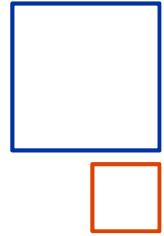


# Enel Environment and Biodiversity Reporting

Roma, July 7<sup>th</sup> 2014  
Carlo Ferrara





## Agenda



- **Enel Group and Enel Environmental Policy**
- **Enel and Biodiversity Reporting**



# Group evolution<sup>1</sup>



**2005**

Presence  
**11 countries**

Net installed capacity  
**46 GW**

Customers  
**~34 million**

Employees  
**51,778**

EBITDA  
**~8 €bn<sup>2</sup>**

Capex Plan 2006-2010  
**~18 €bn<sup>3</sup>**

**2013**

Presence  
**40 countries**

Net installed capacity  
**99 GW**

Customers  
**~61 million**

Employees  
**71,394**

EBITDA  
**~16 €bn<sup>2</sup>**

Capex Plan 2014-2018  
**~26 €bn<sup>3</sup>**

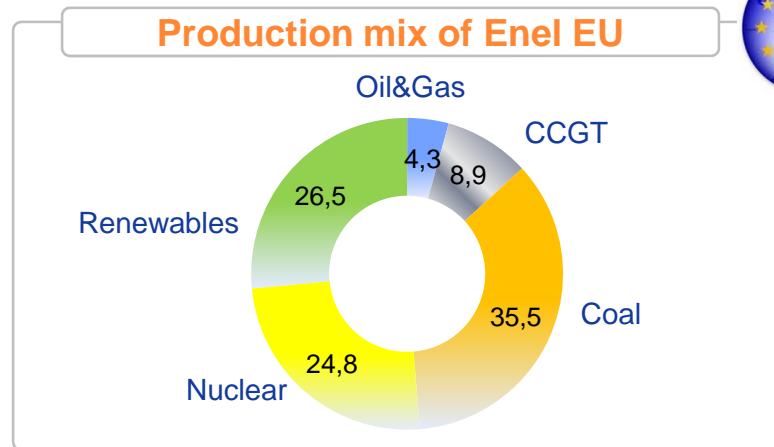
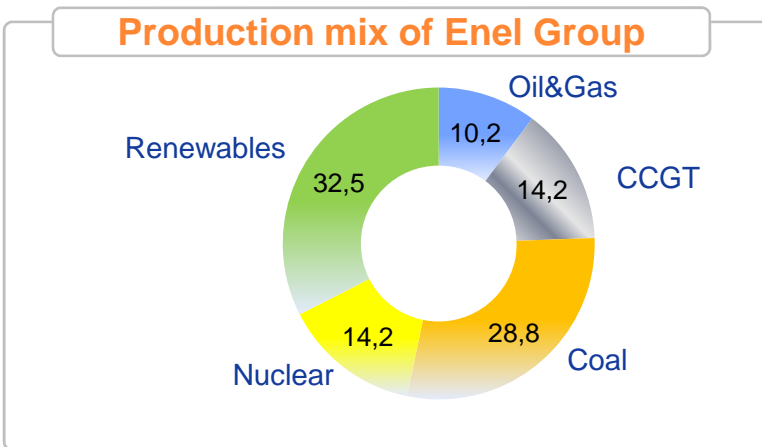
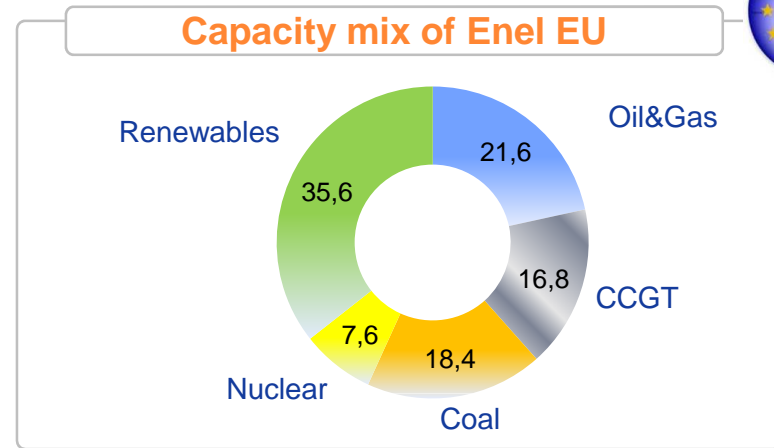
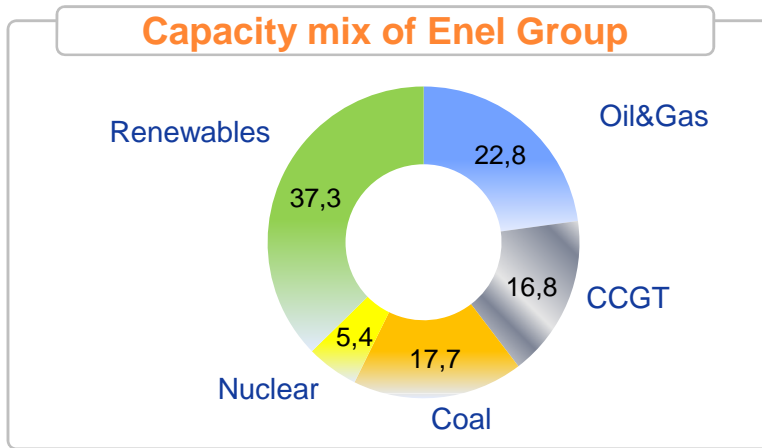


