel is subject to Italian Legislative Decree 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).

This Enel Consolidated Non-financial Statement (NFS) as at December 31, 2018 has been prepared in accordance with Italian Legislative Decree 254/16 and the 2019 Budget, and is a separate document from the Management Report. This document is prepared annually, starting from the 2017 financial year, in compliance with Legislative Decree 254/16. The Statement is published in the "Investors" section of Enel's website (www.enel.com).

To the extent necessary to ensure the understanding of the company's activities, its progress, its results and the impact it produces, this Statement covers environmental, social, employee-related and human rights issues, and the anti-corruption and bribery matters as relevant to Enel, taking into account the Company's activities and characteristics, according to the process described below (see the "2018 materiality assessment" paragraph). The issues covered therein are shown in the following table with an indication of the specific chapter of the document where they are discussed.

102-1	102-3	102-5	102-40	102-42	102-45
102-46	102-47	102-48	102-49	102-50	102-51
102-52	102-53	102-54	102-55	102-56	103-1

Detailed information on the issues and indicators reported in this document may be requested from:

Enel SpA - Innovability Management (Innovation and Sustainability) Sustainability Planning and Performance Management

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

Statement topic/ decree	Materiality assessment topic	Statement chapter	Risks	Policies and management model	Activities and results
	Decarbonization of the energy mix	Environmental sustainability	Pg. 19-20 Pg. 53	Pg. 53-54	Pg. 54-63
Environment	Environmental compliance and management				
Social	Engaging local communities	Responsible relations with communities	Pg. 50	Pg. 50-51	Pg. 51-52
Social	Sustainable supply chain	Values and pillars of company ethics	Pg. 31-32 Pg. 42	Pg. 33 Pg. 42-45	Pg. 33 Pg. 48-49
Employee-related	People management, development and motivation	People management, development and motivation	Pg. 19-20 Pg. 35	Pg. 35	Pg. 36-41
	Occupational health and safety	Occupational health and safety	Pg. 42	Pg. 42-45	Pg. 46-49
	Sound governance and fair corporate conduct	Values and pillars of company ethics	Pg. 31-32	Pg. 30-31	Pg. 33-34
Human rights	People management, development and motivation				
	Engaging local communities				
Active and passive anti-corruption management system	Sound governance and fair corporate conduct	Values and pillars of company ethics	Pg. 28-29	Pg. 27-29	Pg. 28-30

In line with previous years, Enel has also published its Sustainability Report, available on the Company's website (www.enel.com).

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Report boundaries

The information and data in the NFS refer to Enel SpA and the companies included in the full scope of consolidation as at December 31, 2018, in keeping with the financial consolidation scope of the Group. In addition to the full scope of consolidation, the NFS includes data and information concerning the company Asociación Nuclear Ascó-Vandellós II AIE (ANA CNVII AIE), which owns the two nuclear power plants at Ascó and Vandellós in Spain. The company is considered a joint operation, in line with accounting standard IFRS 1127, and is therefore included in the Group's scope of financial consolidation according to the proportional method and, in order to guarantee an adequate representation of impacts, also in the NFS, as it represents a significant reality of the Group. To adequately represent data and analysis of trends, data for 2016 and 2017 were presented with the inclusion of the company ANA CNVII AIE; the data relative to this company were already included in part in the 2017 NFS separately reported to data concerning the scope of full consolidation and in full in the reporting boundaries of the 2017 Sustainability Report, which is subject to a limited audit by an independent body.

The only exception to the scope of full consolidation concerns companies acquired during 2018²⁸, for whom, regarding the prevailing trend, as also expressed by the Consob report dat-

ed January 19, 2018²⁹, it was deemed necessary to start consolidation from the 2019 financial year for some of the areas covered by this document, in light of the short time since their acquisition. The areas excluded have been indicated directly in the specific chapters.

In this Statement, "Corporate", "Holding" or "Parent" means Enel SpA, while "Group" or "Enel" or "Company" refers to Enel SpA and subsidiaries.

Details on companies included in the scope of full consolidation are given in the 2018 Annual Report. 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 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 tables showing quantitative data, any percentage variations exceeding |100%| are indicated by "-".



²⁷ A joint operation is a joint control agreement in which the parties that hold joint control have rights relating to assets and obligations for the liabilities related to the agreement.

