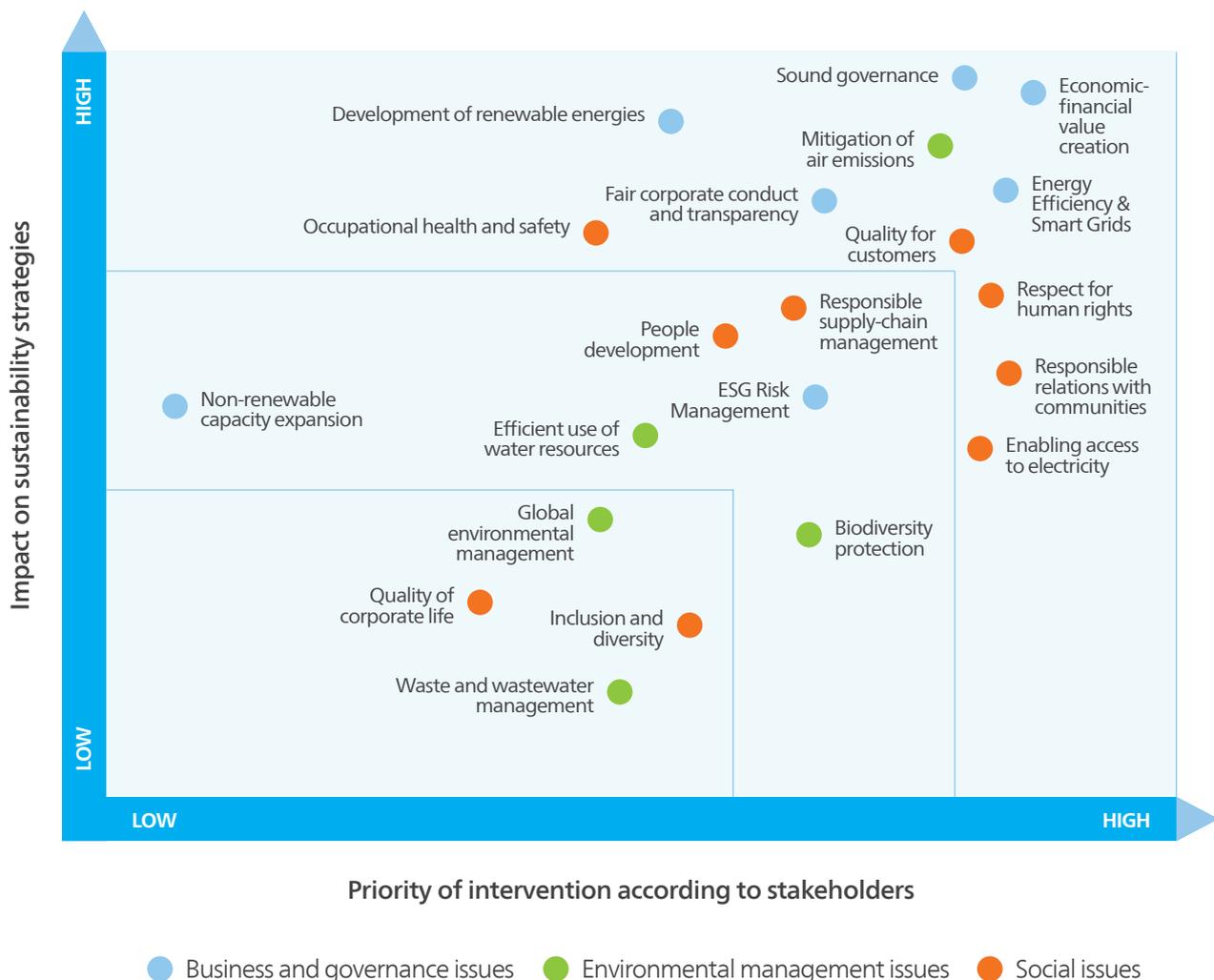


The materiality matrix 2012



the matrix are, therefore, the issues on which stakeholders request more commitment from the Group in terms of investments or formalization of commitments and policies, while the issues on the left-hand side are those to which stakeholders give a low priority;

> on the vertical axis, the issues with the potential to impact, both immediately and in the near future, significantly on Enel's sustainability strategies, in other words the issues on which Enel plans to focus its efforts and the "level" at which this commitment will be addressed. In the upper part of the matrix are, therefore, the issues on which, as part of the Group's strategic objectives, a high level of investment is planned for coming years, while those in the bottom part are significant at divisional/departmental level.

