



Enel position on Colombian Coal supply

In May 2016, the Dutch human rights organisation Pax asked Enel to investigate various past and present human rights impacts in the Cesar region of Colombia, and their alleged links with the mining houses from which Enel was, at the time, sourcing some of its coal supply.

In May 2017, Pax returned to Enel's Annual Shareholders Meeting, asking if Enel had conducted a human rights due diligence; if any proof of human rights violations had been found; if the coal import from the Cesar region had been suspended; and if Enel was willing to resume imports in the event that the mining companies delivered improvements.

Enel CEO Francesco Starace replied to the questions, saying that Enel had indeed carried out the assessments, which included safety, environmental and social aspects, as well as a human rights impact component. Enel's assessments did not find any evidence of human rights violations by the mining companies, and found that both mining companies had a number of sound policies in place, but nevertheless identified certain areas – in particular relating to the local communities in the region – where specific improvements were suggested. These issues were communicated to the mining companies, which have both demonstrated a constructive attitude to addressing the problems they face.

Mr Starace reminded the meeting that Enel has committed to becoming completely de-carbonized by 2050 and that the company is consequently transitioning its generation mix away from legacy technologies, investing heavily in new technologies and developing renewable capacity. The result of this is that the company has reduced its coal demand from various coal producers around the world. At the moment, Enel's supply of coal from the Drummond and Prodeco mines in the Cesar region is terminated, with no contracts in place. Enel would be open to activating supply from these two mines again in the future based on its industrial needs. Like all suppliers, the companies in question would need to meet all of the Group's supplier sustainability standards and code of ethics, including on human rights.

Colombia is an important market for Enel, where the company is a leading player in the domestic power generation and distribution sector. Mr Starace confirmed the importance of Enel's investments in Colombia, noting that further investments are planned in the country, and indeed in the Cesar region in particular, although not in an area related to coal.

Finally the Chief Executive expressed the ongoing interest of the Enel Group in the continued improvements in all areas of sustainability in the country, including social and environmental factors.