²⁸ Eletropaulo, YouSave, Empresa de Alumbrado Eléctrico de Ceuta and Empresa de Alumbrado Eléctrico de Ceuta Distribución.

²⁹ Explanatory report on the results of the review, the consequences of the regulation, the activities of companies and operators and the interests of investors and savers.

How the Statement was prepared

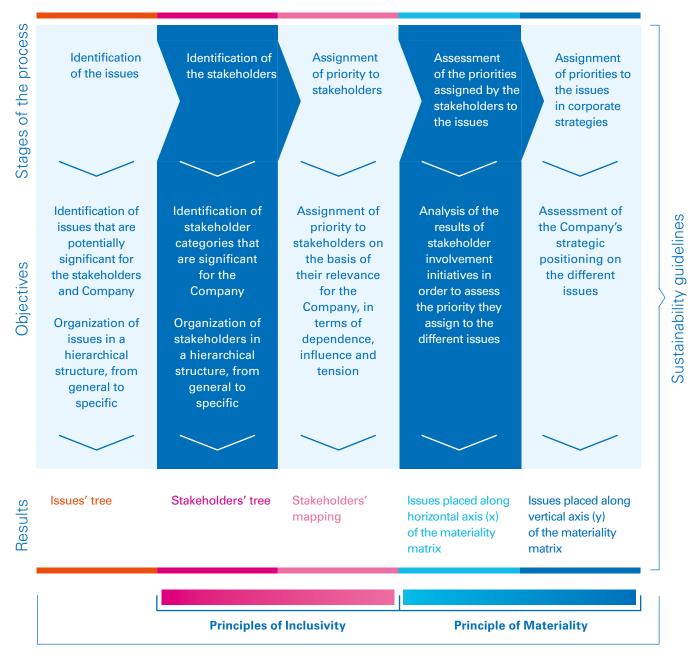
The document has been prepared according to GRI Standards: Core option and the supplement on the Electric Utilities sector issued in 2013 by the GRI ("Electric Utilities Sector Disclosure"). In particular the Sustainability Reporting Standards (2016) of the Global Reporting Initiative (GRI Standards) have been adopted, and, starting from the current year, Enel has adopted two new standards – GRI 403 - Occupational Health and Safety, and GRI 303 - Water and Effluents – issued during 2018. Moreover, starting from 2018, Enel has reported on the results of its own sustainability performance based on the last three years, to offer a more complete analysis of the trend of various KPIs. The GRI Content Index, at the end of this document, contains specific references to the 2018 NFS.

In particular, the content creation process was based on principles of relevance (or "materiality"), stakeholder inclusiveness, sustainability context, and completeness of data and information; with reference to the quality of the reported information, the principles of balance, comparability, accuracy, timeliness, clarity and reliability were followed. This Report also reflects Enel's adoption of 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 in which the various topics 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 chapters include reference to the United Nations' main 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

The materiality assessment comprises five main stages, as indicated below.



Standard AA1000APS

Activities to collect data, and aggregate and process information are managed in a dedicated IT system. The Holding Sustainability Planning and Performance Management 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 a single company and/or country level are then consolidated by the Holding in order to prepare the Group materiality matrix.

The process adopted for the 2018 materiality assessment updated the analysis results of the previous year. The methodology adopted provides, indeed, for an annual update of the results of stakeholder engagement activities and the implementation, every two years, of new *ad hoc* stakeholder engagement initiatives, in parallel with a possible revision of the issues and the categories of stakeholders involved in the



assessment, with the aim of accounting for changes to the sustainability scenario the Company operates in.

The materiality assessment is based on the AA1000SES guidelines for the phases of mapping, stakeholder prioritization and analysis of the results of engagement and on AccountAbility and GRI Standards criteria with respect to the definition of material 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, stakeholder engagement initiatives, issues of most interest for sustainability rating agencies and industry benchmarking studies. 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);
- → on the Company's side, the issues' level of impact on business strategies, determined based on the current and future commitment made on each issue.

As regards materiality for stakeholders, the main stakeholder categories and the respective communication and engagement channels are shown below.

