

The circular economy

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

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

Measuring circularity

Enel is developing a model to measure the circularity of its businesses, based on what the company considers to be the five pillars of circularity: sustainable input, reuse at life end, sharing, service as a product, and extension of the useful life. The model thus assesses circularity by taking account on the one hand of the input (renewables, sustainable, efficiency, etc.) and the output (recycling, reuse, etc.) of materials and energy, and on the other the level of

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

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

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

use of the resources deployed, i.e the approaches adopted, aimed at increasing the load factor (means of sharing, selling products as services, extension of the useful life). This model, which is still at the test stage, will allow the measurement and comparison of the circularity of the various businesses and therefore make it possible to further increase Enel’s effectiveness and impact on the theme of the circular economy.

“The Circularity 2017” of the World Economic Forum

At the end of 2016 Enel was included, following a thorough selection process, among the six finalists of the “The Circularity” award of the World Economic Forum, together with Nike, Cisco Systems, Basf SE, Patagonia and Johnson Controls. The WEF acknowledged Enel’s great commitment in the field of

renewables and appreciated the Future-e Project. In particular, the award analyzed three aspects: leadership in guiding the transition towards the circular economy, innovation in transforming the business model, and measuring and communicating the impact of the circular economy on the business.

Sustainability Plan 2017-2019

G4-2

REFERENCE SDGS	MAIN ACTIONS	TARGETS
 	<p>Development of renewable capacity</p> <hr/> <p>Reduction of thermal capacity</p> <hr/> <p>Specific CO₂ emissions reduction</p> <hr/> <p>Environmental retrofitting* of selected plants</p>	<p>~+8 GW of additional renewable capacity in the 2017-2019 period</p> <hr/> <p>-10.3 GW in the 2017-2019 period</p> <hr/> <p><350 gCO₂/kWh_{eq} by 2020 (-25% base year 2007)</p> <hr/> <p>~500 million euro in investment in the 2017-2020 period</p>



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