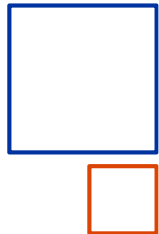
**Enel has been transformed into  
a fully integrated multinational player**

1. Data as of December 31st  
2. Recurring EBITDA  
3. Net of connection fees



# Overview Enel 2013

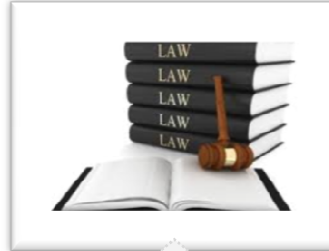




# The Environmental Management Framework



Policy, Regulations,  
International principles



**Corporations  
Industrial  
System**



Impacts on and  
dependence by global  
ecosystem



Impacts on and  
dependence by local  
ecosystem



Grassroots movements, NGOs and  
national and international civil society

**One of the most relevant challenges for every operator or industrial system aiming at be a global leader**



# Group Environmental Policy



Enel regards the environment, the fight against climate change and sustainable development as **strategic factors** in carrying out and expanding its operations and as key drivers for consolidating its leadership in energy markets.

In agreement with the ethical codes of conduct guiding principles of social responsibility, everyone working in the Group is involved in seeking improvements in the environmental performance.

The Group's environmental policy, considering compliance with the standards and laws as a prerequisite for all the activities, is based on **three fundamental principles** and pursues ten strategic targets.

Principles:

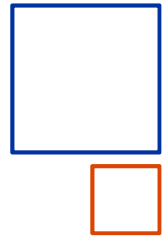
- **Safeguarding the environment.**
- **Improving and promoting the environmental features of products and services.**
- **Creating corporate value.**

## Strategic targets

- Application of internationally-recognized **environmental management systems** based on the continuous improvement principle and setting up environmental indexes to measure the environmental performance to the entire organization.
- Optimized integration of installations and buildings into the landscape, while conserving **biodiversity**.
- **Mitigation of environmental impacts** by applying the **best available technologies** and the best practices in construction, operation and decommissioning of installations.
- **Leadership in renewables and low-emission electricity generation.**
- **Efficient use of energy, water and raw materials.**
- Optimized management of waste and liquid releases.
- Development of innovative technologies for the environment.
- **Communication of Enel's environmental management efforts to citizens, institutions and other stakeholders.**
- Environmental awareness, training & education of employees.
- **Promotion of environmentally-sustainable practices** among the Group, suppliers, contractors and customers.

