

**Module: Introduction****Page: W0. Introduction****W0.1****Introduction**

**Please give a general description and introduction to your organization.**

Enel is a multi-national power company and a leading integrated player in the world's power and gas markets, with a particular focus on Europe and Latin America. The Group operates in over 30 countries across 4 continents, generating power from over 96 GW of net installed capacity and distributing electricity and gas through a network spanning around 1.9 million km. Enel, with its 61 million end users worldwide, has the largest customer base among its European peers and is among the leading power companies in Europe in terms of installed capacity and reported EBITDA.

**BUSINESS OVERVIEW**

In 2014, Enel posted revenues of approximately 76 billion euros, EBITDA of 15.7 billion euros and net ordinary income of around 3 billion euros. As of December 31st, 2014, the Group has approximately 69,000 employees and operates a wide range of hydroelectric, thermoelectric, nuclear, geothermal, wind, solar and other renewable power plants. Over 47% of the power generated by Enel in 2014 was carbon free, making it one of the leading producers of clean energy. Enel is strongly committed to renewable energy sources and to the research and development of new environmentally friendly technologies. Enel Green Power (EGP) is the Group's publicly listed renewable energy generation Company, operating over 9.6 GW of net installed capacity of hydro, wind, geothermal, solar, biomass and co-generation sources in Europe, the Americas and Africa. At present (1Q15), EGP capacity has grown of further 180 MW of wind and solar PV capacity achieving a total of 9.8 GW. Enel was the first utility in the world to replace the traditional electromechanical meters with smart meters, making it possible to measure consumption in real time and manage contractual relationships remotely. Today, around 32 million Italian retail customers are equipped with smart meters developed and installed by Enel. The Group is deploying an additional 13 million smart meters to its customer base in Spain as well as running pilot tests for the smart cities of Búzios (Brazil) and Santiago (Chile). This innovative tool is key to the development of smart grids, smart cities and electric mobility.

**SHAREHOLDING STRUCTURE**

Listed on the Milan stock exchange since 1999, Enel has the largest number of shareholders of any Italian company, with 1.1 million retail and institutional investors. The largest of Enel's shareholders is the Italian Ministry of Economy and Finance which holds 25.5% of the Company's shares. In addition to Enel, thirteen other Group companies are listed on the stock exchanges of Italy, Spain, Russia, Argentina, Brasil, Chile and Peru. Enel's commitment to values embodied in its Code of Ethics, its Sustainability Report and the adoption of international best practices promoting environmental protection, transparency and corporate governance, have all attracted international investment funds, insurance companies, pension funds and ethical funds to its shareholder register.

**W0.2**

**Reporting year**

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
Wed 01 Jan 2014 - Wed 31 Dec 2014

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**W0.3**

**Reporting boundary**

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

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**W0.4**

**Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

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**W0.4a**

**Exclusions**

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Offices	Only data regarding water use (consumption and discharge) in Enel's power generation plants are included in the questionnaire. Therefore, water inputs/outputs from office buildings are excluded, but it is worth highlighting that their water use is significantly lower than that of our electric generation operations.
Hydroelectric	Water used in hydro electrical power plants for electricity generation is not included in the data regarding water consumption, since water used in this process is returned to the environment in the same quantity and quality. It is, therefore, not considered as water consumption, but as water use. Water used in hydroelectric is not considered in water withdrawals data too.
Cooling water	Water used for cooling purposes (open cycle cooling water) in nuclear and thermal plants is not included in the data regarding water consumption, since water used for cooling in thermal and nuclear plants is returned to the environment in almost the same quantity. It is, therefore, not considered as water consumption, but as water use.
Upstream gas	Water used in this kind of activities was not included yet in our environmental reporting. We plan to include it in the next years. Anyway it's worth saying that the perimeter of this activity is not huge (there are only some spot activities) and Enel holds only a small share of participation in this.
Facilities	Reporting boundaries for CDP Water Disclosure have been defined following the operational control approach, that is, reporting for those operations in which Enel has full control, i.e that are included in its scope of consolidation (see Annual Report 2014). In other words, Enel accounts for 100% of water data (withdrawals, discharges and consumption) of the Group's facilities in which Enel has majority share ownership and full operational control. For nuclear power plants in Spain, Enel accounts for water data (withdrawals, discharges and consumption) according to its share of equity in the facility.

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#### Further Information

#### Attachments

[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/annual\\_report2014.pdf](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/annual_report2014.pdf)

### Module: Current State

#### Page: W1. Context

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#### W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	Quantity of water is vital for our direct use, as water is essential for operating our thermal, nuclear and renewable energy facilities. As far as water quality is concerned, decline in water quality may result in negative impacts such as: i) disruptions due to equipment damage and thus higher number of maintenance operations required; ii) higher operational costs as a result of a potential increase in water pre-treatment methods or maintenance requirements. Indirect use includes the use of water in our supply chain for which we do not have a complete inventory in terms of quantity of water and specific uses by the suppliers. However, we assumed that all the maintenance services's suppliers in water stressed areas are exposed to water related risk and where possible, we provide them with desalinated sea water.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Have not evaluated	One of the strategic goals of The Enel Group Environmental Policy is to recycle the water used in the industrial processes inside our plants. As far as indirect use is concerned, we do not have detailed information on the amount of recycled water by our suppliers, though we require them to use recycled water.

**W1.2**

**For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not**

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Water withdrawals of all our power plants (not only those located in water stressed areas) are measured and monitored to ensure that we comply with the permits granted by the local competent environmental authority. In addition, this monitoring allows us to anticipate problems at our facilities due to water availability.
Water withdrawals- volume by sources	76-100	Water withdrawals volumes by sources (including freshwater and non-freshwater sources) are measured in all power plants. Type of withdrawal water sources include: surface, groundwater,

Water aspect	% of sites/facilities/operations	Please explain
		municipal/potable water, external wastewater, rainwater and ocean water.
Water discharges- total volumes	76-100	We have several databases and monitoring systems to track environment performance indicators at the plant level that include not only water quality and water consumption but also water discharges. These monitoring systems measure the total volume of water discharged and thus introduce minimization measures when deemed necessary. Optimal management of water resources (including internal recycling of waste water) is one of the strategic objective of the Enel Environmental Policy (see pag 114-115 of the Enel Sustainability Report 2014)
Water discharges- volume by destination	76-100	The destination of discharges can be either to a river basin or on the coast. When monitoring water discharges we classify them by destination: ocean, surface waters, subsurface wells and offsite treatment. We measure the volume and quality of water discharged in reservoirs and apply the necessary corrective measures (if needed) to improve their status.
Water discharges- volume by treatment method	1-25	Although we do not yet specifically monitor the volume of water discharges by treatment method, we have made an inventory of all our wastewater treatment facilities Enel, through Endesa, has pursued its policy of effluent confinement, phase separation and selective management of final waste, working towards a zero discharge target on public land.
Water discharge quality data- quality by standard effluent parameters	76-100	All our power plants are geared with treatment systems to comply with legal requirements set by national / local regulators in relation to water impacts. Moreover, Enel has a set of internal procedures (generally included in the plants's ISO certified Environmental Management Systems) to monitor, control and reduce emissions of pollutants to water. Water discharge quality and quantity measurement and monitoring are considered in Endesa's (Enel's controlled) water footprint methodology.
Water consumption- total volume	76-100	Enel measures and monitors the total volume of water consumed in each plant. This allows us to ensure that we are on track to comply with the group's goal of 10% reduction of specific consumption of water and that we strive for excellence in environmental management by promoting efficient water use and therefore, reducing the amount of water extracted.
Facilities providing fully-functioning WASH services for all workers	76-100	

**W1.2a**

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	150573	Higher	Figure refers to the combination of water from rivers and rainwater. Water withdrawals are increased of 5.7% in 2014 compared to 2013 partially offsetting the decrease we had in municipal and groundwater withdrawals (see below). This can be due to higher production in large thermal plants (normally cooled with surface water) with respect to smaller plants (normally cooled with municipal and groundwater) which have operated less.
Brackish surface water/seawater	21867662	About the same	Figure includes water used for open-cycle cooling in thermal and nuclear plants (21857000). This amount is therefore returned to the source and this is the reason why we report the same figure in W2.1b as discharge. Please note that we assumed that water came essentially from sea water even if we are not capable of dividing it between fresh and seawater.
Rainwater	0	Not applicable	Included in fresh surface water
Groundwater - renewable	10419	Much lower	Water withdrawals from groundwater decreased of 31.5% in 2014 compared to 2013
Groundwater - non-renewable	0	Not applicable	
Produced/process water	7022	Higher	Water used from recycling of process water increased of 11.2% in 2014 compared to 2013 as a result of our Group policy to decrease withdrawals from natural resources
Municipal supply	7283	Lower	Water withdrawals from groundwater decreased of 4.5% in 2014 compared to 2013
Wastewater from another organization	0	Not applicable	
Total	22043000	About the same	Water withdrawals did not substantially changed in 2014 compared to 2013 though maintaining a decreasing trend (-0.24%)

