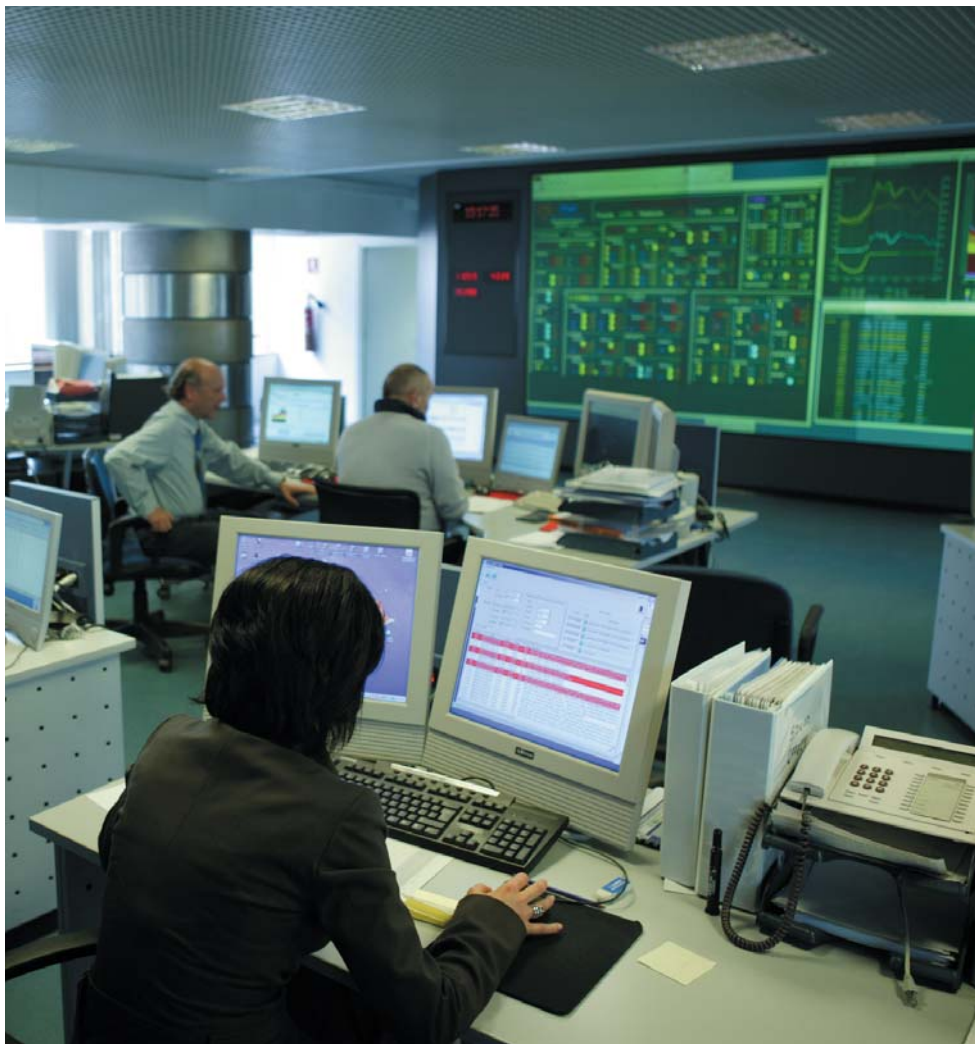


## ENERGY IN TUNE WITH YOU





# Code of Ethics

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## 1. Introduction

This code expresses the ethical commitments and responsibilities in the performance of business activities and corporate operations by the employees of Enel SpA and its subsidiaries<sup>1</sup>, whether executives or employees of any sort of these enterprises.

### **Mission**

Enel aims to be the most efficient, market-driven, quality-focused provider of power and gas creating value for shareholders and satisfying customers while enhancing the professional growth of all its employees.

### **A cooperative approach towards stakeholders**

Enel aims to maintain and develop a relationship of trust with its stakeholders, meaning those categories of individuals, groups or institutions which play a role in the accomplishment of Enel's mission or which have an interest in the pursuit of that mission.

Stakeholders are those who make investments tied to the activities of Enel, meaning, first and foremost, the shareholders, followed by employees, customers, suppliers and business partners. In a broader sense, the term refers to all those individuals or groups, as well as the organizations or institutions which represent them, whose interests are directly or indirectly affected by the activities of Enel: this means the local and national communities in which Enel operates, as well as environmental associations, future generations etc.

### **Unethical conduct**

Unethical conduct in the performance of business activities compromises the relationship of trust between Enel and its stakeholders.

Unethical behavior – which fosters hostility towards Enel – includes attempts on the part of anyone, either an individual or an organization, to reap the benefits from the contributions of others by exploiting positions of power.

<sup>1)</sup> Hereinafter, "Enel" will refer to Enel SpA and all of its direct and indirect subsidiaries.

**The value of a good reputation and fiduciary duties**

A good reputation is an essential intangible resource.

A good reputation in external relations favors investments by shareholders, customer loyalty, the recruiting of the best human resources, supplier's peace of mind and reliability in the eyes of creditors. In terms of internal affairs, a good reputation contributes to taking decisions and implementing them without friction, organizing work activities without bureaucratic controls or an excessive use of authority.

Given that the code of ethics clearly states the specific duties of Enel towards its stakeholders (fiduciary duties), observance of the code shall be a benchmark for judging the reputation of Enel.

The code of ethics consists of:

- > the *general principles* governing relations with stakeholders, which determine, in an abstract manner, the reference values for judging Enel's activities;
- > the *criteria of conduct* in relations with each category of stakeholder, which generate the specific guidelines and standards that Enel employees are required to follow in order to comply with the general principles and prevent unethical behavior;
- > the *implementation procedures*, which delineate the system of control to ensure the observance and continuous improvement of the code of ethics.

**The value of reciprocity**

Inherent in the code is an ideal of cooperation working to the mutual benefit of the parties involved, in accordance with the role of each. With this in mind, Enel requests that each stakeholder deal with it in accordance with principles and rules based on a similar idea of ethical conduct.

**Validity and application of the code**

The code of ethics applies to Enel SpA and to its subsidiaries, meaning that it is binding for the conduct of all the employees of those companies. In addition, Enel requests that the conduct of all associated or investee companies, as well as its chief suppliers, comply with the general principles of the present code.

The code of ethics is valid both in Italy and abroad, albeit in accordance with the cultural, social and economic differences in the various countries where Enel operates.

## 2. General principles

### 2.1 Impartiality

In decisions that influence relations with its stakeholders (the choice of customers to be served, relations with shareholders, personnel management or work organization, the selection and management of suppliers, relations with the surrounding community and the institutions which represent it), Enel avoids all forms of discrimination based on the age, gender, sexual preference, health, race, nationality, political opinions or religious beliefs of its counterparties.

### 2.2 Honesty

Within the context of their professional activities, Enel employees are required to comply, with all due diligence, with the laws currently in force, as well as the internal code of ethics and regulations.

Under no circumstances may the pursuit of the interests of Enel be used as a justification for dishonest conduct.