The Chief Executive Officer  
and General Manager

Fulvio Conti

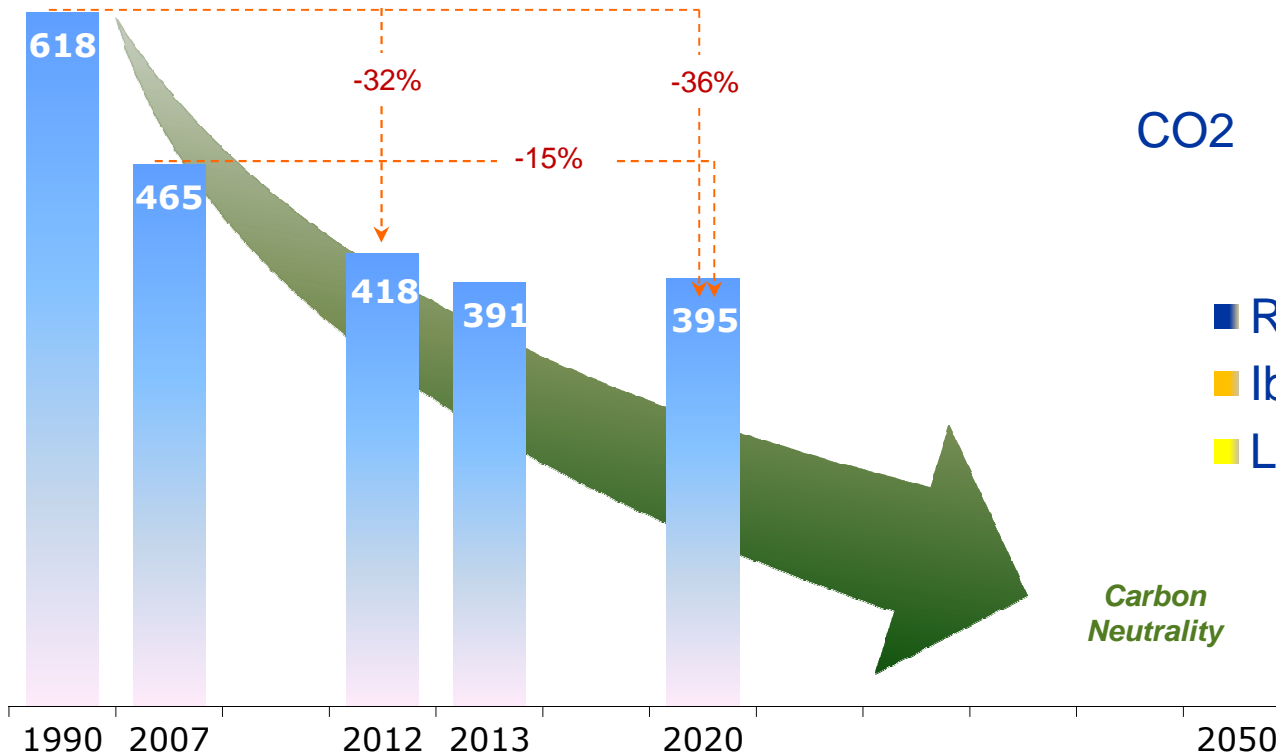


# CO<sub>2</sub> specific emissions towards the “Carbon Neutrality”

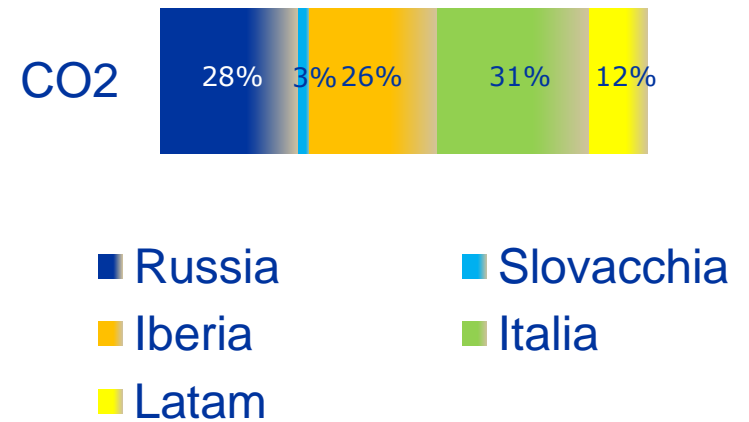


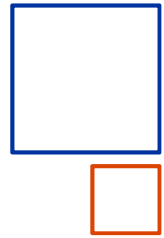
**ENEL last year already achieved the 2020 target of reduction**