**W1.2b**

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	101049	Higher	Water discharges increased of 11.1% in 2014 compared to 2013. This figure is directly linked to the washing operations in the installations, whose frequency can vary year by year depending on the actual requirements
Brackish surface water/seawater	21857000	About the same	Figure refers to water used for open-cycle cooling in thermal and nuclear plants (21857000), see W1.2a. Please note that we assumed that such amount came essentially from sea water even if we are not capable of dividing it between fresh and seawater.
Groundwater	0	Not applicable	
Municipal treatment plant	0	Not applicable	.
Total	21958049	About the same	Water discharges did not substantially changed in 2014 compared to 2013 though maintaining a decreasing trend (-0.18%)

#### W1.2c

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
185959	Lower	Water consumptions decreased of 2.13% in 2014 compared to 2013

#### W1.3

**Do you request your suppliers to report on their water use, risks and/or management?**

No

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**W1.3a**

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
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**W1.3b**

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Reporting implementation in progress	We have not implemented yet a methodology to be applied consistently for all the suppliers of the Group but we have in place some initiatives to learn more about the performance of our suppliers and the risks they are exposed to. First of all, Enel, through Endesa, has developed a methodology to calculate the water footprint in Iberia and LATAM perimeter. This methodology allows us to assess the impacts (including water consumption, water discharges, discharge of substances and eutrophication substances) on the environment considering four categories: • water quality; • eutrophication; • water resources consumption; and • alteration of environmental conditions. (see further information box) Moreover, Enel is a member of the board of Bettercoal, a global initiative aimed at promoting continuous improvement of corporate responsibility in the coal supply chain (see further information box)

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**W1.4**

Has your organization experienced any detrimental impacts related to water in the reporting period?

Yes

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
Russia	Other: Reftinskoe water storage basin.	Phys-Declining water quality	Other: Expenditure for specific environmental taxes due to pollutant quantities above limits	Exceeding water discharge limits for some discharge points in Reftinskaya power plant in Russia	Do not know the length of impact	1800 euros	Increased capital expenditure	- DARS project foresees to implement a dry ash removal system by 2015 - reconstruction of the drainage system of ash disposal area No.2 - filtrate pump stations
Colombia	Magdalena	Rep-Community opposition Other: delay in construction	Other: delay in construction	The Quimbo Hydropower plant (under construction) has faced stakeholder opposition as local communities claim for their rights to use land and water resources that will be impacted by the project. In 2013, conflicts with local communities resulted in the following detrimental impacts: • roads cut-off	Do not know the length of impact	Although the negative impacts have not been quantified financially, they are mainly related to higher operational and capital cost due to the delays in the construction phase experienced as a result of the opposition of local communities.	Engagement with community	Our response strategy involves strengthening links with local communities through flexible and constant communication to understand their concerns and expectations. We firmly believe that an open and fluent dialogue is the most useful tool to prevent/reduce the risk of water-related conflicts. Communication channels

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				blocking access to project area; • occupation of lands acquired by Enel for collective resettlement.				with the local communities affected by the project have been strengthened (e.g. electronic newsletter, social networks, printed press, radio, website, etc.).
Spain	Ebro	Phys-Flooding	Property damage	In the spring of 2014, natural floods of the Ebro River in Catalonia (Spain) resulted in property damage in the Mezquina-Ribarroja-Flix Reservoirs.	The length of the impact extends during the natural floods of the Ebro River during spring season.	Financial impacts are related to the cost reparation of the damaged infrastructure	Other: Emergency Response Strategy	We have collaborated with the Ebro River Basin Authority to implement the necessary measures to minimize negative effects of natural floods

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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## Further Information

Integration of answer 1.3b: the Water Footprint measures the environmental impacts related to water both, in quantitative terms (such as water consumption, water discharges and discharge of pollutant substances) and qualitative terms, by assessing the impacts on water ecosystems (including water quality, eutrophication, water resources consumption and alteration of environmental conditions). Results stemming from its calculation allow us conducting a benchmarking of businesses / technologies / facilities in order to identify those with a greater impact on the ecosystems' vulnerability. This methodology is helping Endesa in the decision making process so as to adopt measures to improve water management. The Water Footprint is based on an integrated approach considering the analysis of the entire life cycle, and hence, both the direct and supply chain (indirect environmental aspects) are included in the calculation:

- Direct environmental aspects: inputs and outputs of Endesa's facilities including volume of water consumed, volume of water discharged and its pollutant load. These parameters are calculated using real data (primary data) from Endesa's facilities.
- Indirect environmental aspects: inputs and outputs of our supply chain including volume of water consumed, discharged and its pollutant load (secondary data).

Our Water Footprint comprises the following activities/facilities:

- Thermal generation;
- Nuclear generation;
- Hydraulic and mini-hydraulic generation;
- Wind energy, cogeneration, biomass and photovoltaic energy;
- Transport and distribution;
- Ports;
- Offices/business travel; and
- Sinks.

The Water Footprint Methodology relies on the Commission Recommendation of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations which is based on the following standards and guidelines:

- ISO 14040: 2006 - "Environmental management. Life cycle assessment. Principles and framework";
- ISO 14044: 2006 - "Environmental management. Life cycle assessment. Requirements and guidelines";
- ISO/WD 14046. "Life cycle assessment - Water footprint - Requirements and guidelines. ISO technical committee ISO/TC 207, Environmental management"
- ILCD Handbook. International Reference Life Cycle Data System. European Commission. Joint Research Centre. Institute for Environment and Sustainability;
- "CDP Water Footprint" and "CDP Water Disclosure";
- "Water Footprint Manual" and the "Water Footprint Assessment Manual: Setting the Global Standard". Water footprint Network; and
- "Water Tool for Power Utilities". World Business Council for Sustainable Development (WBCSD).

The calculation involves three phases: 1. Definition of boundaries; 2. Life-cycle analysis; and 3. Assessment of the life-cycle. As abovementioned, this tool considers the assessment of the impacts on the environment (water consumption, water discharges, discharge of substances and eutrophication substances), including four categories:

- water quality;
- eutrophication;
- water resources consumption; and
- alteration of environmental conditions.

BetterCoal Global initiative with the objective of promoting the continuous improvement in companies' responsibility in the coal production chain. Enel holds the deputy chairmanship of the Board of Directors. In February 2012, together with the main European utility companies, Enel set up "BetterCoal", a new global initiative with the aim of promoting continuous improvement in companies' responsibility in the coal production chain. In particular BetterCoal promotes best practice relating to ethics, social issues and the environment in the coal production chain. The founding companies have contributed to the definition of a code which, on the basis of existing and agreed standards of social responsibility in the mining sector, sets out in detail the guidelines which mining companies may refer to in order to define their own social, environmental and ethical policy. The alignment of operations in the various mines to the principles contained in the BetterCoal code can be done through self-assessment by mine operators and verified by an independent auditor appointed by BetterCoal. Should cases of non-compliance be found compared to operational best practice, an action plan is jointly drawn up. During 2014, the first year of operation for BetterCoal, the association achieved the following milestones: - first onsite audit carried out at a mine, with subsequent circulation of the report to members; - further increase in the number of participating members which rose to 11 plus 3 associate members. Alongside its own operational development, BetterCoal is increasingly becoming a role model for collaboration that seeks to improve socially responsible practices in the coal production chain. In all these activities, Enel has been an active participant and has also promoted involvement in the initiative among its own suppliers and at the main institutional and coal-sector organizations.

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## Attachments

[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W1.Context/enel\\_sustainability\\_report\\_2014.pdf](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W1.Context/enel_sustainability_report_2014.pdf)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W1.Context/terms-of-reference \(1\).pdf](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W1.Context/terms-of-reference%20(1).pdf)

## Module: Risk Assessment

### Page: W2. Procedures and Requirements

#### W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

#### W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations	All facilities	According to the new organizational structure, adopted in July 2014, Company risk assessment is now under the responsibilities of "Strategy and Planning" (S&P) department of the Administration, Finance and Control function. S&P is in charge of the country and strategic risks including climate changes and water risks, both at country/regional and company level, assessing on a stochastic basis the degree to which they could affect the business, including financial analysis and support to Divisions and Countries in mitigating their risks. Moreover since 2013, the Holding Department Sustainability have been performing an extensive assessment and quantification of the risks associated with environmental compliance through the "Mapping of Environmental Compliance (MAPEC)" methodology. MAPEC enables the Enel Group to identify, analyze and map the potential risks associated with the governance of environmental issues, in terms of strategy, reputation, financial resources and recipient environment. Concerning specifically physical risks linked to climate change, during 2012 Endesa carried out the Climate Vulnerability Assessment (CVA), an assessment based on the methodology defined by the UNFCCC (see further information box). In addition an Environmental Scenario Trend analysis is carried out at Holding level to foresee the most significant pressures the Group is facing in the future. The analysis is regularly updated (see attachment)

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**W2.3**

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Facility	Up to 1 year	MAPEC process is referred to the business as is but an assessment of the “evolving scenario” related to future adaptation to certain or foreseeable (within the next 10 years): - issuing environmental legislation or regulation, which could cause greater costs; - changes in the surrounding conditions; - changes in the Site technological status is expected to be ready for 2015.
Annually	Facility	>6 years	By applying the Global Water tool of the WBCSD, we are able to identify the plants which are located in water-scarce areas. The tool give us a first level screening of the water risks at present and for 2025 (see attachment)
Every two years	Region	3 to 6 years	Environmental Scenario Trend analysis (see attachment)

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**W2.4**

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 1 year

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**W2.4a**

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Water risks are at first instance identified by the Holding Department Sustainability within the framework of the usual environmental monitoring and reporting activities performed for the Group. Such water risks are then assessed by the Strategy and Planning" (S&P) department under their comprehensive company-wide risk assessment procedures and if it is the case, they are taken into consideration in the framework of the Group's Industrial plan.