### 2.3 Proper conduct in the case of potential conflicts of interest

In the performance of any activity, situations in which the parties involved in the transactions have or appear to have a conflict of interest must always be avoided. This means not only situations in which the employee pursues an interest that differs from Enel's mission or the balancing of the interests of the stakeholders, but also situations in which he or she takes personal advantage of Enel's business opportunities, as well as situations in which the representatives of customers or suppliers, or of public institutions, act in contrast to the fiduciary duties connected with their positions in their relations with Enel.

### 2.4 Confidentiality

Enel guarantees the confidentiality of the information in its possession, and it refrains from searching for confidential data, except in cases where express and informed authorization has been granted and in compliance with legislation currently in force. In addition, Enel employees are prohibited from using confidential information for purposes not tied to the exercise of their activities, as in the case of insider trading.

### 2.5 Relations with shareholders

Shareholders, both current and potential, are not merely a source of financing, but holders of various types of opinions and moral preferences. In order to reach

decisions on investments and company resolutions, they must receive all the relevant information available.

Enel creates conditions under which the participation of shareholders in decisions affecting their interests is widespread and informed. It also promotes parity of information, in addition to safeguarding the interests of Enel and of all the shareholders from actions undertaken by coalitions of shareholders for the purpose of seeing their specific interests prevail.

#### **2.6 Safeguarding shareholder value**

Enel works to ensure that its economic/financial performance both safeguards and increases its value, in order to provide an adequate return for the risk taken by the shareholders investing their own capital.

#### **2.7 The value of human resources**

The employees of Enel are an indispensable factor in its success.

With this in mind, Enel defends and promotes the value of its human resources, so as to improve and augment the assets and competitive force represented by the skills possessed by each employee.

#### **2.8 Equitable exercise of authority**

In endorsing and managing contractual relations which entail the establishment of hierarchical relations – in particular with employees – Enel undertakes to ensure that the authority is exercised in a fair and correct manner, without abuse of any form.

In particular, Enel guarantees that authority shall not lead to any exercise of power that proves detrimental to the dignity or independence of an employee, and that decisions involving the organization of working activities shall safeguard the value of employees.

#### **2.9 Integrity of the individual**

Enel guarantees the physical and psychological integrity of its employees, with working conditions that respect the dignity of the individual and workplaces that are safe and healthy.

It follows that requests or threats designed to lead individuals to commit acts that are against the law or the code of ethics, or to act in a manner detrimental to the moral or personal convictions or preferences of anyone else, are not tolerated.

**2.10 Transparent and complete information**

Enel employees are required to supply complete, transparent, understandable and accurate information, in such a way that the stakeholders, in establishing their relations with the Group, are able to reach independent, informed decisions regarding the interests involved, the alternatives and any significant consequences. In formulating any contracts, in particular, Enel takes care to specify to the other party to the contract, in a clear and understandable way, the conduct to be followed under all foreseeable circumstances.

**2.11 Diligence and precision in the performance of tasks and contracts**

Contracts and work assignments must be carried out in accordance with the points agreed to in an informed manner, by the parties involved. Enel undertakes not to exploit conditions of ignorance or incapacity affecting its parties.

**2.12 Correct and fair conduct in any renegotiation of contracts**

Situations are to be avoided in which anyone acting in the name or on behalf of Enel attempts to take advantage of contractual shortcomings in existing relations, or any other unforeseen circumstances, in order to renegotiate a contract, for the sole purpose of exploiting a position of dependency or weakness in which the party happens to find itself.

**2.13 Quality of services and products**

Enel's activities are oriented towards satisfying and safeguarding its customers, with attention being paid to any requests that might lead to an improvement in the quality of products and services.

For this reason, Enel gears its activities of research, development and marketing towards achieving high standards of quality for its services and products.

**2.14 Fair competition**

Enel intends to defend the principle of fair competition, refraining from conduct that proves collusive or predatory, or represents an abuse of a dominant position.

### **2.15 Responsibility towards the community**

Enel is aware of the influence, both direct and indirect, which its activities can have on the conditions, economic and social development and general well-being of the community, as well as the importance of obtaining social acceptance in the communities where it operates.

With this in mind, Enel intends to conduct its investment activities in an environmentally sustainable manner, respecting local and national communities while supporting initiatives of cultural and social value in order to further improve its reputation and acceptance by society at large.

### **2.16 Environmental protection**

The environment is a primary resource that Enel is committed to defending. To this end, in planning its activities, it seeks to strike a balance between economic initiatives and vital environmental concerns, in consideration of the rights of future generations.

Enel is working to improve the impact of its activities on the environment and the countryside, in addition to taking preventive action against risks facing the population and the environment, not only by complying with regulations, but also by taking into account the development of scientific research and the best practices in the field.

## 3. Criteria of conduct

### Section I.

#### Criteria of conduct in relations with shareholders

##### 3.1 Corporate governance

Enel SpA employs a system of corporate governance that complies with the provisions of law and the rules and regulations of the CONSOB, in addition to complying with the Corporate Governance Code – which Enel SpA has adopted voluntarily – and with international best practices.

This system of corporate governance is directed at:

- > maximizing shareholder value;
- > ensuring service quality for customers;
- > controlling business risks;
- > ensuring transparency with the market;
- > reconciling the interests of all the different components of the shareholder base, with particular attention for small shareholders.

The rules and regulations, obligations and standards of conduct which allow the governance structures to achieve these objectives are described below.

##### The general meeting of shareholders of Enel SpA

The general meeting of shareholders is the key moment for establishing a fruitful dialogue between the shareholders and the Board of Directors.

To this end:

- > directors shall participate in the proceedings of the general meetings;
- > specific measures are envisaged to facilitate the collection of proxies from Enel employees who are shareholders, thereby facilitating their involvement in the decision-making processes of the general meeting;
- > a special set of regulations has been adopted to guarantee that the general meetings are held in a well ordered and efficient manner, in compliance with the fundamental right of each shareholder to request clarification regarding the different topics discussed and to express his or her own opinion and formulate proposals.

##### The Board of Directors of Enel SpA

##### The role of the Board of Directors

The Board of Directors is assigned the functions and the responsibility for formulating strategic and organizational guidelines, as well as for confirming that the controls needed to monitor operations are in place.

Within this context, the Board of Directors:

- > grants and revokes powers to the Chief Executive Officer, setting their limits and the procedures for their exercise;
- > periodically receives, as does the Board of Statutory Auditors, an exhaustive report from the Chief Executive Officer regarding the activities performed in exercising those powers, with a particular focus on atypical, unusual or related-party transactions whose approval is not a prerogative of the Board of Directors;

- > establishes, on the basis of proposals formulated by the committee organized for the purpose, and after hearing the opinion of the Board of Statutory Auditors, the compensation of the Chief Executive Officer and other directors with special duties;
- > determines the general organizational structure of Enel SpA, together with the corporate structure of Enel, ensuring that they are adequate to meet the general business objectives;
- > examines and approves the strategic, industrial and financial plans;
- > examines and approves operations of significant economic or financial importance, especially if these are carried out with related parties or otherwise represent a potential conflict of interest;
- > issues instructions on the exercise of voting rights at the general meetings of the subsidiaries of Enel SpA, in particular regarding the approval of the financial statements, the appointment of members of the Board of Directors and the Board of Statutory Auditors, modifications in the bylaws and extraordinary corporate operations;
- > oversees the general course of corporate operations, in particular with regard to situations of conflict of interest, using the information received from the Chief Executive Officer and from the Internal Control Committee and periodically controlling the achievement of the programmed results;
- > reports to the shareholders at the general meeting.