CO<sub>2</sub> specific emissions performance and target of reduction (g<sub>CO2</sub>/kWh<sub>eq.</sub>)



CO<sub>2</sub> regional contribution

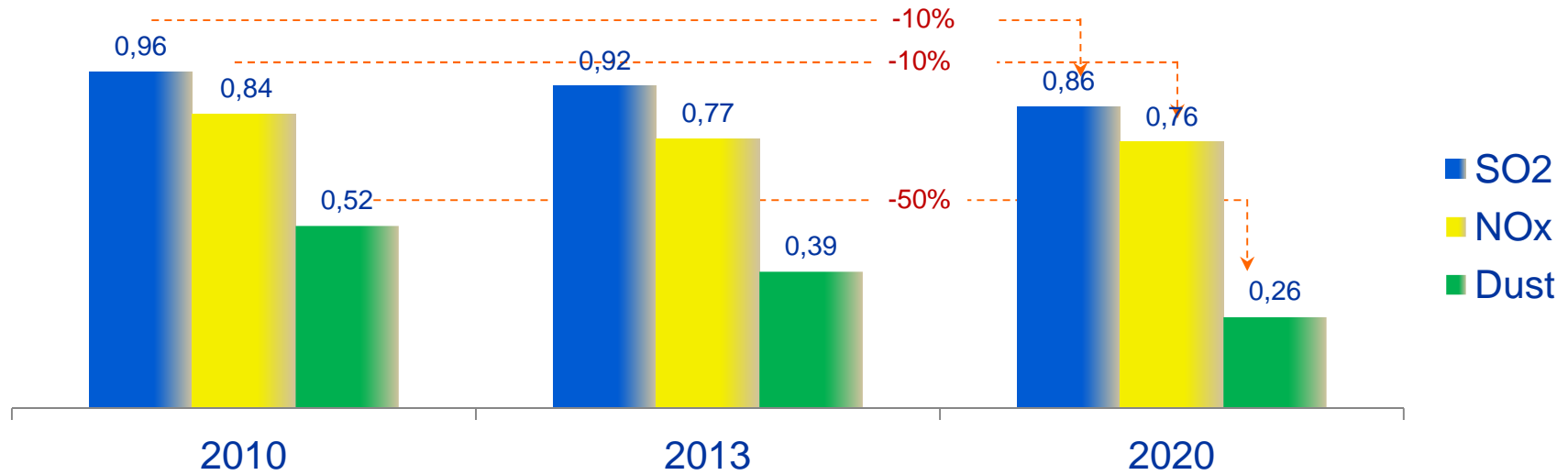




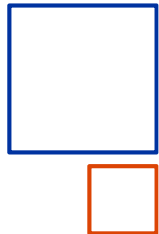
# Emissions Performance and Reduction Targets



Specific Emissions (g/kWh<sub>eq.</sub>)







# Sustainability indexes: key milestones



Admission

Confirmation for the tenth year



Admission

Withdrawal due to acquisition of nuclear assets

FTSE4Good Policy Committee introduces Nuclear Power Criteria

The only utility to be re-admitted

Confirmation in March Semi-Annual Review **Score 88/100**



Admission Only  
Utility invited to test it

CDP Global Water Report

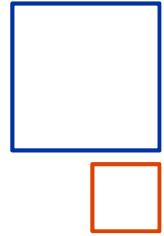
Admission

CARBON DISCLOSURE PROJECT

Admission

Disclosure Score: **87/100**

**Our efforts have been recognized by sustainability indexes and by the Social Responsible Investors accounting for 15,6% of Institutional Investors**