Financial community	Suppliers and contractors	Civil society and local communities	Our people	Institutions	Business community	Customers	Media
 Investor Relations and Corporate Affairs Roadshows Investor Day Direct contacts Web channel 	 Web channel Forums and dedicated meetings Working groups Direct contacts 	 Web channel Press releases Direct contacts Whistleblowing channel Social media 	 Intranet Forums Informative interviews Working groups Climate surveys Company magazine Newsletters Whistleblowing channel 	 Web channel Press releases Direct contacts Whistleblowing channel Social media 	 Meetings Working groups Forums and dedicated meetings Direct contacts 	 Enel stores and commercial offices Web portal Agents Consumer associations Customer focus centers Surveys Forums and working groups Mobile apps Social media 	 Press releases Roadshows Direct contacts Dedicated meetings Social media

The materiality of the various issues in Enel's strategies was instead assessed by involving the Company's Functions, and submitted to the Chairman and Chief Executive Officer. This analysis reflects the strategic guidelines defined in 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 "Materiality assessment" paragraph, 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 the transcoding table for the issues included in the materiality assessment into the relevant GRI Standards, indicating the internal or external scope as well as limitations on the scope. Based on the scope of the Consolidated Non-Financial Statement, which only covers non-financial topics, each materiality assessment issue is only assigned with relevant GRI standards.

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ESG category	Materiality assessment issue	GRI Standard or Electric Utilities Sector Disclosures Aspect	Internal scope	External scope	Reporting limitations on internal scope	Reporting limitations on external scope	
	Sound governance	GRI 205: Anti-corruption					
Business &	and fair corporate	GRI 406: Non-discrimination	Group		-	-	
Governance	conduct	GRI 415: Public Policy					
	Decarbonization of the energy mix	GRI 305: Emissions	Group		-	-	
		GRI 301: Materials					
		GRI 302: Energy					
	Environmental	GRI 303: Water					
Invironmental	compliance and	GRI 304: Biodiversity	Group		-	-	
	management	GRI 305: Emissions					
		GRI 306: Effluents and Waste					
		GRI 307: Environmental Compliance					
		GRI 401: Employment					
		GRI 402: Labor/Management Relations					
		GRI 404: Training and Education					
	People management, development and motivation	GRI 405: Diversity and Equal Opportunity					
		GRI 407: Freedom of Association and Collective Bargaining	Group		-	-	
		GRI 408: Child Labor					
		GRI 409: Forced or Compulsory Labor					
		GRI 410: Security Practices					
		GRI 412: Human Rights Assessment					
Social	Occupational health and safety	GRI 403: Occupational Health and Safety	Group	Suppliers	-	Reporting partiall extended to suppliers	
		GRI 411: Rights of Indigenous Peoples					
		GRI 413: Local Communities					
	Engaging local	GRI 416: Customer Health and Safety	Group		_		
co	communities	Disaster/Emergency Planning and Response	Group				
		Access					
		GRI 204: Procurement Practices					
	Sustainable supply chain	GRI 308: Supplier Environmental Assessment	Group	Suppliers	-	Reporting not extended to	
		GRI 414: Supplier Social Assessment				suppliers	

Drafting and assurance process

The sustainability Key Performance Indicators (KPIs) reporting and monitoring process involves the Holding in terms of cross-functional issues, and all of the Group's Global Business Lines, Global Functions and companies for the specific topics and indicators of their various sectors of activity.

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 NFS drafting process.

The Consolidated Non-Financial Statement was analyzed and assessed by the Enel Control and Risk Committee and Corporate Governance and Sustainability Committee on March 20, 2019 and approved by the Board of Directors on March 21. The resulting document is presented to the Shareholders' General Meeting in conjunction with the Group's Consolidated Financial Statements.

The Statement underwent limited assurance by an independent company, EY SpA, the audit firm that is also in charge of auditing the Enel Group's Consolidated Financial Statements. The limited assurance was carried out according to the ISAE 3000 (Revised)³⁰ international standard 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 at the end of this Statement.