The directors of Enel SpA are all required:

- > to take an active role in carrying out their assignments, thereby enabling the companies to benefit from their skills;
- > to participate in the meetings of the Board of Directors on a regular basis;
- > to report any situations in which they have a personal interest or represent an interest on behalf of a third party, abstaining from participation in the decision-making of the Board of Directors in such situations;
- > to report any situation of conflict of interest which involves them;
- > to keep any document and information acquired in the performance of their duties confidential and to comply with the procedure for disclosing such information;
- > to give the interests of Enel priority over the special interests of individual shareholders.

### **Appointment of the Board of Directors**

In order to ensure maximum transparency, the procedure for the appointment of the Board of Directors is structured as follows:

- > lists of candidates shall be deposited at the company's registered office (accompanied by detailed information regarding their personal and professional

characteristics and by an indication of their eligibility, if any, to qualify as independent directors), and they are also published in daily newspapers with national circulation and on the Internet site, at least 10 days before the date set for the general meeting;

- > the electoral system is based on the "list voting" mechanism, which is designed to guarantee that the Board of Directors includes members designated by minority shareholders.

Under the provisions of the Privatization Law (Law 474/1994), the Ministry for Economic Affairs and Finance has the power to appoint a director regardless of whether it has any shareholding in Enel SpA.

#### **Non-executive and independent board members**

The Board of Directors is composed of non-executive members (meaning that they hold no operating powers and/or management functions within Enel) to ensure that their number and authority shall carry significant weight in the decisions taken by the Board.

Non-executive board members contribute their specific know-how to the Board's discussions, in this way favoring an examination of the topics being discussed from different points of view, so as to arrive at decisions that are considered, informed and in line with the interests of Enel.

An adequate number of non-executive board members are also independent.

Independent board members are considered to be those who:

- (a) do not have or have not recently had economic dealings with Enel SpA, with its subsidiaries, with executive directors or with the controlling shareholder to an extent that such relations might affect the independence of their judgment;
- (b) do not possess equity investments of such a size that they are able to exercise control or a significant influence over Enel SpA, including cases where such power is exercised through participation in shareholders' agreements;
- (c) are not close relatives of executive directors or persons in the situations described in points (a) and (b) above.

To this end, the Board of Directors of Enel SpA periodically evaluates the independence of its members on the basis of the information provided by the directors involved. The outcome of this assessment is disclosed to the market. It is felt that the condition of independence referred to above represents an appropriate means for ensuring adequate reconciliation of the interests of all the components of the shareholder base and satisfaction of the expectations of the financial market.

### **The Chairman of the Board of Directors**

The Chairman of the Board of Directors:

- > calls Board meetings, ensuring that the members of the Board are provided with the documentation and information needed to allow the Board to express an informed opinion on the topics submitted for its attention and approval. Such information shall be provided a reasonable amount of time in advance of the meeting, unless reasons of necessity or urgency make this impossible; in particular, the Board of Directors is to have at its disposal exhaustive information on any atypical, unusual or related-party transactions;
- > coordinates the activities of the Board of Directors and directs its meetings;
- > verifies implementation of Board resolutions, chairs the general meeting of shareholders and acts as legal representative of Enel SpA;
- > participates in the development of corporate strategies, in agreement with the Chief Executive Officer, without prejudice to the powers in this area granted to the latter by the Board of Directors;
- > supervises auditing activities in agreement with the Chief Executive Officer, without prejudice to the latter's authority over the internal Audit Department of Enel SpA; the appointment and dismissal of the head and senior managers of the internal Audit Department are carried out jointly by the Chairman and the Chief Executive Officer.

### **Compensation of top management and stock options**

A Compensation Committee has been established within the Board of Directors. Its task is to formulate proposals for the Board regarding the compensation of the Chief Executive Officer and other directors with special duties, in addition to setting the criteria for the compensation of the top management of Enel on basis of the indications of the Chief Executive Officer.

As one of its prerogatives, the Compensation Committee plays a leading role in the implementation, on a corporate level, of special stock option plans designed to serve as a performance incentive and loyalty enhancer to attract and motivate human resources of adequate skill and experience, further developing their sense of belonging while ensuring that, over time, they are constantly oriented towards creating value.

Enel ensures that the public is informed of the characteristics of the stock option plans by including a detailed description of such plans in the financial statements and by the timely issue of press releases, which can also be found on the corporate Internet site.

### **The Internal Control Committee**

An Internal Control Committee has been also established within the Board of Directors. It has an advisory function and makes proposals, in addition to carrying out the following specific assignments:

- > assisting the Board of Directors in establishing the guidelines for the internal control system and periodically assessing its adequacy and effective operation;
- > evaluating the audit plan prepared by the head of the Audit Department of Enel SpA, who shall make periodic reports;
- > evaluating, together with the administrative heads of Enel SpA and the auditing firm, the adequacy of the accounting policies used and their harmonization for the purposes of preparing the consolidated financial statements;
- > evaluating the proposals formulated by the outside auditing firm to obtain the engagement, as well as the plan for audit activities and the results illustrated in its report and opinion;
- > reporting periodically to the Board of Directors regarding the activities performed and the adequacy of the internal control system;
- > performing whatever additional tasks are assigned by the Board of Directors, especially as regards relations with the outside auditing firm; it also proposes to the Board of Directors the criteria to be used in selecting the outside auditing firm.

The Internal Control Committee is also assigned the tasks of implementing and controlling the code of ethics, as indicated in section 4.1.

### **Internal control system**

In the area of internal control, Enel employs a special system that is responsible for (a) ensuring that the various corporate processes are adequate in terms of their effectiveness, efficiency and economic optimisation; (b) guaranteeing the reliability and correctness of accounting records and safeguarding corporate assets and (c) ensuring that operating procedures comply with internal and external rules and regulations, as well as corporate directives and guidelines designed to guarantee sound and efficient operations.

Within Enel, the internal control system takes the form of two distinct types of activities:

- > “line controls”, consisting of all the control activities which the individual operating units of Enel perform with respect to their own processes. Such control activities are under the primary responsibility of the operating management and are considered an integral part of each corporate process;
- > internal auditing, designed to identify and contain corporate risks through monitoring of the line controls. The auditing activities of Enel SpA extend to all corporate processes; those responsible for the process in question are in charge of implementing corrective actions.

Responsibility for the internal control system lies with the Board of Directors, which – with the assistance of the Internal Control Committee – sets guidelines and periodically verifies the adequacy and effective operation of the system, ensuring that the main business risks are identified and managed appropriately, using external consultants where appropriate.

The Chief Executive Officer of Enel SpA is responsible for implementing the guidelines set by the Board of Directors by designing, managing and monitoring (together with the Chairman) the internal control system. The Chief Executive Officer, in agreement with the Chairman, appoints the head of auditing for Enel SpA and ensures that sufficient resources are available for the performance of auditing functions.