## Agenda



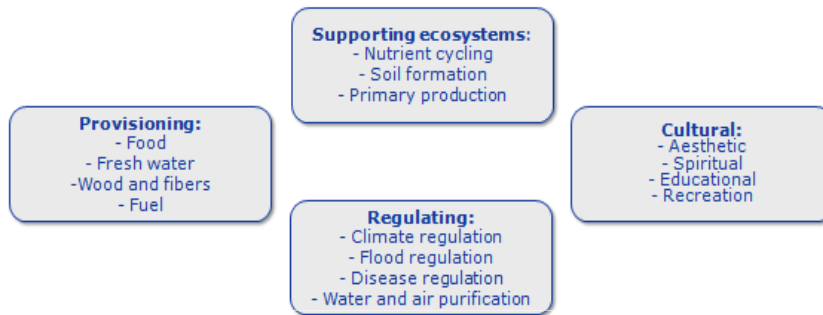
- Enel Group and Enel Environmental Policy
- **Enel and Biodiversity Reporting**

# Why is BD important for Enel?



## Why is BD important?

Biodiversity is the basis of innumerable environmental services that keep us and the natural environment alive. They can be categorised as follows:



## Biodiversity emerging trends

Integration in Government policies and business strategies

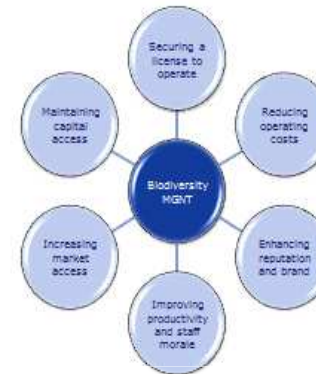


Economic quantification and business interest

Habitats and biodiv. market mechanisms (bio-offsets, mitigation and conservation banking...)



## Why BD matters for businesses?



- **Securing the license to operate:** Demonstrating that a particular industry or manufacturing process can co-exist with natural ecosystems is becoming an increasingly important criteria for any company to retain its 'license to operate'.
- **Reducing operating costs:** reducing natural resources consumption and pollution benefit both the costs and biodiversity.
- **Enhancing reputation and brand:** impact on biodiversity can significantly damage market reputation.
- **Improving productivity:** employees can be motivated by biodiversity commitment and sustainability objectives.
- **Increasing market access:** with increased awareness of threats to biodiversity, customer expectations are changing.
- **Maintaining capital access:** Environmental and social issues, including biodiversity, are also an increasingly important factor for institutional investors and equity analysts.

IFC: International Financial Corporations

## Biodiversity global framework

After Rio Convention on Biodiversity



The 10<sup>th</sup> Conference of Parties in Nagoya adopted:

- The Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization
- The Strategic Plan for Biodiversity for 2011-2020 ("Aichi targets")

The Nagoya Protocol has been added to the Convention adopted in Rio in 1992.

- EU strategy for Biodiversity Conservation has been set by the European Commission in 2011, through Communication COM(2011) 244 ("Our life insurance, our natural capital: an EU biodiversity strategy to 2020")
- All Enel's Countries ratified Rio Convention and are developing their "National Biodiversity Strategies and Action Plans"