In case of new plants to be constructed, Holding Sustainability works together with the Holding Business Development Department since the early stage of project planning. Particularly, Holding Department Sustainability provides the Business Development Department with proper check lists to preliminary assess the environmental impact of the project, considering several environmental dimensions, including water (see attachment). The project will then be submitted to the Risks Committee of the Board with its environmental qualification to be included into the Group project pipeline.

At present, according to our analysis, none of our power plants are in sensitive areas with regards to water quality nor our plants significantly impact the quality of the water of the sites they are located in. Indeed all our power plants are equipped with treatment systems that allow them to be fully compliant with regulation concerning water discharges. As far as water quantity is concerned, indicators of consumption and discharge at plant level are regularly tracked by the regular activity of the environmental monitoring and reporting activity we carried out at Holding level. In addition, we have implemented Enel's MAPEC project (Mapping of Environmental Compliance) to assess the compliance with environmental regulations of our facilities and to define a risk map which identifies the most relevant environmental risks, including those water-related.

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**W2.4b**

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment
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**W2.5**

**Please state the methods used to assess water risks**

Method	Please explain how these methods are used in your risk assessment
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Method	Please explain how these methods are used in your risk assessment
WBCSD Global Water Tool WRI Aqueduct Other: MAPEC Process and digital tool, environmental reporting database and dedicated water excel sheet relating to environmental reporting process	They are tools usually used by the Holding Department Sustainability to carried out the activity of environmental monitoring and reporting for the whole Group.

**W2.6**

**Which of the following contextual issues are always factored into your organization's water risk assessments?**

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Through our environmental reporting, ISO 14001 certified EMS, Global Water Tool and MAPEC process we are able to factor these issues. In particular Environmental reporting database allows to punctually monitor : - annual rainfall (mm/year) - annual water consumption divided by source of water intakes - water used for cooling scope and other industrial uses - quantity and quality of wastewater - Name and status of the River or Sub-River Basin in which the plant operates
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Legislation and regulatory changes at local level are monitored thanks to: - monitoring of the correct application of ISO 14001 EMS procedures and of the continuous improvement of environmental performances - the MAPEC as its methodology considers this kind of impacts/risks. Furthermore with specific excel sheet spread among Departments we collect information about criticalities at plant level (legislation, tariffs, etc.) relative to withdrawals and discharges .
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Enel has a consolidated stakeholder engagement process to identify and dialogue with stakeholders. Building on the successful experience of Enel Green Power, Enel is currently extending to the entire Group the "Creating Share Value" (CSV) model a short-, mid- and long-term action plan based on listening to communities and involving them to ensure the full integration of sustainability into the various phases of the value chain. See attachments for two example of projects developed with the CSV model involving water access and management (Cafè Curibamba e El Canadá)

Issues	Choose option	Please explain
Current implications of water on your key commodities/raw materials	Relevant, included	Water is vital for energy production (our main business) and therefore water-related aspects have been integrated into our MAPEC Process and into our Company-wide risk assessment procedures. Issues specifically monitored are: • Consumption; • Spillage control; • Waste water production and quality; • Quality control of stored water in hydro reservoirs and • Reservoir management to prevent drying up of river sections (minimum environmental flows).
Current status of ecosystems and habitats at a local level	Relevant, included	For every Group site and installation, the proximity of protected areas is monitored, the reasons for protection highlighted, as well as for valuable ecosystems, biotypes and animal or vegetal species present. The knowledge of the species present allows the identification of those which fall under the "Red List" of IUCN and the necessary protective measures.
Current river basin management plans	Relevant, included	In the plants where we operate we carry out an active management of the water resources at watershed level, facilitating the compatibility of the different usages and initiatives, and assuming the burden of associated losses on production if necessary (eg. cultural activities and competitions in rivers, which require an integrated management of the shared water resources).
Current access to fully-functioning WASH services for all employees	Relevant, included	This is part of our policy for health and safety for all our employees
Estimates of future changes in water availability at a local level	Relevant, included	Water availability is expected to decrease in the future energy scenarios as a consequence of the combinations of factors such as the increase of world population, the economic growth of emerging Countries and climate change. In order to adapt our operations, we carry out an active management of the water resources at watershed level by facilitating the compatibility of multiple uses and if required, by assuming the associated losses on production.
Estimates of future potential regulatory changes at a local level	Relevant, included	Regulatory changes are monitored both at central and local level. In 2013 we started a new activity focused on depicting mid and long term environmental scenario declined in four dimensions: water, air pollution, biodiversity and climate change. Scenario analysis also cover the regulatory trends for such dimensions.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Enel is currently working at extending the "Creating Shared Value" model, successfully adopted by Enel Green Power, to all the Group in order to prevent and manage possible conflicts with local stakeholders. We are confident that by engaging local community from the early phases of plant construction, we will be also able to prevent significantly opposition in the future.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	We are aware that constraints in water availability for the future may also impact our supply chain. By our side we are committed to select suppliers with environmental certification and/or adopting policies/practises to use efficiently natural resources, including water.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	Biodiversity and the status of ecosystems in the sites where power plants are located are assessed during the construction stage and continuously monitored during the plant's operations. By this way we are confident to address impact in a timely fashion. Moreover the Enel Group adopted a proper Group policy to safeguard biodiversity, covering also water issues. For future change we rely on water stress analysis that are able to make projections (eg Global Water Tool) and on study to assess possible

Issues	Choose option	Please explain
		measure of adaptation to climate change, for instance. Endesa has already performed adaptation studies and we are working to develop an Enel's Adaptation Plan
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	In 2013 we started a new activity focused on depicting mid and long term environmental scenario declined in four dimensions: water, air pollution, biodiversity and climate change. Scenario analysis also cover the issues related to quantity and quality of water for the future
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	Regulatory changes are monitored both at central and local level. In 2013 we started a new activity focused on depicting mid and long term environmental scenario declined in four dimensions: water, air pollution, biodiversity and climate change. Scenario analysis also cover the regulatory trends for such dimensions.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	Enel is currently working at extending the "Creating Shared Value" model, successfully adopted by Enel Green Power, to all the Group in order to prevent and manage possible conflicts with local stakeholders. We are confident that by engaging local community from the early phases of plant construction, we will be also able to prevent significantly opposition in the future.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	In 2013 we started a new activity focused on depicting mid and long term environmental scenario declined in four dimensions: water, air pollution, biodiversity and climate change. Such a scenario exercise is also useful to be more aware of the impact also on our supply chain.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	In 2013 we started a new activity focused on depicting mid and long term environmental scenario declined in four dimensions: water, air pollution, biodiversity and climate change. Enel and particularly Endesa are also active in carryng out projects for biodiversity that can help us to better understand the value of the ecosystems where we operates and make us more prepared in facing unexpected changes.
Other		

## W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Over the last few years, we have brought our stakeholder management approach in line with the AA1000

Stakeholder	Choose option	Please explain
		APS standard. As a result of the assessment, costumers were identified as one of the most relevant stakeholders as our business depends on their constant demand. Also, demand for energy from thermal and nuclear plant could vary with customer preference on cleaner energy sources, including hydroelectric thus the increasing importance of water.
Employees	Relevant, included	Employees are the main actors of our ISO14001 certified Environmental Management Systems thanks to whom Enel applies and constantly monitor the continuous improvement of performance including those related to water issues as elsewhere and attached explained (Policy 91 Env. Handbook).
Investors	Relevant, included	Enel participated to a series of disclosing initiatives to provide investors with all the information they required. It is worth to mention that in 2013 Enel was the first utility in the world to combine the CDP Water with a further assessment through Aqua Gauge, an assessment developed by Ceres, a not for profit organization constituted as a network of international investors. Aqua Gauge is a methodology designed both to support investors in interpreting Company's results disclosed in official documents and to help the Company itself identify how and where to improve
Local communities	Relevant, included	Opposition to new projects by local communities (e.g. conflicts on water rights) may result in permit delays or even refusal. When designing new facilities, we actively engage with local communities throughout the consultation processes set out in the EIA. Once power plants are operating we continue with the active management of the water resources at watershed level, facilitating the compatibility of our use with other potential competing uses, such as those of the communities.
NGOs	Relevant, included	Enel works closely with NGOs and specialist development partners both as regards listening to and assessing local needs, and in the stages of planning initiatives for social and economic support and development.
Other water users at a local level	Relevant, included	Enel has been fully engaged in different events held to deepen the hydrological plans of those rivers where it has the main operations. In addition, through Endesa, it participates in local River Basin Committees in Spain and Brazil. Since 2013, Enel started to track (through a dedicated request in the GRI withdrawals sheet of environmental reporting) also IWRM activities with the aim of informing the Holding top management of any relevant activity carried out at local level or any criticalities.
Regulators	Relevant, included	New legislation establishing more stringent water-related requirements may affect directly our operations. It is noteworthy that Enel has been fully engaged and collaborative in different events to deepen the hydrological plans of the river basins where we have operations. In addition, through Endesa, it is actively involved in water planning activities in Spain and Brazil through participation in local River Basin Committees.
River basin management authorities	Relevant, included	Enel has been fully engaged and collaborative with River Basin Management Authorities in order to develop and review the hydrological plans of the river basins where we have operations. Particularly, Endesa is actively involved in water planning activities in Spain through participation in local River Basin Committees.
Statutory special interest groups at a local level	Relevant, included	Enel influence over regulators may imply new regulations that in turn, could affect its operations. Enel engages with them by participating in: • Local River Basin Committees (Spain and Brazil); • Several National Electric Utilities Associations and European (EURELECTRIC- European Electricity producers