The head of auditing for Enel SpA is not a subordinate of any of the heads of the operating sectors, coordinates the operations of the departments responsible for internal control at subsidiaries and regularly reports on the performance of these duties to the Chief Executive Officer of Enel SpA, to the Internal Control Committee and to the Board of Statutory Auditors.

The Audit and Internal Control Departments are also responsible for implementing and monitoring compliance with the code of ethics, as indicated in section 4.2.

### **The Board of Statutory Auditors of Enel SpA**

The procedure for the appointment of the Board of Statutory Auditors is designed to guarantee the maximum transparency. In particular:

- > the lists of candidates are deposited at the Company's registered office (accompanied by detailed information regarding their personal and professional characteristics, as well as positions held in the past), and they are also published in daily newspapers with national circulation and on the Internet site, at least 10 days before the date set for the general meeting;
- > a list voting mechanism is used to elect the members of this body pursuant to the provisions of law and the bylaws.

### **The outside auditing firm**

Auditing the financial statements of Enel SpA and the consolidated financial statements is incompatible with the performance of consulting work for Enel SpA or any subsidiary; this incompatibility extends to the entire network of the outside auditing firm, including all companies or professional firms that are associates, partners or in any other way connected to it.

The auditing of the financial statements of any subsidiary of Enel SpA, as well as the sustainability report and environmental report, is not incompatible with consulting work. Nevertheless, in order to ensure the full independence of judgement of the company engaged to perform such audits, the Internal Control Committee shall authorize any eventual consulting engagements to be awarded to such auditing firm or its network (as identified above).

### 3.2 Market transparency

In the pursuit of its mission, Enel ensures that all decisions it takes are fully transparent. It therefore adopts organizational and management models to ensure the accuracy and veracity of corporate communications (financial statements, periodic reports, information prospectuses, etc.) and to prevent the commission of corporate offenses such as accounting fraud, market manipulation, false reporting to regulators, etc..

Enel also supplies all the information needed by investors to make decisions that are based on corporate strategic choices, operational performance and the expected return on invested capital.

All financial communications effected by Enel are characterized not merely by compliance with the relevant rules and regulations, but also by language that is easy to understand, together with information that is thorough, timely and uniform for all investors.

In addition, Enel undertakes to arrange for all institutional investors and financial analysts:

- > two presentations on the occasion of the announcement of first-half and annual results and two conference calls at the time of the approval of the reports for the first and third quarters each year. Any appropriate additional financial communication initiatives (conference calls, video conferences, web conferences, presentations or other events) shall be taken on the occasion of any extraordinary operations, so as to guarantee uniform and timely information (normally on the same day as approval of the operations) for the entire financial community;
- > institutional road shows for the presentation of the strategic guidelines and the economic analyses drawn up by top management;
- > a transparent policy towards all financial analysts and institutional investors, so as to update them on the degree to which Enel's strategy is being enacted and its performance. Any additional information that should emerge during such encounters is made public to all investors, without delay, through press releases, given that it could affect trading on the stock exchange.

Communications to small shareholders are based on the following elements:

- > uniformity of information provided to institutional investors and small shareholders. To this end, the financial statements, the periodic obligatory reports, the summaries of conference calls and road shows, plus all communications in general meant for institutional investors are also available on the Internet;
- > simultaneous communication of the information supplied to institutional investors, ensured by placing the information provided to the latter on the Internet site;

> the use of dynamic Web communications tools (the possibility of requesting information by e-mail etc.).

### **3.3 Control of price-sensitive information**

The Chief Executive Officer of Enel SpA handles the management of confidential information on the basis of a procedure – approved by the Board of Directors – for the internal management and the external communication of documents and information regarding Enel, in particular with regard to price-sensitive information. Employees of Enel shall avoid conduct which might facilitate insider trading, including by third parties.

The members of the Board of Directors and the Board of Statutory Auditors, department heads, executives, members of the outside auditing firm and – in general – anyone with access to information not available to the public and capable of influencing the share price (including that of shares other than those issued by Enel) may not use this information to trade in shares of Enel or of listed companies whose performance may be influenced by Enel. In order to ensure maximum transparency, detailed procedures for internal dealing in line with the best international practices have been adopted.

Enel shares held by the members of the Board of Directors and the Board of Statutory Auditors, as well as the General Manager of Enel SpA, are published in the annual financial statements, together with any purchases or sales made in the course of the year by these individuals.

## Section II.

### Criteria of conduct in relations with all other parties

#### 3.4 Information processing

Information on stakeholders is processed by Enel with full respect for the confidentiality and privacy of the parties involved.

To this end, specific policies and procedures for the protection of information are applied and kept constantly up to date.

Specifically, Enel:

- > has established an organizational structure for the processing of information that ensures the proper separation of roles and responsibilities;
- > classifies the information by increasing levels of sensitivity, adopting appropriate countermeasures for each phase of processing;
- > requires third parties involved in the processing of the information to sign confidentiality agreements.

#### 3.5 Gifts, free articles and benefits

Any form of gift which exceeds or be construed as exceeding normal commercial practices or courtesy or which is in any way meant to obtain favorable treatment in the pursuit of any activity tied to Enel, is prohibited. In particular, all forms of gifts to public officials in Italy or abroad, auditors, directors of Enel SpA and its subsidiaries, members of the Board of Statutory Auditors or to their family members, capable of influencing their independence of judgement or obtaining any type of advantage are prohibited.

This rule, to which there shall be no exceptions even in those countries where offering gifts of value to commercial partners is a custom, regards both gifts promised or offered and those received. The term "gift" refers to any type of benefit (participation in conferences free of charge, the promise of a job offer etc.). In all cases, Enel refrains from practices not permitted by the law, commercial practice or the ethical codes – assuming these are known – of the companies or entities with which it has relations.

The free articles offered by Enel are meant to promote the brand image of Enel. Any gifts given – with the exception of those of modest value – must be documented in such a way that checks may be performed, in addition to being authorized by the department head, who shall see that prior communication of the fact is made to the Enel SpA Audit Department.

Employees of Enel who receive free articles or benefits that do not fall under the authorized categories are required to notify the Audit Department of Enel SpA under the established procedures, which shall evaluate whether the conduct is appropriate, in addition to notifying the giver of Enel's policy on the subject.

### **3.6 External communications**

Enel's communications to its stakeholders (including those made through the mass media) are formulated in respect of the right to information; under no circumstances is the communication of false or biased information or comments permitted.

All communications comply with the law, rules and practices of professional conduct and must be made in a clear, transparent and timely manner, safeguarding, among other elements, price-sensitive information and industrial secrets. All forms of pressure on the mass media, or attempts to obtain favors from the same, shall be avoided.

All press releases are published at [www.enel.it](http://www.enel.it) in order to ensure maximum access. In addition to offering the online activation of services, the Enel portal contains a number of thematic channels providing in-depth information on issues related to Enel's core business (the environment, ecology, the science and geoeconomics of energy resources, and so on) and enabling exchange and debate with stakeholders.

To guarantee that information is complete and consistent, Enel's media relations are maintained exclusively with the coordination of the departments assigned to the task.