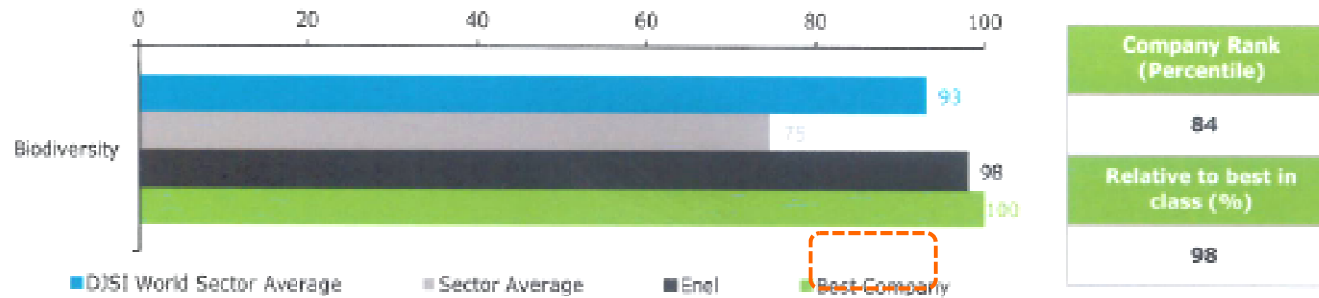




# Towards the ENEL Group Biodiversity Plan



## Enel's performance in the DJSI Sustainability Index



## Mapping of Initiatives

A first recognition of all the initiatives at group level has been already put in place collecting info regarding:

- Field Classification (set of biological info)
- Country
- Species, or ecosystems, objective of the project
- Voluntary or compulsory nature of the project
- Existence of a technical or scientific documentation of the results of the activity.
- Implementation Status
- Cost of the initiative (€)

### 133 projects

➤ 34 completed

➤ 98 ongoing

### 97 projects voluntaries

➤ 69 ongoing

### 36 mandatory

➤ 29 ongoing

# Environmental reporting – a consolidated experience



## Methodology used:

- Guidelines: “Sustainability Reporting Guidelines & Electric Utility Sector Supplement”
- Collaboration and advice of independent auditors
- Technical definitions UNIPEDA
- Continuous updating on the basis of changes of the organizational structure
- Omogeneous procedures for data collection and calculation of indicators

1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

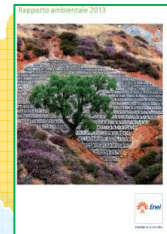
## Informations reported:

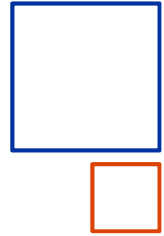
- Operational data (resources, facilities, products, emissions, waste, etc.)
- Governance (organization, EMS, training, criticalities, litigations, etc.)
- Environmental expenditure (current expenditure, investments)
- Biodiversity
- Renewables
- Innovation
- Climate Strategy

Continuous improvement of activities and information inside the reporting

Full involvement of operational units

Control and audit made by independent third parties





# The environmental reporting tool



## Strengths

- Consolidated process (Control and audit made by independent third parties)
- Detail (from Division to plant) and quantity of information
- Reporting perimeter coherent with the Group enlargement
- Dynamic tool, easy to implement modifications
- Reduced volume of requested data by:
  - rationalizing them (e.g waste and gross production)
  - copying “Fixed data” from previous reporting year
- Possibility to comment<sup>1</sup> any single data or data entry sheet
- ER + Business Object<sup>2</sup> = Environmental report

## Reference tool for the Group

- Dow Jones Sustainability Index
- Carbon Disclosure Project
- CDP Water
- Carbon footprint and other environmental footprint
- Best Practice Sharing
- CSR

**Note:**

(1): Comments must be seen as the most helpful things and one of the greatest input giving Holding an instrument more to approach the writing of the annual Environmental Report

(2): Web tool supplied to Holding for reports generation necessary for typesetting of the environmental report