Stakeholder	Choose option	Please explain
		Association) industry associations, which analyse the impact of new laws; and • CIER (Commission of Regional Electric Integration) -environmental legislation database in Latin America and Spain.
Suppliers	Relevant, included for some facilities/suppliers	Water-related risks that could negative impact our supplier's operations could result in significant undesirable effects on our business. Enel is actively engaged in Bettercoal, a global initiative to promote improvement of corporate responsibility in the international coal supply chain. One of the key areas promoted is environmental performance, including water management. Moreover ENEL has built a Vendor Rating system aimed at assessing and monitoring supplier performance and the reliability of the products purchased. Purchasing Operations Management achieved ISO 14001 Certification in 2009. A set of Green Commodity Groups has been identified by including sustainability parameters (including aspects about water along their Life Cycle) in the qualification stage requirements and in the technical tender specifications.
Water utilities/suppliers at a local level	Not relevant, explanation provided	These companies are not considered relevant as most of the water we use comes from rivers, wells and the sea. Only a very low percentage of the water we have withdrawn during 2014 was obtained from municipal networks.
Other		

## W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain

## Further Information

Climate Vulnerability Analysis (CVA). During 2012, Endesa carried out an assessment regarding the adaptation capacity to climate change physical impacts of our facilities. This assessment, which is based on the methodology defined by the UNFCC, considers the following: • probability (likelihood that an event will occur), • potential consequences on our assets (sensitivity) and their vulnerability. • preparedness of our facilities (i.e. adaptation capacity to overcome climate change impacts considering finance, technological and knowledge requirements). Water related impacts considered in the study include changes in precipitation patterns (e.g. droughts could affect water availability to refrigerate thermal plants); extreme weather events (e.g. floods could cause structural damages in facilities)

and weather unpredictability (such as winds, temperature and rainfall changing patterns). We use the CVA to evaluate how climate change effects may affect our facilities taking into consideration the preparedness of our facilities and financial, technological and knowledge requirements. The operational scope of the CVA covers all our facilities.

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## Attachments

[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/Env Check List Hydro.docx](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/Env%20Check%20List%20Hydro.docx)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/water stress analysis 2014\\_GWT.xlsm](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/water%20stress%20analysis%202014_GWT.xlsm)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/MAPEC DashBoard 2013.pdf](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/MAPEC%20DashBoard%202013.pdf)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/Env Check list Coal.docx](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/Env%20Check%20list%20Coal.docx)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/Environmental Trend Analysis Final.pdf](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/Environmental%20Trend%20Analysis%20Final.pdf)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/Cafè Curibamba - Project v 2.pdf](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/Caf%C3%A9%20Curibamba%20-%20Project%20v%202.pdf)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/Aqueduct\\_ ENEL catchments analysis water related risks.xlsx](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/Aqueduct_ENEL%20catchments%20analysis%20water%20related%20risks.xlsx)  
[https://www.cdp.net/sites/2015/74/5574/Water 2015/Shared Documents/Attachments/Water2015/W2.ProceduresandRequirements/guatemalasust.pptx](https://www.cdp.net/sites/2015/74/5574/Water%202015/Shared%20Documents/Attachments/Water2015/W2.ProceduresandRequirements/guatemalasust.pptx)

## Module: Implications

### Page: W3. Water Risks

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#### W3.1

**Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?**

Yes, direct operations only

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#### W3.2

**Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk**

To define whether a water-related risk could significantly impact our business we use the Global Water Tool. Since 2011, we use the power utilities version which is more accurate to our activity. This tool generates a map that allows us to inter-relate geographic positions of the plants with data of "Total Renewable Water Resources per person (m3/person/year)" for each watershed in each country. Areas with less than 1,700m3/person/year of water available for human consumption are considered as water-stressed areas:

- Stress: 1000-1700 m3/person/year
- Scarcity: 500-1000 m3/person/year
- Extreme Scarcity: < 500 m3/person/year

This analysis is performed once a year. Last results show that 10 of our power plants are located in water-stressed areas and use or consume freshwater. This figure represents a total of about 6% of our total energy produced. Anyway among these we consider that only 9 are exposed to water risks since the Santa Barbara CCGT plan in Italy, after an internal investigation, was found not being to a particular risk.

Substantive changes that may impact our power plants located in water-stress areas include:

- Physical: having too little water could result in less production. For instance, in thermal power plants scarce water availability will cause significant consequences as energy production is directly proportional to water availability for cooling processes.
- Regulatory: more restrictive conditions for water access are expected to be imposed by Authorities to grant new water abstraction permits or renew existing ones mostly in water-stress areas. This may also result in delays in the granting of permits or even denial of them.
- Reputational: water availability for different uses may be compromised in water-stress areas leading to an increased competition between water users. This may result in the disruption of operations due to social issues that could end up leading to litigations and the subsequent reputational damage.

All these risks could negatively affect our profit as the decrease in production together with the increase in expenditure (due to the adaptation of our plant to new legislations) will negatively affect our revenue.

### W3.2a

**Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion of total operations this represents**

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
Argentina	Other: De la Plata River	4	1-5	Costanera Vapor, Dock Sud, Buenos Aires and Costanera are thermal Power Plants located in the metropolitan area of Buenos Aires and are essential to satisfy the energy demand of the city.

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
Colombia	Magdalena	1	Less than 1%	The Cartagena Thermal Power Plant is the only one operated by Enel in the Magdalena River Basin.
Peru	Other: Chillón River	1	Less than 1%	The Ventanilla Thermal Power Plant is the only one operated by Enel in the Chillón River Basin.
Spain	Other: De Huelva River	1	Less than 1%	The Cristóbal Colón Thermal Power Plant is the only one operated by Enel in the Huelva Estuary River Basin.
Spain	Other: Islas Baleares	1	Less than 1%	The Ibiza Thermal Power Plant is the only one operated by Enel in the Balearic Islands (Mediterranean Basin).

**W3.2b**

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
Argentina	Other: De La Plata River	% cost of goods sold	1-5	Total electricity we produced in 2014 in Argentina, including thermal and hydroelectric plants, amounted to 14,390 GWh. The energy produced in Costanera Vapor, Dock Sud, Buenos Aires and Costanera Thermal Power Plants was 11,758 GWh representing a 4.2% of the total electricity produced by Enel (good sold).
Colombia	Magdalena	% cost of goods sold	Less than 1%	Total electricity we produced in 2014 in Colombia, including thermal and hydroelectric plants, amounted to 13,599 GWh. The energy produced in Cartagena Thermal Power Plant was 79 GWh representing a 0.032% of the total electricity produced by Enel (good sold).
Peru	Other: Chillón River	% cost of goods sold	1-5	Total electricity we produced in 2014 in Peru, including thermal and hydroelectric plants, amounted to 3,062 GWh. The energy produced in Ventanilla Thermal Power Plant was

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
				3,103 GWh representing a 1.10% of the total electricity produced by Enel (good sold).
Spain	Other: De Huelva River	% cost of goods sold	Less than 1%	Total electricity we produced in 2014 in Spain, including thermal, nuclear, wind and hydroelectric plants, amounted to 73,697 GWh. The energy produced in Cristobal Colon combined cycle power plant was 176 GWh representing a 0.06% of the total electricity produced by Enel (good sold).
Spain	Other: Islas Baleares	% cost of goods sold	Less than 1%	Total electricity we produced in 2014 in Spain, including thermal, nuclear, wind and hydroelectric plants, amounted to 73,697 GWh. The energy produced in Ibiza power plant was 832 GWh representing a 0.29% of the total electricity produced by Enel (good sold).