Enel takes part in conferences, seminars and roundtables, and it permits the publication of scientific, technical, social or economic works on its activities, in accordance with the following general rules of conduct:

- > participation in any given conference of a limited number of Enel employees;
- > prior notification of the Communication Department of Enel SpA.

## **Chapter I.**

### **Criteria of conduct in relations with employees**

### **3.7 Recruitment**

The evaluation of personnel to be hired is performed on the basis of the degree to which the candidate's profile corresponds to the characteristics being sought and to the company's needs, and in compliance with the principle of equal opportunity for all the individuals involved.

The information requested is strictly related to verification of possession of the professional and psychological-aptitudinal characteristics being sought, with the utmost respect for the candidate's private sphere and opinions.

The personnel department, within the limits of the available information, takes appropriate measures to avoiding instances of favoritism, nepotism or cronyism

during the selection and hiring phases (for example, by ensuring that the individual making the selection has no family ties with the candidate).

Enel SpA does not offer contracts of free-lance or salaried employment to employees of companies that perform the compulsory audit of its financial statements during the 36 months that follow:

> the expiration of the contract between Enel SpA and the outside auditing firm in question

or

> at the end of the contractual relationship between the employee and the independent auditing firm.

The rule extends to all subsidiaries of Enel SpA.

### **3.8 Establishment of the employment relationship**

Personnel is hired with regular employment contracts; no form of irregular employment is tolerated.

At the time the employment relationship is established, each employee receives accurate information regarding:

> the characteristics of the function and the tasks to be performed;

> rules of employment and salary considerations, as governed by the national collective bargaining contract;

> regulations and procedures to be adopted in order to avoid possible health risks associated with his or her duties.

This information is presented to the employee in such a way that acceptance of the job is based on an effective understanding of the information.

### **3.9 Human resource management**

Enel avoids all forms of discrimination against its employees.

During the personnel management and development phases, as well as in the selection process, the decisions taken are based on whether the required job profile corresponds to the employee's characteristics (in the case of promotion or transfer, for example) and/or on considerations of merit (for example, the awarding of incentives on the basis of the results achieved).

Access to roles and positions is also determined by considering expertise and ability. Flexible forms of work organization are established to facilitate the management of periods of maternity, as well as child care in general, wherever such an approach is compatible with the overall efficiency of work.

Evaluations of employees are performed in a broad manner, with the involvement of

superiors, the personnel department and, to the extent it proves possible, those individuals who have had dealings with the person being evaluated. Within the limits of the available information and respecting the individual's privacy, the personnel department seeks to prevent all forms of nepotism (for example, by excluding the possibility of direct hierarchical relationships between employees with family ties).

**Disclosure  
of personnel  
policies**

Personnel management policies are made available to all employees by means of the instruments of corporate communications (intranet, corporate Web TV, organizational documents and communications of managers).

**Optimization  
and training of  
human resources**

Managers deploy and optimize all the professional skills present in the structure by using all available means to foster the development and growth of their employees (for example, job rotation, mentoring by expert personnel and the handling of positions leading to greater responsibility).

In the course of the above activities, it is particularly important that managers communicate all the strengths and weaknesses of the employees in order for the latter to be able to improve their skills through focussed training.

Enel places both in-house and distance information and training instruments at the disposal of all its employees for the purpose of optimizing specific skills and maintaining the professional value of personnel.

Training is assigned to groups and individual employees on the basis of their specific needs in the area of professional development; in addition, distance training (supplied through Internet, intranet or CD), which is not assigned directly, may be utilized by each employee outside of normal working hours, in accordance with his or her individual interests. Official corporate training is provided at selected moments in the career of the employee (newly hired workers, for example, are introduced to the company and its business), while operating personnel receive recurrent training.

The training history of each employee is recorded in the personnel information system in order to gauge the level at which the training is being used while designing the subsequent training processes.

**Management  
of the working  
time of  
employees**

Each manager is required to optimize the working time of the employees by seeing that their performance coincides with the exercise of their assigned tasks and with work organization plans.

Requests for services, personal favors or any other forms of conduct that violate the present code of ethics presented as if they were acts that must be carried out for a superior constitute an abuse of a position of authority.

### **The involvement of employees**

The involvement of employees in the performance of their work is encouraged in various ways, including the arrangement of occasions where they can take part in discussions and decisions that serve to achieve corporate goals.

Employees must take part in such exercises in a spirit of cooperation and independent judgment.

By listening to various points of view, while keeping in mind corporate needs, managers can arrive at final decisions. In any event employees must always play a role in the implementation of the planned activities.

#### **3.10 Changes in the organization of work**

In cases where work activities are reorganized, the value of human resources must be safeguarded by undertaking, wherever necessary, training and/or professional retraining activities.

To this end, Enel follows the criteria listed below:

- > the burden of work reorganization must be distributed as evenly as possible between all the employees, so as to ensure an effective and efficient performance of the Group's activities;
- > in cases where new or unforeseen situations have to be dealt with, the employee may be assigned to tasks which differ from those performed previously, though care must be taken to ensure that his or her professional capacity is safeguarded.

#### **3.11 Health and safety**

Enel is committed to disseminating and reinforcing a culture of safety, developing an awareness of risks while promoting responsible conduct on the part of all employees. In addition, it works to preserve, mainly through preventive activities, the health and safety of workers, as well as the interests of other stakeholders.

The objective of Enel is to protect its human resources, capital and financial assets by constantly searching to achieve the necessary synergies not only inside the companies but also with the suppliers, companies and customers involved in its activities.

For this purpose, a well-developed internal structure, attentive to the ongoing development of the reference scenarios, and the subsequent changes in the types of risks, carries out technical and organizational initiatives involving:

- > the introduction of a fully integrated system for the management of risks and safety;
- > a continuous analysis of risks and elements of critical importance in the processes and resources to be protected;

- > the utilization of the best technologies available;
- > the control and updating of the work methodologies;
- > the organization of communications and training initiatives.

In addition, Enel works to achieve continuous improvements in the efficiency of the corporate structures and processes that contribute to the continuity of the services rendered, as well as to national security in general, with this being done through participation in civil defense activities.

### **3.12 Safeguarding of privacy**

The privacy of employees is safeguarded through the utilization of standards that specify the information that Enel requests from employees, together with the procedures under which such information is processed and preserved.

Investigations into the personal beliefs, preferences and tastes of the employees, or their private lives in general, are not allowed. The above standards also prohibit the communication or disclosure of personal data without the prior consent of the interested party, except in the cases provided for under law. They also set rules for the control, by each employee, of the measures protecting privacy.

### **3.13 Integrity and defense of individuals**

Enel undertakes to safeguard the moral integrity of employees, ensuring their right to working conditions that respect the dignity of the individual. With this in mind, it protects workers from acts of psychological violence and opposes any attitudes or form of behavior that results in discrimination or injury of the individual or of his or her convictions or preferences (for example, in the case of insults, threats, isolation or excessive invasion of privacy, as well as professional limitations).

Sexual harassment is not permitted, nor are any forms of behavior or speech which might disturb the feelings of individuals (for example, the exposition of images with explicit sexual references or insistent and continual sexual allusions).