# Biodiversity Expenditures Reporting in Enel



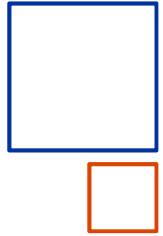
Enel SpA		ITALIA			INTERNAZIONALE			TOTALE		
Spesa Ambientale		2011	2012	2013	2011	2012	2013	2011	2012	2013
SPESE CORRENTI PER LA PROTEZIONE DELL'AMBIENTE (SPESA DIRETTA E CONTABILIZZATA AL 100%, RIO MARKER 2)										
Totale spese della gestione ordinaria per la protezione dell'ambiente (comprese le maggiori spese sostenute per l'acquisto di combustibili "puliti" attribuite al dominio ambientale "Protezione dell'aria e del clima") Migliaia di euro										
		178.344	230.641	178.600	309.723	345.282	310.494	488.067	575.923	489.095
di cui:	Protezione della biodiversità e del paesaggio	840	965	779	3.224	3.587	3.791	4.064	4.552	4.570
	Spese per attività di protezione dell'ambiente svolte in proprio									
	Protezione della biodiversità e del paesaggio	350	352	280	340	275	751	690	627	1.041
	Spese per servizi di protezione dell'ambiente acquistati all'esterno									
	Protezione della biodiversità e del paesaggio	427	583	420	2.655	3.140	2.582	3.052	3.751	3.002
	Spese per imposte ambientali specifiche									
	Protezione della biodiversità e del paesaggio	0	0	0	0	0	336	0	0	336
	Altre spese per la protezione dell'ambiente									
	Protezione della biodiversità e del paesaggio	63	30	99	250	164	123	313	194	191
Spese oggetto di registrazione separata (SPESA IN DIRETTA E CONTABILIZZATA AL 40%, RIO MARKER 1)										
	Oneri per compliance emissioni di gas serra nell'anno di reporting	nd	nd	360.000	nd	nd	25.000	94.000	182.000	335.000
	Valutazione al 40%	nd	nd	144.000	nd	nd	10.000	37.600	73.000	134.000
INVESTIMENTI										
IMPIANTI E SISTEMI E NUOVI										
Totale investimenti per la protezione dell'ambiente Migliaia di euro										
		180.233	177.594	180.361	70.608	346.096	137.393	250.841	523.690	317.753
di cui:	Protezione della biodiversità e del paesaggio	57.298	50.426	38.711	14.752	120.342	21.121	72.050	170.768	59.832
	Investimenti in sistemi e attrezzature per l'abbattimento dell'inquinamento									
	Protezione della biodiversità e del paesaggio	41.566	6.368	4.632	2.341	107.888	13.625	16.687	114.156	18.177
	Investimenti in sistemi e attrezzature che prevengono o riducono alla fonte l'inquinam									
	Protezione della biodiversità e del paesaggio	42.732	43.859	34.079	125	669	198	42.857	44.747	34.257
	Altri investimenti per la protezione dell'ambiente									
	Protezione della biodiversità e del paesaggio	0	0	0	12.386	11.865	7.398	12.386	11.865	7.398

With regard to environmental expenditure, these (investments and current expenses) are recognized using a classification system based on the criteria Eurostat / Istat, which he considers "environmental protection expenditure" expenses for activities and actions of prevention and reduction of pollution and environmental degradation, as well as for restoring the quality of the environment, regardless of the reason that determines the (legislation, agreements with local governments, business decision, etc.)..

Enel adopts the CEPA classification (Classification of Environmental Protection Activities). The mirror attachment shows the data of environmental expenditure for Biodiversity in 2013. Enel Group is able to easily collect these environmental expenditure (current expenditure and investments) on an annual basis for each country where the Group operates. The data therefore refer to the scope of the Group, accounted for 100% split for Italy and rest of the countries (International). The criterion we use CEPA covers 100% of the criterion also (Rio Marker 2), excluding the costs for the purchase of certificates for ETS considered indirect and therefore accounted for 40% (Rio Marker 1).







Thanks for your attention

## Verso la CBD-COP12 di Pyeong Chang 2014

### Motivo, obiettivo, scopo, modo

#### o **motivi**

- i flussi privati sostegno della biodiversità non sono sostanzialmente contabilizzati nell'obiettivo di
  - innalzare significativamente entro il 2020 le risorse finanziarie per la biodiversità [Aichi Target 20]
  - raddoppiare entro il 2015 i flussi internazionali [first interim quantification Aichi Target 20] in favore dei Paesi in Via di Sviluppo
  - mantenere almeno tale livello fino al 2020 [baseline = media flussi annuali 2006- 2010 ]

#### o **obiettivo**

- l'Italia, anche in relazione alla presidenza del semestre Europeo, si sta ponendo a capofila di un'iniziativa per valorizzare il ruolo dei flussi privati nella contabilizzazione

#### o **scopo**

- verificare se e in quale misura gli approcci utilizzati per la rendicontazione dei flussi pubblici sono trasferibili a quelli privati