The issues have been classified into business and governance issues (blue), social issues, i.e. those relating to dealings with stakeholders (red) and environmental management issues (green).

The combination of the two perspectives enables the most important issues

both for the Company and for stakeholders to be identified (so-called material issues), and consequently the level of “alignment” or “misalignment” between external expectations and internal relevance. By analyzing the matrix, the following particularly interesting aspects emerge:

- > it is significant that business and governance issues are those which are currently considered as most important, both in regard to the creation of economic-financial value and in regard to the maintenance and improvement of standards of governance and conduct that aim for complete transparency. It is, therefore, commonly agreed that transparency and correctness in economic management are essential conditions for the creation of value both for companies and for stakeholders in the medium-long term. The model of “sustainable” economic development, therefore, seems capable of addressing both the need to restart “mature” economies and the growth models for emerging economies with high growth levels. The strategic priorities of the Company and the needs and expectations of stakeholders focus on these issues;
- > energy efficiency, smart grids and the development of renewables are now assumed to be business development issues and to be the new frontiers of economic growth in the energy sector. For this reason they have lost the purely environmental connotation they had in the past and are at the heart of the medium-long term sustainable strategy, as business models both for the development of potential markets and for the maintenance of more mature markets, also in response to the planet’s socio-environmental needs;
- > expectations regarding the handling of environmental impacts now seem integrated and consolidated into the corporate strategy. Stakeholders also place them among the commitments they expect to be maintained;
- > the environmental issue which, however, remains very important is the mitigation of emissions, both of CO₂ and of pollutants. The issue of the efficient use of water resources is emerging;
- > there is a broad area of very important “emerging” social issues for stakeholders, which are in the top part of the matrix (quality for customers, respect of human rights, responsible relations with communities, access to energy, development of human capital, responsible management of the supply-chain, occupational health and safety), areas in which the Company is also investing more heavily in the medium-long term by adopting innovative policies and implementing the related corporate processes;
- > the management of sustainability risks and their increasing integration into the Company’s risk management has become one of the emerging sustainability objectives, in particular as regards the risks linked to violations of human rights and those relating to climate change.

Guidelines of the sustainability plan

The snapshot provided by the materiality analysis is the basis on which to develop and define the sustainability priorities which the Group intends to adopt in future years. The Sustainability Plan focuses on the issues which

have emerged as the most important from the materiality analysis, identifying for each commitment the specific objectives and/or targets which Enel takes on for future years at Group level.

Commitment macro-environment	Objectives/Targets
Creation of economic-financial value	<ul style="list-style-type: none">> Protection of margins and cash flows on mature markets> Growth on expanding markets and in renewables> Reduction in costs and increase in efficiencies> Simplification in corporate structure> Reduction in debt> Maintenance of current rating category
Growth in renewables	<ul style="list-style-type: none">> Investments: around 6 billion euro by 2017> Growth in installed power mainly in emerging countries> Balanced growth in all the main technologies> Commitment to research and development for innovative renewable technologies

**Commitment
macro-environment**

Objectives/Targets

Energy efficiency

- > Investments in smart grids, smart cities, electric transport, distributed generation
- > Development of devices and projects for demand side management: installation of 13 million smart meters in Spain by 2018 and launch of pilot projects in Chile and Brazil
- > Improvement in efficiency of primary uses and reduction of pollutants

Access to electricity

- > Expansion of Enabling Electricity program: 2 million beneficiaries by 2014; involvement of all Group companies

Governance

- > Constant alignment with international recommendations and best practices on governance
- > At least one fifth female members on the Board by 2014
- > Increase in the presence of women on the Boards of subsidiaries