An Enel employee who believes that he or she has been subjected to harassment or discrimination for motives tied to age, gender, sexual preferences, race, state of health, nationality, political opinions and religious beliefs etc. may report the fact to the company, which shall evaluate whether a violation of the code of ethics has occurred. Disparities that have been justified, or are subject to justification, under objective criteria are not, however, considered instances of discrimination.

The personnel department prepares periodic statistical analyses which make it possible to determine whether or not specific groups are being discriminated

against; these findings are made available to top management, the Audit Department and the Joint National Equal Opportunities Commission.

### 3.14 Duties of employees

Employees must act in good faith to meet the obligations undertaken when signing their contract of employment, as well as the provisions of the code of ethics, while supplying the services requested. They are also required to report through the appropriate channels any violations of the rules of conduct established in internal procedures.

#### **The management of information**

Employees must know and enforce corporate policies on information security, in order to guarantee the integrity, confidentiality and availability of information. In drawing up their own documents, they are required to utilize clear, objective and complete language, agreeing to eventual controls by fellow workers, superiors or outside parties authorized to make such requests.

#### **Conflicts of interest**

All Enel employees are required to avoid situations which can lead to conflicts of interest and to refrain from personally taking advantage of business opportunities that they may learn of in the performance of their functions.

Examples of situations that can give rise to a conflict of interest include:

- > holding a senior position (Chief Executive Officer, director, department head) and maintaining economic interests with suppliers, customers or competitors (ownership of shares, holding of professional positions etc.), including those resulting from family ties;
- > handling relations with suppliers and performing working activities for the same suppliers, even if the work activities are performed by a relative;
- > accepting money or favors from individuals or companies that have, or intend to have, business relations with Enel.

Should even the appearance of a conflict of interest arise, the employee is required to notify his or her superior, who, in accordance with the appropriate procedures, shall inform the Audit Department of Enel SpA, which evaluates whether there is a conflict, looking at each individual case. The employee is also required to supply information regarding the activities performed outside of working hours in the event that the latter may appear to create a conflict of interest with Enel.

#### **The use of corporate resources**

Employees are required to make every effort to safeguard corporate assets by acting responsibly and in compliance with the operating procedures established to govern use, which must be documented in a precise manner. In particular, each employee must:

- > use the assets assigned to him or her in a careful and efficient manner;
- > avoid improper uses of corporate assets that might damage or reduce the efficiency of the assets, or which conflict with the interests of Enel.

Each employee is responsible for protecting his or her assigned resources and is required to report immediately any threats or events that might prove damaging to Enel, notifying the units in charge of such matters.

Enel reserves the right to prevent distorted uses of its own assets and infrastructures through the utilization of systems of accounting, reporting, financial control and analysis and risk prevention, all in compliance with the provisions of the relevant laws (the law on privacy, the workers' charter etc.).

As regards computer applications, employees are required:

- > to comply carefully with corporate security policies in order to avoid compromising the functional efficiency and protection of IT systems;
- > to refrain from sending e-mail messages that are threatening or insulting, that contain vulgar language or inappropriate comments which might offend people and/or damage the corporate image;
- > not to visit Internet sites whose contents are improper and offensive.

## **Chapter II.**

### **Criteria of conduct in relations with customers**

#### **3.15 Impartiality**

Enel undertakes not to subject its customers to arbitrary discrimination.

#### **3.16 Contracts and communications to customers**

Contracts and communications to Enel customers (including advertising messages) must be:

- > clear and simple, formulated in a language as similar as possible to that normally used by the parties (in the case of customers from the general public, for example, avoiding clauses that can only be understood by experts, listing prices with VAT included and illustrating all costs clearly);
- > drawn up in accordance with the rules and regulations currently in force, without resorting to elusive or improper practices (such as, for example, the use of vexatious procedures or contractual clauses);
- > complete, so as to avoid neglecting any item of relevance to the customer's decision;

> available on the corporate Internet sites.

The purposes and recipients of the communications determine, on each occasion, which channel of contact (bill, telephone, daily newspapers, e-mail) is best suited to the transmission of the contents, without resorting to the use of excessive pressure or insistence, and undertaking not to use advertising instruments that are misleading or untruthful.

Finally, Enel shall see to it that timely communication is made of all information regarding:

- > any contract modifications;
- > any variations in the economic or technical conditions for the performance of services and/or sales of products;
- > the outcome of evaluations performed in compliance with the standards required by the regulatory authorities.

### **3.17 Conduct of employees**

The Enel style of conduct in dealing with customers revolves around a willingness to serve, combined with respect and courtesy, all within a relationship of respect and professionalism. What is more, Enel undertakes to limit the formalities which its customers are required to fulfil and to utilize payment procedures that are simple, secure and, whenever possible, computerized and performed without additional charges.

### **3.18 Quality control and customer satisfaction**

Enel undertakes to guarantee adequate standards of quality for the services/products offered, in keeping with pre-set levels, and to periodically monitor the results in terms of perceived quality.

### **3.19 Involvement of customers**

Enel undertakes always to respond to suggestions and complaints made by customers or consumer associations, doing so by means of appropriate and rapid systems of communications (for example, call-center services, e-mail addresses) and paying particular attention to disabled customers. Enel is responsible for informing customers that their communications have been received and for letting them know how much time is needed for the response, which must in any event be given rapidly.

To the extent possible, Enel undertakes to consult consumer associations on projects that will have a significant effect on customers (the layout of bills, information on price options etc.).

To ensure that the above standards of behavior are respected, an integrated control system monitors employee conduct and procedures that govern relations with customers and consumer associations.

### **Chapter III.**

#### **Criteria of conduct in relations with suppliers**

##### **3.20 Choice of supplier**

Purchasing processes are designed to obtain the maximum competitive advantage for Enel while granting equal opportunity to all suppliers. They are also based on precontractual and contractual conduct characterized by the essential and reciprocal elements of good faith, transparency and collaboration.

In particular, Enel employees assigned to these processes are required to:

- > refrain from denying anyone in possession of the specified prerequisites the possibility of competing for contracts, adopting objective criteria subject to documentation;
- > ensure a sufficient level of competition in every tender, by taking into consideration, for example, at least three enterprises when selecting a supplier; any exceptions must be authorized and documented.

In a number of merchandise categories, Enel draws on a list of suppliers whose criteria of qualification do not constitute an access barrier. The key prerequisites for Enel are:

- > an appropriately documented availability of resources, including financial assets, plus organizational structures, planning capabilities and resources, know-how etc.;
- > the existence and effective implementation of adequate corporate quality systems (for example, ISO 9000), in cases where Enel specifications call for such systems;
- > in cases where the supply includes know-how or rights belonging to third parties, procurement by the supplier of a significant share of value added.

In any case, if in the performance of its activities on behalf of Enel a supplier should act in a manner inconsistent with the general principles of the present code of conduct, Enel may take all appropriate action, including refusing to work with such supplier in the future.

### 3.21 Integrity and independence in relations

Enel's relations with suppliers are governed by common principles and subject to constant monitoring by Enel SpA.

These relations include financial and consulting contracts.