Units of measure		Acronyms
percentage	CCGT	Combined Cycle Gas Turbine
thousands of tons	CERT	Cyber Emergency Readiness Team
gigabecquerel per unit	CSV	Creating Shared Value
gigabecquerel per equivalent unit		Earnings Before Interest, Tax, Depreciation and
gigawatt	EBITDA	Amortization
gigawatt hours	ESG	Environmental, Social and Governance
hours	SCIGR	Internal Control and Risk Management System
	SDG	Sustainable Development Goal
		Socially Responsible Investor
	TCFD	Task Force on Climate-related Financial Disclosure
	UN	United Nations
millions of euros		
millions of liters		
millions of cubic meters		
millions of tons		
millions of equivalent tons		
megajoule per equivalent kilowatt hours		
megawatts		
Megawatt hours		
	percentage thousands of tons gigabecquerel per unit gigabecquerel per equivalent unit gigawatt gigawatt hours hours hours per capita rate kilograms per equivalent kilowatt hours kilometers litres per equivalent kilowatt hours millions of euros millions of liters millions of tons millions of equivalent tons megajoule per equivalent kilowatt hours	percentageCCGTthousands of tonsCERTgigabecquerel per unitCSVgigabecquerel per equivalent unitEBITDAgigawattEBITDAgigawatt hoursESGhoursSCIGRhours per capitaSCIGRrateSDGkilograms per equivalent kilowatt hoursSRIkilometersTCFDlitres per equivalent kilowatt hoursUNmillions of eurosmillions of litersmillions of tonsmillions of equivalent tonsmegajoule per equivalent kilowatt hoursmillions of equivalent tons

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

no. number t tons TJ terajoules TWh terawatt hours

GRI Content Index

102-55

GRI Standards	D : 1	Page number(s) and/or URL(s)	Omission		
	Disclosure		Part Omitted	Reason	Explanation
GRI 101: Foundation	2016				
General Disclosures					
	ORGANIZATIONAL PROFILE				
	102-1 Name of the organization	64			
	102-2 Activities, brands, products and services	7-11			
	102-3 Location and headquarters	64			
	102-4 Location of operations	7			
	102-5 Ownership and legal form	10-11; 64			
	102-6 Markets served	7-8			
	102-7 Scale of the organization	7-8; 36			
	102-8 Information on employees and other workers	38; 40			
	102-9 Supply chain	9			
	102-10 Significant changes to the organization and its supply chain	10			
	102-11 Precautionary Principle or approach	18-20			
	102-12 External initiatives	12			
GRI 102: General Disclosures 2016	102-13 Membership of associations	12			
	STRATEGY				
	102-14 Statement from senior decision maker	5			
	102-15 Key impacts, risks, and opportunities	18-20; 31-32; 35; 42; 50; 53			
	ETHICS AND INTEGRITY				
	102-16 Values, principles, standards, and norms of behavior	27-28			
	102-17 Mechanisms for advice and concerns about ethics	27-28			
	GOVERNANCE				
	102-18 Governance structure	13-17			
	102-22 Composition of the highest governance body and its committees	14-17			
	102-24 Nominating and selecting the highest governance body	14-17			

		Page number(s)			
GRI Standards	Disclosure	and/or URL(s)	Part Omitted	tted Reason Explana	
	STAKEHOLDER ENGAGEMENT				
	102-40 List of stakeholder groups	69			
	102-41 Collective bargaining agreements	37			
	102-42 Identifying and selecting stakeholders	68-69			
	102-43 Approach to stakeholder engagement	21-23			
	102-44 Key topics and concerns raised	21-23			
	REPORTING PRACTICES				
	102-45 Entities included in the consolidated financial statements	66			
GRI 102: General	102-46 Defining report content and topic Boundaries	21-23; 68-70			
Disclosures 2016	102-47 List of material topics	22-23; 70			
	102-48 Restatements of information	64; 66			
	102-49 Changes in reporting	64; 66			
	102-50 Reporting period	64; 66			
	102-51 Date of most recent report	64			
	102-52 Reporting cycle	64			
	102-53 Contact point for questions regarding the report	64			
	102-54 Claims of reporting in accordance with the GRI Standards	67			
	102-55 GRI content index	67; 72-79			
	102-56 External assurance	71; 80-82			
Material Topics					
200 series (Economic	: Topics)				
	PROCUREMENT PRACTICES				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Vanagement Approach 2016	103-2 The management approach and its components	33			
	103-3 Evaluation of the management approach	33			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	"Local suppliers" means those suppliers with their registered office in the country in which the supply contract was issued. Local suppliers with contracts > €1 million: 1,403; Spending on local suppliers with contracts > €1 million: 11,173 (mil euros); Concentration of spending on local			