### W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Argentina	Other: de la Plata river	Physical-Projected water stress	Other: limitation to plant operation	Costanera Vapor, Dock Sud, Buenos Aires and Costanera thermal plants are located in an extreme water scarcity area (< 500 m3/person/year). The potential	>6 years	Probable	Low-medium	Other: Integrated water management	Medium	Costanera Vapor, Dock Sud, Buenos Aires and Costanera are located in the metropolitan area of Buenos Aires and are essential to satisfy the

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				impacts that could negatively affect these facilities include: social conflicts with other water users, more stringent requirements set by new legislation and reduction in the energy production due to the negative effects of climate change						energy demand of the city. All these thermal plants have a low specific freshwater consumption: Costanera Vapor 0.73 l/ kWh, Dock Sud 0.13 l/kWh, Buenos Aires 0.20 l/kWh and Costanera 0.02 l/kWh. As already mentioned, climate change increases the risk of extreme weather events, including droughts that may lead to negative impacts over infrastructures, affecting our operational conditions and causing outages and property damage that would require incurring additional expenses. To manage this risk,

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>we have carried out through Endesa a CVA in all power plants to assess the degree of preparedness of each facility to face risks associated with climate change. The Stakeholder Management Project implemented in 2013 has enabled us to manage potential social conflicts that could lead to reputational damage or temporary outages. Power generation in thermal plants is a water intensive activity as a high volume of water is required for refrigeration. All our power plants have already completed their water balance analysis which</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										allows us to set specific, local water consumption reduction targets, to identify leakages, control water consumption and elaborate procedures that aim to water saving. In order to identify new regulations that may affect our operations; we continuously monitor the upcoming legislation, including water issues. In addition, we collaborate with the CIER in the development of an environmental legislation database for Latin American countries which analyses all emerging legislation for the

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										region, including water regulation.
Colombia	Magdalena	Physical-Increased water stress	Other: limitation to plant operation	Cartagena thermal plant is located in an area of extreme water scarcity (< 500 m <sup>3</sup> /person/year). For thermal plants, water is a critical resource that will be affected by climate change as they rely on the local hydraulic conditions. Eventual droughts may have a negative impact on our earnings since demand by agricultural and industrial sectors (major water consumers) could lead to social conflicts and upcoming legislation to restrict water access would imply the reduction in our production.	>6 years	Probable	Low	Other: Integrated water management	Low-medium	Although Cartagena Power Plant is located in an area of extreme water scarcity, its freshwater consumption is low (0.59 litres/kWh) and the cooling system (the main water consumption process) uses sea water. Our power plants located in areas of water scarcity have a very low specific consumption, due to their optimized design tailored to the conditions of the place where they are installed. Regarding social conflicts that may arise as a result of water use by different stakeholders, in

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>2013 a Stakeholder Management Plant was implemented in all facilities. In this respect, Enel, through Endesa, has identified the concerns of its stakeholders and we are continuously working to establish a solid process of dialogue with leading individuals within the field of sustainability (including water) with a view to identifying areas for improvement. This approach enable us to predict social issue in advance so we can foresee potential negative impacts and thus set the necessary measures to overcome and minimize negative</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>consequences. In the same way as in the other facilities the CVA enables us to define any mitigation measure (if needed) to avoid the negative consequences of climate change at facility level. New and upcoming legislation in Colombia is reviewed by the legal department including water-related regulations. In this sense, it is important to note that we collaborate, through endesa, with the Commission of Regional Electric Integration (CIER) in the development of an environmental legislation database for Latin</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										American countries being water one of the topics covered. The production of this facility only represents 8.8% of the total electricity we produce in Colombia and hence, the magnitude of the potential financial impact is considered to be low.
Peru	Other: Chillón River	Physical-Increased water stress	Other: limitation to plant operation	Ventanilla power plant is located in an extreme water scarcity area (< 500 m3/person/year). Given that water in this area is highly scarce the plant is exposed to several risks that may substantially impact our business. These impacts include: social conflicts with other water users; potential negative effects derived from	>6 years	Probable	Medium-high	Other: Integrated water management	Low-medium	Ventanilla is a combined cycle plant located in a semi-deserted zone which supplies energy to Lima and its suburbs utilizing the best technology available (efficiency of 52%). As physical risks derived from changes in climate (such as potential water

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				climate change (e.g. increase drought events); reduction on the electricity production due to less water availability as result of more stringent legislation.						scarcity that may limit our ability to produce electricity) could significantly affect our business we carried out, through Endesa, a CVA to assess the adaptation capacity of our facilities to climate change. This analysis provided us with useful information so we can be prepared for events which are prone to create risks for Enel. Social conflicts with other water users are expected to arise in areas with low water availability. To manage this risk we engage with different stakeholders such as social organizations (e.g. foundations, NGOs); regulatory

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>bodies; and different local groups affected by the activity of our power plant. The Stakeholder Management Project implemented in 2013 enabled us to know our stakeholders' expectations in advance to prevent any social issue that could lead to reputational damage or temporary outages. In addition, the establishment of specific targets to reduce water consumption at facility level will ensure the improvement of our water performance as well as to be prepared to adapt our facilities to future legislations</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>which will likely impose water access limits for industrial purposes. In this sense, our legal department ensures that we comply with current legislation and monitors upcoming legislation. In addition, we engage in the Environmental Law Observatory launched by CIER which analyses all emerging legislation for the region, including water regulation. The production of this plant represents 79.57% of the total electricity we produce in Peru and hence, the magnitude of the potential financial impact is considered to be medium-high.</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Spain	Other: De Huelva River	Physical- Increased water stress	Other: limitation to plant operation	Cristobal Colon combined cycle power plant is located in Spain within a water scarcity area (water availability 500-1000 m3/person/year). According to the Intergovernmental Panel on Climate Change (IPPC), drought episodes in Southern Europe are predicted to increase as a result of the of climate change. Limitations to water access for industrial purposes may be imposed by Authorities on water-intensive business. If this occurs, reduced output could reduce our total net revenues	>6 years	Probable	Low	Other: Integrated water management	Low-medium	Although Cristobal Colon power plant is located within a water scarce area, it does not consume a high quantity of freshwater as the facility uses sea water for the open cooling system (the process implying the most water needs) and therefore, freshwater is only used for industrial purposes (water withdrawals for industrial purposes only represents 0.07% of the total water used in the cooling system). Freshwater consumption in 2014 has been substantially reduced compared to 2013 as electricity production has fallen more than 13%. We manage

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>this risk by studying our water needs to ensure that we are using this resource in the most efficient manner. Additionally, the Climate Change Vulnerability Analysis (CVA) carried out by Enel through Endesa considers the adaptation capacity of our power plants to climate change impacts (such as droughts). This analysis helps us to understand the potential impacts and to define water management measures to minimize this risk. It also provides us with valuable information so that we can now consider water scarcity in our internal decision</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>making process. The CVA is integrated in Endesa's Risk Management System. It is also worth highlighting that Enel Group has set a target for the reduction in the consumption of water (m3/MWh) in the installations of 10% by 2020, taking as reference the consumption in 2010. To achieve this goal, facilities are establishing local goals to reduce their consumption. Specifically, for 2014 Cristobal Colon Power plant aims to reduce the amount of drinking water consumed by 10%, taking as reference its historical consumption. The</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										production of Cristobal Colon Power Plant represents less than 1% of the total electricity Enel produce in Spain and therefore, the magnitude of the potential financial impact is considered to be low.
Spain	Other: Islas Baleares	Physical-Increased water stress	Other: limitation to plant operation	Ibiza thermal plant (Spain) is in a water extreme scarce area (< 500 m3/person/year). As predicted by the IPPC, Southern Europe will have to cope with extreme drought and poor water availability. Upcoming legal requirements together with potential conflicts with other water users may reduce our electricity production and that could significantly	>6 years	Probable	Low	Other: Integrated water management	Low-medium	Ibiza thermal plant is equipped with a cooling open cycle system that uses sea water this system is also used for industrial purposes). In 2013, a de-mineralization plant was installed in order to reduce NOx emissions and as a result, the amount of freshwater used from the municipal system considerably increased

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				affect our business. In addition, as water become scarcer, new water tariffs and other pricing mechanisms will likely increase						compared to 2012. The implementation of efficient water consumption methods is part of our strategy to ensure that we make use of water in a sustainable manner As already mentioned, local targets has been rolled out for each facility to reach the Enel's global target of reducing water consumption by 10% in 2020 taking as reference the levels of 2010. The CVA helps us to analyze, assess and understand the risks we are exposed to in relation to global warming and the adaptation capacity of our power plants. In

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>addition, the full implementation of the global Enel's MAPEC project (Mapping of Environmental Compliance) to evaluate compliance with environmental regulations together with the identification of upcoming legislation by our legal Departments also enable us manage this risk. The production of Ibiza power plant only represents 1.1% of the total electricity we produce in Spain and therefore, the magnitude of the potential financial impact in Enel's business is considered to be low. The diversification of our assets portfolio within a country, as well</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										as the operational flexibility of individual plants, are also key ways of adapting to physical risks stemming from climate change.