#### o **modo**

- fornire degli spunti di analisi in un primo incontro informale
- elaborazione delle informazioni dal sistema di conoscenza aziendale
- *follow up*: analisi dei *feedback* e definizione di un primo possibile approccio condivisibile

# Schema di contabilizzazione nazionale

## Biodiversità



### o Approccio

#### • SERIEE

##### • Système Européen pour le Rassemblement des Informations Economiques sur l'Environnement

• **CEPA** (*Classification of Environment Protection Activities*)

• **CRUMA** (*Classification of Resource Use and Management Activities and expenditure*)

##### • Guida all'utilizzo di CEPA e CRUMA

[http://www.rgs.mef.gov.it/\\_Documenti/VERSIONE-II/Attivit-](http://www.rgs.mef.gov.it/_Documenti/VERSIONE-II/Attivit-)

[iRendiconti/EcoRendiconti/Le classificazione delle attività e delle spese ambientali/CEPA e CRUMA.pdf](#)

### o Quali attività

#### • **CEPA 6. Protezione della biodiversità e del paesaggio**

• 6.1 Protezione e riabilitazione delle specie e degli habitat, 6.2 Protezione del paesaggio naturale e seminaturale, 6.3 Monitoraggio, controllo e simili, 8.6 R&S per la protezione delle specie e degli habitat, 8.8 Altre ricerche sull'ambiente, 6.4 Altre attività, 9.2 Istruzione, formazione ed informazione, 6.4 Altre attività, 9.1 Amministrazione e gestione generale dell'ambiente

#### • **In estrema sintesi**

- attività e azioni per proteggere e riabilitare le specie animali o vegetali, gli ecosistemi o gli habitat, compresa la lotta contro gli incendi boschivi)
- Sviluppo e gestione aree protette, parchi e giardini urbani per tutelarne la biodiversità
- protezione e ripristino del paesaggio naturale e semi-naturale
- monitoraggi, controlli, analisi

### o utilizzata per la stima della spesa diretta per la biodiversità

### o Quali attività

#### • **CRUMA 12. Flora e fauna selvatiche**

• 12.1 Riduzione del prelievo, 12.2 Ripopolamento, 12.3 Gestione diretta della flora e della fauna selvatiche, 12.4 Monitoraggio, controllo e simili, 15.3 R&S per l'uso e la gestione di flora e fauna selvatiche, 12.5 Altre attività, 16.2 Istruzione, formazione e informazione, 15.6 Altre attività di R&S per l'uso e la gestione delle risorse naturali, 12.5 Altre attività, 16.1 Amministrazione generale delle risorse naturali

#### • **In estrema sintesi**

- Attività e le azioni volte per ridurre il prelievo di risorse appartenenti alla flora e alla fauna selvatiche e per aumentare lo stock di tali risorse
- Gestione, monitoraggio, controllo della flora e fauna selvatiche

### o utilizzata per la stima della spesa in-diretta per la biodiversità

# Schema di contabilizzazione internazionale

## Biodiversità



### o Approccio

- **Creditor Reporting System (CRS) del Development Assistance Committee (DAC)**

- Individuazione categorie di spesa / aiuto

- **Rio Markers**

- Stima del *targeting* della spesa / aiuto rispetto alle Convenzioni di Rio (clima, biodiversità, desertificazione)

- Direttiva OECD sulla compilazione CRS (annexe 7: uso dei Rio markers)

<https://www.ebd.int/financial/doc/oecd-crs-reportingdirectives-en.pdf>

- Guida italiana all'uso del CRS (compilazione formulario DAC dal quale sono estratte le statistiche)

<http://www.cooperazioneallosviluppo.esteri.it/pdges/Documentazione/AltriDocumenti/GUIDA%20ALLA%20NOTIFICA%202014%20CON%20ALLEGATI.pdf>

**Questo approccio è utilizzato per la distinzione e la stima delle spese dirette e non dirette**



**Le spese classificate Rio Marker 2 sono state considerate spesa diretta e contabilizzate al 100%**

**Le spese classificate Rio Marker 1 sono state considerate spesa in-diretta e contabilizzate al 40%**