Commitment macro-environment

Objectives/Targets

ESG Risk Management

- > Development of methodology and processes for the assessment of ESG risks at Group level
- > Extension within the Group of the climate change Adaptation Project already developed in Spain and Latin America

Correctness and transparency

- > Enhancement of the transparency and anti-corruption policies at Group level
- > Development of a dedicated software system to collect and monitor qualitative and quantitative data on sustainability at Group level, from a One Report viewpoint
- > Promotion of global discussion on CSR issues: planning and organization of Sustainability Day 2013
- > Implementation of the partnership between Enel and the most important global sustainability networks
- > Further extension at Group level of e-learning on the Code of Ethics, 231 Compliance Program, Zero Tolerance of Corruption and Corporate Social Responsibility

Mitigation of emissions

- > Reduction of total specific emissions of CO₂ by 15% compared to 2007 - by 2020
- > Reduction in total specific emissions of SO₂ by 10% compared to 2010 - by 2020
- > Reduction in total specific emissions of NO_x by 10% compared to 2010 - by 2020
- > Reduction in total specific emissions of particulates by 50% compared to 2010 - by 2020
- > Become carbon neutral by 2050

Commitment macro-environment

Objectives/Targets

Efficient use of water

- > Reduction in specific consumption of water by 10% compared to 2010 - by 2020
- > Commitment to water risk assessment

Biodiversity

- > Preparation of a Group Plan for Biodiversity
- > Continued protection of the species in the "Red List" of the International Union for Conservation of Nature and Natural Resources (IUCN) in protected areas near power plants

Global Environmental Management

- > Progressive extension of ISO 14001 certification to all Group business areas

Responsible relations with communities

- > Implementation of materiality analyses at Group level and for individual geographic areas
- > Monitoring qualitative data on relations with communities throughout the Group
- > Integration of ESG factors into the Business Development assessment
- > Management of nuclear assets on the basis of the Group's nuclear policy
- > Development of socio-environmental investment projects
- > Initiatives for the dissemination of a sustainable energy culture (PlayEnergy, We Are Energy, Sustainability Day, etc.)

Commitment macro-environment

Objectives/Targets

Respect for human rights

- > Implementation of Group policy: start of permanent due diligence and processes implementation

Quality for customers

- > Global integration of the methodologies used to record customer satisfaction and commercial quality
- > Initiatives for the promotion of responsible consumption
- > Focus on vulnerable customer groups

People development

- > Updating Leadership Model
- > Standard Performance Management process in the various parts of the Group: standardization of criteria, schedules, instruments and information system
- > Managerial programs dedicated to development of talented staff (talent pool)
- > Completion of the Global Professional System at Group level for all professional categories (line and staff)
- > Coordinated management of incentive systems and the process of assigning objectives
- > Sharing results of Climate Survey 2012 and preparation of *ad hoc* action plans
- > Industrial relations: under the Global Framework Agreement, consolidation of the three levels of social dialogue in the Group: national/divisional, European and global

Diversity and equal opportunities

- > Development of policies to create value from diversity on the basis of gender, age, culture and disability
- > Dissemination of initiatives on work-life balance

Commitment macro-environment

Objectives/Targets

Occupational health and safety

- > Approach to global safety which is integrated into the business
- > Zero Accidents objective
- > Disseminate and consolidate the culture of health and safety
- > Implementation in 2013 of the global plan on health and prevention
- > Completion of the extension of the "One Safety" project to all Enel sites
- > "5+1" program: 6 permanent work areas
- > Industrial relations: establishment in 2013 of a Bilateral Committee on Health and Safety at Group level

Responsible supply-chain

- > Consolidation of application of fairness and transparency principles in Group procurement processes
- > Implementation of the Global Procurement process to optimize the standardization of contractual clauses on issues such as the environment, health, safety and human rights
- > Enhancement of Enel's commitment to Bettercoal
- > Enhancement of CSR requirements in the Vendor Rating system
- > Extension of the One Safety – Behavioural Area to contractors with a reward mechanism in the performance assessment system for suppliers (Vendor Rating)