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
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W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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**W3.2f**

**Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure**

Primary reason	Please explain
Other: Risks exist, but level of impact is unknown	Supply chain risks may lead to disruption of our operations and reputational damage. Although the potential severity of the impact is unknown, we conducted an assessment on fuel suppliers whose results showed that about 80% of them operate in water-stressed areas. However, their main consumption is from reinjection in gas and oil wells (normally will use salt water). The Vendor Rating System and the Bettercoal Initiative help us to know our supplier's degree of exposure

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**W3.2g**

**Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this**

Primary reason	Future plans
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**Further Information**

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Company-wide	Cost savings	The implementation of new cooling systems will allow us to reduce the amount of water withdrawn	1-3 years	The technology of cooling ponds (Crystal Lagoons) is to be implemented at the San Isidro thermal plants (Chile) as a pilot programme to verify whether this technology can be applied at a large scale. This system (10000 m3 cooling pond equipped with a heat exchanger) will enable us to reduce the amount of water withdrawn.
Company-wide	Improved water efficiency	To improve water efficiency we have implemented several initiatives in our power plants (details can be found per each country in our 2013 Environmental Report). See Further Information Box and attached for more details about water-efficiency initiatives.	1-3 years	We expect the improvement of water efficiency across all our operations to lead to great monetary savings. Water will be used in a sustainable manner optimizing its consumption and thus, cost associated with water price or technological investments to adapt our facilities to new stringent legal requirements will be cut down. Also, the better management of water resources will ensure a good relationship with other water users and our reputation regarding water-related issues will be improved.
Company-wide	Competitive advantage	Each Business Unit analyses legislation trends to ensure that adequate capital resources are allocated so we are	>6 years	New legislation regarding water issues may result in opportunities if we are better prepared than our

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	Regulatory changes	able to progressively adapt our facilities/operations to new requirements, To anticipate opportunities stemming from new regulations, we keep an open and constructive dialogue with policymakers (eg. river Basin Committees in Italy, Spain and Brazil); National and European industry associations (such as Eurelectric), CIER - environmental legislation database in Latin America and Spain).		competitors to comply with new legal requirements. Additionally, being a benchmark in water management will allow us to engage with policy-makers and government agencies to define good policies related to water resources. Anticipation to new legal requirements and the integration of the operational costs for technology adaptation into our investment plan will result in cost savings.
Company-wide	Social licence to operate Other: license to operate	At Divisional level we have several programs to maintain environmental conditions of water bodies in the areas where we operate: • Managing river flows with specific programmes to ensure minimum ecological flows. • Integrated management of reservoirs, by controlling the quality of the water in them and applying corrective measures where necessary to improve physical and ecological conditions and reservoir use. • Protection of native species and control of invasive species.	>6 years	Our license to operate would be easier to maintain if we can demonstrate that our operations have a preventive maintenance programme to reduce detrimental impacts on the water sources or habitats we operate to minimum levels. This would minimize opposition in the granting and renewal permit processes for new or existing facilities and therefore, we will minimize delays that may result in capital expenditure.
Company-wide	Increased brand value	The Enel Group adopted in 2013 the stakeholder management model set up as an exercise to monitor and assess the relationship with the main interlocutors in the areas where the Group operates. It is a multichannel and multidisciplinary analysis of the various demands, in order to identify the scope of communication with the brand and the guidelines for dialogue with all the parties concerned as interlocutors. Water management is one of the main issue of concern.	1-3 years	As water is becoming a more valuable resource for water users (particularly in periods of scarcity) our commitment to improve water management practices will improve the external perception of the Company. Through early and continuous contact with stakeholders and the implementation of our Stakeholder Management Project, we are able to understand, anticipate and respond to emerging issues. Open dialogue is also helpful in preventing and reducing the risk of future water related disputes.
Company-wide	Cost savings	A more robust procedure to strengthen environmental considerations (including water quantity and quality) in the process of Industrial Plan's definition and capital allocation for a new investment or a new acquisition has been adopted. Thanks to the help of the Aqua Gauge Assessment, Enel started to be more aware about its strengths and weaknesses about water management and thus also started to work to set a Group wastewater discharge standard	>6 years	Access to freshwater for industrial uses is becoming more difficult, and thus water price is expected to increase and discharge limits to become more stringent. The implementation of technologies to reduce water consumption (mostly in water-stressed areas) and improve discharge quality may result in great savings.
Company-	Cost savings	Minimal Environmental Flow is not only viewed as a mere	1-3 years	During 2014 Enel Produzione has installed 11 mini

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
wide		requirement by law but also an opportunity to develop our knowledge about mini and micro hydro potentiality.		hydro turbines in large hydroplants in 6 Regions of Italy producing electricity by exploiting the Minimum Ecological Flow of the plants. It has allowed to produce additional 14.4 GWh/yr with an investments of 14.5 M€
Chile	Improved water efficiency	Measures to improve the efficiency of the use of water in solar PV plants of Enel Green Power (Chanares -40MW- Diego De Almagro -32MW- and Lalackama -78MW- Power Plants)	>6 years	Measures include: - installation of a soiling measurement system to schedule the cleaning of the PV modules only when it is really needed: - use of low water consumption machines to clean up the PV panels - reuse of the cleaning water - scouting of dry solution for cleaning. - nanotechnology coating solutions. - dust abatement strategies
Italy	Improved water efficiency	Adoption of a technique to recycle water in geothermal drilling in 3 sites of Enel Green Power in Italy	1-3 years	Treatment "Closed Loop" to recycle water from the mud. By this technique an amount of about 2300 tonnes of water is saved every year.

#### W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain

#### W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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### Further Information

W4.1 - Improved Water efficiency: A technology for reducing water discharge (and use) at power plant has been developed and installed, first in Brindisi, then in other Italian coal plants. This “Zero Liquid Discharge” projects (based on a process called crystallization) has been considered by US EPA as a “best practice” for coal plant management. Crystallization is the final part of Water Management System and it transforms the last flow of waste water coming from DeSOx in solid salt and water which can hence be re-used

### Module: Accounting

#### Page: W5. Facility Level Water Accounting (I)

#### W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 1	Argentina	Other: Rio de la Plata	Costanera Vapor	675644.09	About the same	Water withdrawals slightly declined in 2014 compared to 2013 (-2.3%) as a consequence of reduction in net electricity generation

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 2	Argentina	Other: Rio de la Plata	Dock Sud	297367.02	About the same	No substantial explanation as the difference with respect of 2013 is only 0.06%
Facility 3	Argentina	Other: Rio de la Plata	Buenos Aires	119179.23	Lower	Water withdrawals slightly declined in 2014 compared to 2013 (-11.4%) as a consequence of reduction in net electricity generation
Facility 4	Argentina	Other: Rio de la Plata	Costanera CCGT	290011.59	Lower	Water withdrawals declined in 2014 compared to 2013 (-15.2%) as a consequence of reduction in net electricity generation
Facility 5	Colombia	Magdalena	Cartagena	27336.29	Much lower	Water withdrawals declined significantly in 2014 compared to 2013 (-25.6%) as a consequence of reduction in net electricity generation
Facility 6	Peru	Other: Rio Chillon	Ventanilla	3358.43	Higher	Water withdrawals increased by 4% in 2014 due to the increase (almost by 12%) in production at the facility in comparison with 2013.
Facility 7	Spain	Other: Ria de Huelva	Cristobal Colon	28118.77	Higher	Water withdrawals increased by 22.19% in 2014 due to the increase (almost by 10%) in production at the facility in comparison with 2013.2013.
Facility 8	Spain	Other: Isla Baleares	Ibiza	8773.95	Much lower	Water withdrawals at this facility significantly declined by 57.79% in 2014 compared to the previous year. This thermal plant mainly collects seawater for its cooling system. In 2014, water uptake from the ocean substantially decreased by 58 % compared to 2013

#### Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

**Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1**

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	673917.00	0.00	0.00	0.00	0.00	0.00	1727.09	0.00	
Facility 2	296745.00	0.00	0.00	0.00	0.00	0.00	622.02	0.00	
Facility 3	118926.00	0.00	0.00	0.00	0.00	0.00	253.23	0.00	
Facility 4	0.00	289837	0.00	0.00	0.00	0.00	174.59	0.00	
Facility 5	0.00	27293.00	0.00	0.00	0.00	0.00	43.29	0.00	
Facility 6	0.00	0.00	0.00	3358.43	0.00	0.00	0.00	0.00	
Facility 7	20.77	28098.00	0.00	0.00	0.00	0.00	0.00	0.00	Due to the higher output of this facility (increase in production by almost 10%) compared to the previous year, the total water withdrawals increased. It is worth highlighting that, although this power plant is located in a water stressed area, its consumption of fresh water is low. The power plant uses sea water for the open cycle refrigeration system and fresh water for industrial purposes (it decreased by

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
									14% compared to 2013 consumption).
Facility 8	0.00	8600.17	0.00	0.00	0.00	0.00	173.78	0.00	In 2013, a new demineralization plant was installed in order to reduce NOx emissions. As a result, water used from the municipal system has increased in 2013 and 2014 compared to previous years (33 %). However, as this water comes from desalination of sea water, the consumption does not impact local freshwater scarcity. On the other hand, amount of sea water used has decreased by 58%.

**W5.2**

**Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 1	675171.42	About the same	The total water discharges of this plant is not substantially changed in 2014 compared to 2013 (-2.25%)
Facility 2	297083.75	About the same	The total water discharges of this plant is not substantially changed in 2014 compared to 2013 (-0.01%)
Facility 3	119017.76	Lower	Water discharges at thermal plants are closely related to energy production, as they serve for cooling purposes. The total water discharges of this plant declined of 11.4% in 2014 as a consequence of reduction of net electricity generation at this plant.
Facility 4	289912.33	Lower	Water discharges at thermal plants are closely related to energy production, as they serve for cooling purposes. The total water discharges of this plant declined of 15.16% in 2014 as a consequence of reduction of net electricity generation at this plant.
Facility 5	27308.78	Much lower	Water discharges at thermal plants are closely related to energy production, as they serve for cooling purposes. The total water discharges of this plant declined of 25.6% in 2014 as a consequence of reduction of net electricity generation at this plant.
Facility 6	0.00	Much lower	This figure reflects improvements in the purge system which now uses anti-fouling agents in the cooling tower. As a result, concentration cycles increased from 3 to 3.5-4 allowing reducing the total amount of purge water discharged
Facility 7	28114.19	Higher	Water discharges at thermal plants are closely related to energy production, as they serve for cooling purposes. The total water discharges of this plant increased by 22.20% due to its higher output compared to the previous year.
Facility 8	8620.65	Much lower	Water discharges at this facility decreased by 58.30% compared to the previous year.