The signing of a contract with a supplier must always be based on extremely clear relationships, avoiding, wherever possible, forms of dependence. For example:

- > any contract for an estimated sum that is greater than 50% of the supplier's turnover must be communicated to Enel SpA in accordance with the established procedures;
- > as a rule, binding, long-term projects with short-term contracts that require continuous renewals involving price revisions are avoided, as are consulting contracts that do not include an adequate transfer of know-how etc.;
- > it is improper to convince a supplier to enter into a disadvantageous contract by holding out the possibility of a more advantageous contract in the future.

To guarantee the utmost transparency and efficiency in the purchasing process, each company shall take steps to ensure:

- > the rotation of staff assigned to purchasing, as a rule every three years (any exceptions must be reported to Enel SpA in accordance with the established procedures);
- > the separation of roles between the unit requesting the supply and the unit signing the contract;
- > adequate capacity to track the decisions made;
- > keeping of information, together with official tender and contractual documents, for the periods established under the regulations currently in force and referred to in the internal purchasing procedures.

Finally, in order to ensure transparency in its relationships, Enel has a system to monitor the ownership structure of its suppliers.

### 3.22 Ethical behavior in procurement

In the interest of ensuring that procurement activities comply with the ethical principles adopted, Enel undertakes to introduce, for certain supplies, corporate prerequisites (for example, the presence of an environmental management system). Violations of the general principles of the code of ethics trigger disciplinary mechanisms, which are also designed to prevent crimes against the public administration or environmental disasters attributable to the activities of Enel. To this end, special clauses are placed in the individual contracts.

In particular, contracts with suppliers in countries categorized as being "at risk" by

recognized organizations include clauses calling for:

- > self-certification by the supplier of fulfillment of specific social obligations (for example, measures that guarantee the respect of the fundamental rights of workers, principles of equal, non-discriminatory treatment and safeguards involving child labor);
- > the possibility of holding inspections at the production units or the operating offices of the supplying enterprise in order to confirm that these requirements are being met.

## **Chapter IV.**

### **Criteria of conduct in relations with the community**

#### **3.23 Environmental policy**

Enel SpA guarantees that its various subsidiaries shall pursue objectives consistent with the strategic aims regarding the environment.

In order to take advantage of every possibility for synergy, the determination and implementation of environmental policy are handled in a unified, consistent manner. These activities involve:

- > stipulating policies for the environment and for sustainable industrial development;
- > drawing up guidelines for the implementation of environmental policy; these guidelines must be referred to by subsidiaries;
- > identifying indicators and ensuring monitoring and control of the results of the Group's actions in terms of environmental impact;
- > following developments in the environmental legislation of Italy and the European Union, preparing implementation guidelines for subsidiaries;
- > handling relations with organizations, institutes and agencies in the environmental field; promoting, implementing and coordinating understandings and program agreements with similar entities, as well as with government institutions.

Each subsidiary shall have within its ranks key professional figures and/or operating structures responsible for the specific tasks and issues.

#### **3.24 Environmental policy strategies and instruments**

Enel's environmental policy is also backed by the awareness that the environment can represent a competitive advantage in a market that continues to expand and is ever more demanding with regard to quality and conduct.

Enel's strategy revolves around investments and activities that comply with the

principles of sustainable development; in particular:

- > allocating a significant portion of investment to the production of energy from renewable sources;
- > in the context of national and international bodies and programs, promoting activities and forms of behavior that consider the environment to be a factor of strategic importance.

Enel promotes the following instruments of environmental policy:

- > voluntary agreements with environmental and professional institutions and associations;
- > systems of environmental management that are certified under ISO 14001 and the European EMAS regulations (Eco-Management and Audit Scheme), and that are geared towards achieving continuous improvement in environmental services and organization;
- > a system for the periodic reporting of environmental data, designed to ensure control of the performance levels of the various industrial activities;
- > activities designed to increase the environmental awareness and training of employees, with the objective being to spread information on initiatives internally while increasing the know-how and professional skills of employees;
- > programs targeted at customers to promote the rational use of energy;
- > implementation of portals devoted to instilling a “culture” of the environment and to the promotion of local Enel initiatives<sup>2</sup>.

### 3.25 Environmental communications

Enel reports on the implementation of environmental policy and the consistency of the results obtained with the objectives set by publishing an annual environmental report, which is an integral part of the sustainability report. This report illustrates:

- > the most meaningful environmental events (for example, the certification of environmental management systems, the upgrading of plant, voluntary agreements and various types of initiatives for the protection of the environment and the territory);
- > the main environmental results (energy efficiency, development of renewable sources, water use, the reduction of emissions, waste management etc.);
- > the environmental balance (a systematic collection of data from the last five years regarding the consumption of resources, emissions etc.) and indexes (for example, an analysis of the performance of environmental services over time);

<sup>2</sup> See [www.enel.it/ambiente](http://www.enel.it/ambiente) and [www.enel.it/natura](http://www.enel.it/natura)

> the profiles of the subsidiaries of Enel SpA, which highlight their presence in various fields of activity and examine the environmental sector in depth. Enel undertakes to provide access to the environmental information, in compliance with considerations of industrial confidentiality.

### **3.26 Relations with interest groups**

Enel feels that the establishment of a dialogue with associations is of key importance for a proper development of its business activities. With this in mind, it has set up a stable channel of communications with the associations representing its stakeholders for the purpose of cooperating, in accordance with the reciprocal interests of the parties involved, in presenting the positions of Enel and defusing in advance possible situations of conflict.

To this end, Enel:

- > guarantees that it shall respond to the observations of all associations;
- > whenever possible, attempts to involve and inform the most authoritative and representative associations regarding topics that interest specific categories of stakeholders.

### **3.27 Economic relations with political parties, union organizations and associations**

Enel does not finance political parties or their candidates or representatives, either in Italy or abroad, nor does it sponsor conventions or festivities whose sole purpose is that of political propaganda. It refrains from applying any direct or indirect pressure to politicians (for example through concession of the use of Enel structures, acceptance of hiring recommendations, consulting contracts).

Enel does not make contributions to organizations with which conflicts of interest could arise (for example, unions, environmental associations or consumer-defense groups). It does attempt to cooperate with such organizations, both financially and otherwise, on specific projects that comply with the following criteria:

- > goals are related to the Enel mission;
- > the destination of the funding is clear and subject to documentation;
- > express authorization is received from the departments responsible for managing the relations in question within Enel SpA.

### **3.28 Contributions and sponsorship arrangements**

Enel SpA and its subsidiaries have established a non-profit association devoted to

philanthropic activity for children, the elderly and other disadvantaged categories. Accordingly, except in exceptional cases approved by the Chief Executive Officer, Enel does not respond to requests for support, directing such requests to the association. Sponsorships arrangements, which may involve social concerns, the environment, sports, entertainment or the arts, are undertaken only for events that offer guarantees of quality, are of national scope or in any case involve a large number of citizens and in which Enel may participate in the planning, in this way guaranteeing their originality and effectiveness. In any case, as regards the proposals selected, Enel pays particular attention to all possible conflicts of interest, both personal and corporate (for example, family ties with the interested parties or ties with organizations which might, given the tasks they perform, somehow favor the activities of Enel). To guarantee that contributions and sponsorship activities are consistent, they are managed under a specific procedure.