	D'al	Page number(s)		Omission		
GRI Standards	Disclosure	and/or URL(s)	Part Omitted	Reason	Explanation	
	ANTI-CORRUPTION					
	103-1 Explanation of the material topic and its boundary	21-23; 68-70				
GRI 103: Management Approach 2016	103-2 The management approach and its components	18-20; 28-29				
	103-3 Evaluation of the management approach	28-29				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	28-30 Besides the information on reports concerning the Code of Ethics, no other events are indicated				
300 series (Environme	ntal Topics)					
	MATERIALS					
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70				
Management Approach 2016	103-2 The management approach and its components	53-54				
	103-3 Evaluation of the management approach	53-54				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	58				
	ENERGY					
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70				
Management Approach 2016	103-2 The management approach and its components	53-54				
	103-3 Evaluation of the management approach	53-54				
	302-1 Energy consumption within the organization	57-58				
GRI 302: Energy 2016	302-3 Energy intensity	58				
	302-4 Reduction of energy consumption	57-58				
	WATER					
	103-1 Explanation of the material topic and its boundary	21-23; 68-70				
GRI 103: Management Approach 2016	103-2 The management approach and its components	53-54; 59				
	103-3 Evaluation of the management approach	53-54; 59				
	303-1 Interactions with water as a shared resource	59				
	303-2 Management of water discharge related impacts	59				
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	59-61	Breakdown of fresh water/ other water	Information not available	The total value obtained does not represent a significant and relevant statistical sample, therefore it is not disclosed	

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
	BIODIVERSITY				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	53-54; 61			
	103-3 Evaluation of the management approach	53-54; 61			
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	62			
	EMISSIONS				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	53-54			
	103-3 Evaluation of the management approach	53-54			
	305-1 Direct (Scope 1) GHG emissions	56			
	305-2 Energy indirect (Scope 2) GHG emissions	56			
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	56			
	305-4 GHG emissions intensity	56			
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	57			
	EFFLUENTS AND WASTE				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	53-54			
	103-3 Evaluation of the management approach	53-54			
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	62			
	ENVIRONMENTAL COMPLIANC	E			
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	53-54			
	103-3 Evaluation of the management approach	53-54			
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	63			
	SUPPLIER ENVIRONMENTAL A	SSESSMENT			
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Vanagement Approach 2016	103-2 The management approach and its components	33			
	103-3 Evaluation of the management approach	33			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	33			

GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
400 series (Social Topi	ics)				
	EMPLOYMENT				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	35-37			
	103-3 Evaluation of the management approach	35-37			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	38-39			
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GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	35-37			
	103-3 Evaluation of the management approach	35-37			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	38			
	OCCUPATIONAL HEALTH AND	SAFETY RELATIONS			
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Vanagement Approach 2016	103-2 The management approach and its components	35-37; 42-46			
-	103-3 Evaluation of the management approach	35-37; 42-46			
	403-1 Occupational health and safety management system	42-45			
	403-2 Hazard identification, risk assessment, and incident investigation	42-46			
	403-3 Occupational health services	43-45			
GRI 403: Occupational Health	403-4 Worker participation, consultation, and communication on occupational health and safety	44-45			
and Safety 2018	403-5 Worker training on occupational health and safety	44-45			
	403-6 Promotion of worker health	44			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42-46			
-	403-9 Work-related injuries	46-49			
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GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
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	Disclosure		Part Omitted	Reason	Explanation
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	16; 41			
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GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	30-32			
	103-3 Evaluation of the management approach	30-32			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	31-33			
	CHILD LABOR				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	30-32			
	103-3 Evaluation of the management approach	30-32			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	31-33			
	FORCED OR COMPULSORY LA	BOR			
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	30-32			
	103-3 Evaluation of the management approach	30-32			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	31-33			