#### W5.2a

**Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2**

Facility reference number	Fresh surface water	Municipal Treatment Plant	Seawater	Groundwater	Comment
Facility 1	675171.42	0.00	0.00	0.00	
Facility 2	297083.75	0.00	0.00	0.00	
Facility 3	119017.76	0.00	0.00	0.00	
Facility 4	75.33	0.00	289837	0.00	
Facility 5	15.78	0.00	27293	0.00	
Facility 6	0.00	0.00	0.00	0.00	
Facility 7	16.19	0.00	28098	0.00	Overall water discharges in this facility increased by 22.20%. Specifically, water discharges into the ocean increased from 22.988 ML in 2013 to 28.098 ML in 2014. However, discharges into fresh surface waters decreased by 13 % in 2014 compared to the previous year. The overall increase in water discharges is related to the higher energy production in 2014 compared to 2013 (increase of almost 10%).
Facility 8	20.65	0.00	8600	0.00	Water discharges into the fresh water sources remained about the same as in 2013 whereas water discharges into the ocean decreased by 58% .

### W5.3

**Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a**

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain the change if substantive
Facility 1	472.67	Lower	Water consumption decreased of 11.3% in 2014 compared to 2013 reflecting a decline in net electricity generation
Facility 2	283.27	Much lower	Water consumption decreased of 37.1% in 2014 compared to 2013 reflecting a decline in net electricity generation
Facility 3	161.47	Much higher	Water consumption increased of 28.4% in 2014 compared to 2013

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain the change if substantive
Facility 4	99.26	Higher	Slight increase in 2014 compared to 2013 (+2.7%)
Facility 5	27.51	Much lower	Water consumption decreased of 31.4% in 2014 compared to 2013 reflecting a decline in net electricity generation
Facility 6	3358.43	Much higher	The improvements in purge cooling system (see W5.2) has led to a higher consumption of water (ie. water withdrawn not returned to the environment)
Facility 7	4.58	Lower	It is worth noting that although the electricity production of this facility increased by almost 10% compared to 2013, the total water consumption (water withdrawals minus water discharges) decreased from by 17% compared to 2013. This is due to the fact that water discharges increased (by 22.20% due to higher energy output) and hence we made a more efficient use of water (increase water efficiency).
Facility 8	153.30	Much higher	Water consumption at this facility increased by 30.45% compared to 2013. This increase is due to the fact that in 2013, a new de-mineralization plant was installed in order to reduce NOx emissions. As a result, in 2014 freshwater used from the municipal system increased by 33% compared to 2013, but with no additional impact to local fresh-water scarcity

#### W5.4

**For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?**

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	76-100	Data included in the data review carried out as part of the independent audit of our Environmental Report which is verified (limited assurance) by an external firm according to ISAE 3000. This review included the information sources and the analytical procedures followed to obtain final data. In addition, our environmental database (where data for the report is obtained from) is internally controlled to ensure accuracy in the information and calculation included.
Water withdrawals- volume by sources	76-100	Volumes of water withdrawals by sources are reviewed as part of the independent audit of our environmental reporting which is verified (limited assurance) by an external firm according to ISAE 3000

Water aspect	% verification	What standard and methodology was used?
Water discharges- total volumes	76-100	Similarly, as with the total volume of water withdrawals, water discharges data are included in in our environmental reporting which is verified (limited assurance) by an external firm according to ISAE 3000. This verification process reviews the information sources as well as the analytical procedures followed to obtain final figures. In addition our environmental database (where data for the sustainability report is obtained from) is internally controlled to ensure accuracy.
Water discharges- volume by destination	76-100	Aspect managed through our Environmental Management Systems (EMS) to monitor, control and reduce emissions of pollutants to water. EMS are verified by internal auditors and by an external certification company according to the ISO14001 (94% of our plants in terms of MW installed are ISO certified).
Water discharges- volume by treatment method	76-100	Aspect managed through our Environmental Management Systems (EMS) to monitor, control and reduce emissions of pollutants to water. EMS are verified by internal auditors and by an external certification company according to the ISO14001 (94% of our plants in terms of MW installed are ISO certified).
Water discharge quality data- quality by standard effluent parameters	76-100	Quality discharge data are gathered through our environmental reporting database (and thus subject to limited assurance by our external auditor) and managed through our Environmental Management Systems (EMS) to monitor, control and reduce emissions of pollutants to water. EMS are verified by internal auditors and by an external certification company according to the ISO14001 (94% of our plants in terms of MW installed are ISO certified).
Water consumption- total volume	76-100	Total water consumption is externally verified as part of the verification process of our environmental reporting according to ISAE 3000. Information sources and the analytical procedures followed to obtain final data are reviewed as part of the process. In addition, our environmental database is subject to internal controls to ensure information and calculations included are as accurate as possible.

**Further Information**

**Module: Response**

**Page: W6. Governance and Strategy**

**W6.1**

**Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?**

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Other: Chief Executive Officer	Scheduled-annual	Performances are reviewed quarterly at Holding executive level: a) on February, through the environmental reporting activity b) on May through the planning and revising of Environmental objectives c) on July 2014 through the CSR reporting and the Best Practice Sharing project for a selection of water indicators (up to July 2014) d) in the first half through an external ISO 14001 audit and during the second half of the year by examining representative activities and periodically during the year the CEO is briefed

## W6.2

**Is water management integrated into your business strategy?**

Yes

## W6.2a

**Please choose the option(s) below that best explain how water has positively influenced your business strategy**

Influence of water on business strategy	Please explain
Publicly demonstrated our commitment to water	Disclosure of comprehensive and forward-looking qualitative and quantitative information related to water (risks, opportunities, management approach, water use, discharge, impacts, etc.) mainly through : Environmental Report, Sustainability Report, CDP Water, SAM DJSI, Aqua Gauge Assessment, company website. Furthermore Enel has signed the CEO Water Mandate in march 2014
Establishment of sustainability goals	water is part of our Sustainability Plan with these two target/objectives: - Reduction in specific consumption of water: by 10% compared to 2010 by 2020 - Commitment to assessing water risk Furthermore it's worth saying our integrated management

Influence of water on business strategy	Please explain
	of water resources is based on several sustainable guidelines (IWRM guidelines see further information box)
Introduction of water management KPIs	Enel has been monitoring water management KPIs since 1996 (starting of Environmental Reporting) and disclose about them. The main KPIs are: net specific consumption of water for industrial uses for each technology (both including and excluding contribution of as-is sea water), coverage of consumption of water for industrial uses from: rivers, wells, aqueducts, waste waters, sea (as-is), sea (desalinated).
Water resource considerations are factored into location planning for new operations	A more robust procedure to strengthen environmental considerations (including water quantity and quality) in the process of Industrial Plan's definition and capital allocation for a new investment or a new acquisition has been adopted
Water resource considerations are factored into new market exploration	Water resources consideration are encompassed into our business development activities
Water is factored into procurement directives	Green requirements (consumption of energy, water, raw materials and hazardous substances; use/recovery of packaging materials; emissions of pollutants and noise; waste recycling/reuse) are incorporated into the technical specifications of tenders of several group of products/services
Tighter operational performance standards	besides: - having a group wide target on total specific water consumption - having an environmental reporting tool that annually monitors environmental performances of power plants - having obtained the ISO 14001 certification at Group level - having a Best Practice Sharing project which every six months monitors the improvement of performance of thermal power plants and its gap with the "best in class" Enel also started to work to set a Group wastewater discharge standard
Tighter supplier performance standards	In 2013 Enel's work continued in BetterCoal, the non-profit initiative created by a group of global utility leaders with the aim of promoting continuous improvement in companies' responsibility in the coal sector, with a specific focus on mining. In particular BetterCoal promotes best practice relating to human rights, labor, business ethics, the environment, and the impact of the coal sector on local communities, through an agreed set of standards, finalized by engaging with stakeholders.
Greater supplier engagement	In 2014 Enel's work continued in BetterCoal, the non-profit initiative created by a group of global utility leaders with the aim of promoting continuous improvement in companies' responsibility in the coal sector, with a specific focus on mining. In particular BetterCoal promotes best practice relating to human rights, labor, business ethics, the environment, and the impact of the coal sector on local communities, through an agreed set of standards, finalized by engaging with stakeholders.
Alignment of public policy positions with water stewardship goals	As water is a scarce resource, water management has become a key social, cultural and environmental issue, particularly in times of shortage. For this reason, solutions to improve supply and treatment of water need to be carried out through collective action. We expect to have a competitive advantage when aligning our Corporate Water Management Strategy with public policies and initiatives put forward by the many parties involved.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
Increased capital expenditure	see water risk section (section 3) Bearing in mind also that: - New regulations are likely to set more stringent requirements such as stricter limits on the quality of wastewater discharged, amounts of water to be consumed or restrictions on water access for industrial use - To comply with new regulations, we need to increase our capital expenditure to adapt our facilities such as more efficient water systems or better wastewater treatment plants

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**W6.2c**

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain

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**W6.3**

**Does your organization have a water policy that sets out clear goals and guidelines for action?**

Yes

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**W6.3a**

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Company-wide	

#### W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting period compare to the previous reporting period?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
39.81	11.79	Figures represent % of total environmental CAPEX and OPEX related to water (for activities of wastewater management and of protection and restoring of superficial and groundwaters). Capex and Opex have both increased in 2014 compared to 2013 of an amount of 14% and 1.3% respectively