### **3.29 Institutional relations**

All relations with Italian or international institutions are based exclusively on forms of communication designed to evaluate the implications of legislative and administrative activities for Enel, to respond to informal requests or to the acts of inspection bodies (questions, interpellations etc.), or to make known Enel's position on topics that are of relevance to Enel.

To this end, Enel undertakes to:

- > establish, without any form of discrimination, stable channels of communication with all institutional parties at the international, European and local levels;
- > represent the interests and positions of subsidiaries in a transparent, rigorous and consistent manner, avoiding collusive conduct.

In order to guarantee the maximum clarity, contacts with institutional parties take place exclusively through representatives who have been explicitly designated to perform such role by the top management of Enel SpA.

Enel adopts specific organizational models to prevent offences against government departments.

### **3.30 Antitrust and regulatory bodies**

Enel fully and scrupulously observes antitrust regulations, as well as those of the authorities that regulate the market. The subsidiaries of Enel SpA are required to notify the institutional affairs department of Enel SpA of all initiatives undertaken which might be of relevance to antitrust measures.

The international affairs department of Enel SpA issues all Enel companies with guidelines regarding competition, in addition to providing management with the necessary support.

Enel does not refuse, conceal, manipulate or delay submission of any information requested by the antitrust authorities or by the other regulatory bodies in the course of their inspection activities and actively cooperating during any investigative procedures.

To guarantee the maximum transparency, Enel undertakes not to permit the occurrence of any situations of conflict of interest involving the employees of any authority or their family members.

## 4. Implementation procedures

### 4.1 Tasks of the Internal Control Committee regarding the implementation and monitoring of compliance with the code of ethics

The Internal Control Committee is responsible for the following tasks involving the code of ethics:

- > making decisions on serious violations of the code reported by the manager of the Audit Department of Enel SpA;
- > expressing binding opinions on the auditing of the most significant policies and procedures, so as to guarantee that they prove consistent with the code of ethics;
- > periodically review the code of ethics.

To this end, the Committee evaluates:

- > the plans for communications and training in ethics;
- > the sustainability report;
- > the audit plan and periodic reports drawn up by the head of the Audit Department of Enel SpA.

### 4.2 Tasks of the Audit Department of Enel SpA

The head of the Audit Department of Enel SpA is assigned the following tasks:

- > confirming that the code of ethics is applied and respected through ethical auditing activities that consist of controlling and promoting ongoing improvement in the area of ethics within Enel. This is to be accomplished by means of an analysis and evaluation of the processes designed to control ethical risks;
- > monitoring initiatives meant to increase awareness and understanding of the code of ethics; in particular:
  - > guaranteeing the development of communications and ethical training;
  - > analyzing proposals for the revision of corporate procedures and policies with a significant impact on corporate ethics, together with the formulation of possible solutions to be submitted for evaluation by the Internal Control Committee;
- > receiving and analyzing reports of violations of the code of ethics;
- > confirming that the sustainability report is complete and reliable;
- > proposing to the Internal Control Committee modifications and additions to be made to the code of ethics.

These activities shall be performed with the support of the audit and internal control departments of subsidiaries, as well as the relevant corporate departments, and with unrestricted access to all documentation held to be useful.

#### **4.3 Communications and training**

The code of ethics is brought to the attention of both internal and external stakeholders through specific communications activities (for example, delivery of a copy of the code to all employees, dedicated sections of the corporate intranet, inclusion of a notice of the adoption of the code in all contracts).

In order to ensure that all Enel employees have a correct understanding of the code of ethics, the personnel department prepares and implements an annual training plan focussing on knowledge of ethical principles and standards on the basis of the instructions of the head of the Audit Department of Enel SpA. Training initiatives are differentiated according to the roles and responsibilities of the employees; newly hired personnel undergo special training in the code.

#### **4.4 Reports from stakeholders**

Enel arranges for the establishment of channels of communication through which each stakeholder may submit notifications (for example, units responsible for relations with consumer or environmental associations, suppliers and personnel, plus call centers for customers etc.).

Alternatively, all Enel stakeholders may report, in written, non-anonymous form, any violations or suspected violations of the code of ethics<sup>3</sup> to the Audit Department of Enel SpA, which shall analyze the report, possibly hearing its author and the individual involved in the alleged violation.

The Audit Department of Enel SpA shall take steps to ensure that those making the reports are not subject to any acts of retaliation, meaning actions that may give rise to even the suspicion of discrimination or penalization (in the case of suppliers, for example: interruptions of business relations; in the case of employees: failure to be promoted etc.). In addition, confidentiality is guaranteed with regard to the identity of the individual making the report, unless otherwise required under the law.

<sup>3</sup> Reports may be submitted as follows:

> e-mail: Audit.Enel.Codice.Etico@enel.it; for employees, see corporate intranet

> post: Enel SpA – Funzione audit – Codice Etico. Viale Regina Margherita, 137 00198 Rome, Italy

#### **4.5 Violations of the code of ethics**

The Audit Department of Enel SpA reports violations of the code of ethics that emerge following the reports of stakeholders or ethical auditing activities, in addition to presenting whatever suggestions are held to be necessary:

- > in the most important cases, the reports are made to the Internal Control Committee, which, after an appropriate analysis, notifies the Chief Executive Officer of Enel SpA, or, if necessary, the Board of Directors, of the violations and the measures taken as a result;
- > in other cases, the reports are made directly to the Chief Executive Officer of the subsidiary involved, with a summary report being supplied to the Chief Executive Officer of Enel SpA and to the Internal Control Committee.

The relevant corporate departments, alerted by the Chief Executive Officer of the subsidiary in question, determines the measures to be taken, handling their implementation and reporting on the outcome to the head of the Audit Department of Enel SpA.

#### **4.6 Sustainability report**

Enel undertakes to prepare an annual report on economic, social and environmental responsibility (the sustainability report), in compliance with the best national and international standards.

The sustainability report provides a clear, truthful and correct report of the results obtained in all sectors of relations with stakeholders as regards the principles and commitments entered into under the code of ethics, together with the goals for improvement established periodically.

#### **4.7 Duties of the corporate social responsibility unit**

As regards social responsibility, which takes its inspiration from the code of ethics and is defined as the company's commitment to pursuing sustainable development, the corporate social responsibility unit of the Enel Communication Department is responsible for:

- > ensuring the diffusion of social responsibility, leveraging the Company's commitment to sustainable economic development, especially through cooperation with the competent Enel departments for its promotion;
- > drafting the sustainability report and the related periodic reports;
- > involving stakeholders in identifying sustainability objectives and drawing up the sustainability report;

- > submitting the sustainability report for assessment to the Internal Control Committee;
- > cooperating with the various Enel departments in identifying social responsibility objectives and the development of the resulting projects, as well as cooperating in the development of the business plan on the aspects regarding sustainability.

#### **4.8 Outside audit**

Enel submits its sustainability report to an outside audit performed by an independent, accredited firm. In addition, it takes part in the national and international activities for the formulation of standards and criteria for social responsibility.

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