GRI Standards	Disclosure	Page number(s)	Omission		Omission		
GRI Standards	Disclosure	and/or URL(s)	Part Omitted	Reason	Explanation		
	SECURITY PRACTICES						
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70					
lanagement pproach 2016	103-2 The management approach and its components	30-31; 33-34					
	103-3 Evaluation of the management approach	30-31; 33-34					
RI 410: Security ractices Labor 2016	410-1 Security personnel trained in human rights policies or procedures	All Enel people are involved in training about sustainability issues, of which human rights are a fundamental element. All suppliers sign specific clauses concerning human rights and commit to complying with the associated policy					
	RIGHTS OF INDIGENOUS PEOP	LES					
RI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70					
lanagement pproach 2016	103-2 The management approach and its components	30-31; 50-51					
	103-3 Evaluation of the management approach	30-31; 50-51					
RI 411: Rights of Idigenous Peoples 016	411-1 Incidents of violations involving rights of indigenous peoples	No violations of the rights of indigenous peoples have been reported					
	HUMAN RIGHTS ASSESSMENT	T Contraction of the second se					
RI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70					
lanagement pproach 2016	103-2 The management approach and its components	30-32					
	103-3 Evaluation of the management approach	30-32					
	412-1 Operations that have been subject to human rights reviews or impact assessments	31-34					
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	34 In relation to a dedicated online course on human rights, 974 training hours have been provided. As of December 31, 2018 the course was completed by 4.6% of Enel people (around 2,900 persons)					
	LOCAL COMMUNITIES						
RI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70					
lanagement Approach 2016	103-2 The management approach and its components	30-32; 50-51					
	103-3 Evaluation of the management approach	30-32; 50-51					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	51-52 100% of thermal power plants in O&M, 50% of renewable plants in O&M	Percentage of total Group operations	Information not available on all business areas	Mapping process in progress. Only the % relative to thermal power plants and renewable plants in O&M phase is currently available		

CDI Ctan dan de	Disclosure	Page number(s) and/or URL(s)	Omission		
GRI Standards			Part Omitted	Reason	Explanation
	SUPPLIER SOCIAL ASSESSMEN	IT			
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	33			
	103-3 Evaluation of the management approach	33			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	33			
	PUBLIC POLICY				
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	27-29			
	103-3 Evaluation of the management approach	27-29			
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			
	CUSTOMER HEALTH AND SAFE	ТҮ			
GRI 103:	103-1 Explanation of the material topic and its boundary	21-23; 68-70			
Management Approach 2016	103-2 The management approach and its components	30-32			
	103-3 Evaluation of the management approach	30-32			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	New products and services are assessed in terms of potential impact on health and safety throughout the value chain, in order to minimize that impact, as confirmed by point 2.2.1 of the Human Rights Policy			
Specific standards dis	closures for the electric utility se	ctor			
	ACCESS				
DMA	DMA Access	50-51			
EU 26: Percentage of population unserved in licensed distribution or service areas 2016	EU 26: Percentage of population unserved in licensed distribution or service areas	Italy: 0% Spain: 0% Argentina: 0% Brazil: 0% Chile: 0% Colombia: 0.23% Peru: 4.7%			
	DISASTER/EMERGENCY PLAN	NING AND RESPONSE			
DMA	DMA disaster/emergency planning and response	42-44			

Independent auditors' report



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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 and with article 5 of Consob Regulation adopted with Resolution n. 20267 of January 18, 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 pursuant to article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of Consob Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Enel S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended on 31st December 2018 in accordance with article 4 of the Decree approved by the Board of Directors on 21st March 2019 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, paragraph 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and guality 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,

EY S.p.A. Srebe Legale: Via Piu, 32 - 00196 Roma Capitali Sociale Guro 2,525,000,00 Uk Inortha alls S.O. del Registro delle Imprese reresso la C.C.J.A.A. di Roma Codor-Escale e numero di iscnasione 00434000584 - numero R.E.A. 250904 mitol.00891231003 mitol.00891231003 isori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998 ssivo n. 2 delibera n. 10831 del 16/7/1997 Consob al proce er firm of Ernst & Young Global Limited



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 DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with 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 work in order to obtain a limited assurance that the DNF 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 DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
- analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
- comparison of the economic and financial data and information included in the DNF with those included in the Enel Group's consolidated financial statements;
- understanding of the following aspects:
 - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
 - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
 - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.

understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.

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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 non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at group level
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, 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 Perú S.A.A., that we have selected based on their activity, relevance to the consolidated performance indicators and location, we 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 DNF of the Enel Group for the year ended on 31st December 2018 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Other Information

The Group has prepared a Sustainability Report for the year ended on 31st December 2016; such data are presented for comparative purposes in the DNF. This Sustainability Report has been subject to voluntary limited assurance procedures in accordance with ISAEE 3000 by us, on which we have expressed an unqualified conclusion.

Rome, 17th April 2019

EY S.p.A. Signed by: Massimo Antonelli (Partner)

This report has been translated into the English language solely for the convenience of international readers.

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Seeding energies.

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.