#### Further Information

MORE INFO GENERAL: - Enel was the first utility took part in 2013 to the Aqua Gauge assessment. Thanks to that Enel started to be more aware about its strengths and weaknesses about water management. - Enel Green Power (Enel's branch dedicated to renewables) has a specific attention to water management and its environmental policy is coordinated with that of the Group. For its renewable business the water for industrial use in power plants in EGP is limited; in fact it's related only to Geothermal and Biomass/cogeneration plants. These ones accounts for almost the totally of water used from wells , in fact water withdrawal, granted by local authority, is consumed especially for the amounts lost in the generation process of steam-turbine power plants and also to carry out clean-up jobs of boilers. On the other and Biomass/cogeneration plants accounts only for the 1% of total installed capacity of EGP. There are on-going projects in power plants about water reuse to reduce the volume withdrawn every year, last year for instance in La Loma, a Spanish biomass plant some tanks were installed to stock the water to use for pressuring test of the boiler. EGP monitors the water use even in its Constructions site worldwide, and has criteria to evaluate the environmental impact of hydro

Power plants in compliance with ISO 14001 standards. Please see document attached to get a broader view Question W6.4: CAPEX Main activities included: renovation and modernization of systems for treating liquid releases, retrofitting of intake structures to release the minimum in-stream flow, construction of fish ladders and management of waste waters OPEX Main activities included: analysis and characteristics of waste and liquid releases, maintenance of crystallizers and waste water treatment systems, groundwater quality monitoring, maintenance of septic tanks, qualitative analysis of waters used and maintenance of hydraulic structures Question 6.2a: IWRM guidelines (derived from our ISO14001 certified management systems): >> efficient use of water resources and protection of water quality in production processes; >> treatment of effluents and their minimization and control of losses; >> management of the flow rates of rivers with specific programs to guarantee the volumes necessary to preserve the underlying ecosystem (minimum flows) >> integrated management of water basins, through measurement of the water quality and the application, where necessary, of corrective measures to improve the physical and environmental conditions of basins, at the same time safeguarding the various local uses which meet the specific needs of the local area where the plant is located

**Page: W7. Compliance**

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**W7.1**

**Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?**

No

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**W7.1a**

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
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**W7.1b**

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

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**W7.1c**

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
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**Further Information**

integration of answer W7.1 During 2014 Enel has been involved in the following proceedings regarding water-related issues: • El Muna Reservoir: in 2001 the inhabitants of Sibaté (department of Cundinamarca) started a class action against Emgesa SA, a Colombian company in the Group, and against the Corporación Autonoma Regional for damage and harm arising from the contamination of the Muña basin due to the pumping of contaminated water from the Bogotá river which was undertaken by the company. The initial request for compensation was around 1.1 billion euro. Emgesa has declared that it is not liable for the events which are contested, stating, among other things, that the basin receives water which is already contaminated and has asked for the involvement in the proceedings of numerous public and private bodies which discharge into the Bogotá river or which, for whatever reason, are responsible for the environmental management of the river bed. At the appeal stage the Consiglio di Stato confirmed in full the decision of the Administrative Court of Cundinamarca which had, among other things, denied the request for enforcement to appear made by the company against the various bodies involved. The proceedings are currently ongoing. • Bocamina power plant: in December 2013 and January 2014, fishermen and algae collection unions in Coronel (Chile), among others, filed three motions for legal protection against Empresa Nacional de Electricidad S.A. at the Concepción Court of Appeals. In the first, the plaintiffs obtained an injunction (stay-of-action), ordering the shutdown of Generating Unit II of the Bocamina power plant. Empresa Nacional de Electricidad, S.A., requested this injunction to be lifted but the request was dismissed by the Court. Generating Unit II remains closed as the company is still waiting for a response from the Concepción Appeals Court. In Chile there is also an ongoing proceedings for Tomine reservoir which is blamed to have contaminated the Bogota river

**Page: W8. Targets and Initiatives**

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**W8.1**

**Do you have any company wide targets (quantitative) or goals (qualitative) related to water?**

Yes, targets and goals

**W8.1a**

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Other: Reduction of water intensity	Water stewardship	Reduction of specific water consumption (liters/kWh) of main technologies (thermoelectric generation, thermoelectric combined heat & power generation, nuclear, nuclear combined heat & power generation) by 10% from its levels in 2010 by 2020.	% reduction per unit of production	2010	2020	37.5%

**W8.1b**

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Mapping of environmental compliance	Risk mitigation	Mapping of the environmental compliance, including water issues, of 555 sites worldwide in 2014 (see description of	MAPEC is annually updated to track the environmental performances of the 555 sites covered. It is ongoing the inclusion of a section to monitor the occurrence of extreme climate events for the abovementioned sites and the associated risks for Enel installations.

Goal	Motivation	Description of goal	Progress
		MAPEC in answer 2.2)	
Other: Efficient use of energy, water and raw materials	Cost savings	Internal recycling of water for industrial uses (continuous improvement)	Water requirements covered by recycled waste water in 2014 were about 3,8%
Other: Efficient use of energy, water and raw materials	Water stewardship	Analysis of international water resource use scenarios	Enel keeps up to date the Environmental Trend Scenario document (see attached)
Other: Mitigation of environmental impacts by applying the best available technologies and the best practices in construction, operation and decommissioning of installations	Water stewardship	Protection, monitoring and remediation of surface water, soil and subsoil in the areas surrounding installations	Continuous improvement thanks to our ISO 14001 certified Environmental Management systems
Engagement with public policy makers to advance sustainable water policies and management	Water stewardship	Improve Company water management practices and disclosure	Enel was the first utility in the world to combine in 2013 the CDP Water with the Aqua Gauge, an assessment developed by Ceres, which is a not for profit organization configured as a network of international investors. Aqua Gauge is a methodology designed both to support investors in interpreting results and the Company's disclosure in official documents and to help the Company itself identify how and where to improve
Engagement with suppliers to help them improve water stewardship	Risk mitigation	promoting continuous improvement in company's responsibility in the coal sector, with a specific focus on mining	in 2014 Enel continues its Participation in Better Coal holding the Deputy Chairmanship of the Board of Directors
Other: Maintain ecological flows in rivers	Water stewardship	Adequate management of river flows to ensure minimum volumes.	Specific programs to ensure the achievement of this goal during 2014 included: <ul style="list-style-type: none"> <li>• Study on the effects of rapid river flow changes (hydro points) caused by the hydro plants. Results of this study will define environmental criteria to ensure minimum water flows in rivers.</li> <li>• Controlled flooding from the Mequinenza, Ribaraja and Flix reservoirs to the Ebro river (Spain) to allow the river flow to regenerate, thereby curbing the development of macrophytes.</li> </ul>
Strengthen links with local community	Brand value protection	Establish a constructive dialogue with Government Agencies, nongovernmental organizations, shareholders, customers, local communities	To achieve this objective we: <ul style="list-style-type: none"> <li>• consult local administrations and other stakeholders when carrying out new projects regarding their concerns/suggestions;</li> <li>• disclose the Environmental Statements and the license conditions from the Environmental Impact Assessments of our projects. The EIAs of relevant projects are also disclosed themselves (e.g. Quimbo Project-</li> </ul>

Goal	Motivation	Description of goal	Progress
		and other stakeholders on water-related issues.	www.proyectoelquimboemgesa.com.co); and • collaborate with public research centres, NGOs, etc. in water conservation issues.
Other: transparency	Brand value protection	Maintain an open and transparent approach on our water related actions, programmes and policies	To comply with this goal, we: • Publish our water strategies in relevant corporate reports, company websites using the water indicators defined by the GRI ( <a href="https://www.globalreporting.org/Pages/default.aspx">https://www.globalreporting.org/Pages/default.aspx</a> ). • Are transparent in dealing and conversations with governments and other public authorities on water issues. • Report transparently our actions, establishing the communication channels with our stakeholders. • Since March 2014 Enel Group is member of the Water CEO Mandate.
Strengthen links with local community	Brand value protection	Adapt our corporate strategy to the needs of the local community	We use the London Benchmarking Group System (LBG) to classify and manage the initiatives carried out with local communities and to improve based on the results of experiences of other peers in our industry and other sectors Pillars of Enel Group guidelines are: social inclusion, minimisation of risks, enhancement our reputation, bring stakeholders closer to the Company and meet their demands.

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

**Module: Linkages/Tradeoff**

**Page: W9. Managing trade-offs between water and other environmental issues**

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

No

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W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
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**Further Information**

**Module: Sign Off**

**Page: Sign Off**

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W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Francesco Starace	Chief Executive Officer	Chief Executive Officer (CEO)

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W10.2

Addressing water risks effectively, in many instances, requires collective action. CDP would like to support you in finding potential partners that are also working to tackle water challenges in the river basins you report against. Please select if your organization would like CDP to transfer your publicly disclosed risk and impact drivers and response strategy data from questions W1.4a, W3.2b, W3.2c, W4.1a and W8.1b to the United Nations Global Compact Water Action Hub.

No

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#### Further Information

[CDP 2015 Water 2015 Information Request](#)