

A Letter to Our Stakeholders



Our Mission

Enel's mission is to generate and distribute value on the international energy market, to the benefit of the requirements of our customers, the investments of our shareholders, the competitiveness of the countries in which we operate, and the expectations of everyone who works with us. Enel acts in the service of communities, respecting the environment and the safety of people, with the commitment to ensure a better world to coming generations.

During 2009, Enel completed its international expansion. Our Group is now present in 23 countries, with about 81,000 employees and 95.3 GW of installed capacity, including more than 34 GW generated from renewable energy sources (hydroelectric, geothermal, wind, solar, and biomass), which make us the world leader in the field of renewable energy. In Europe, Enel is the second largest listed utility in terms of operating income and installed capacity. Enel has grown and become a multinational, but always keeps in mind that growth must take place in tandem with corporate social responsibility and concern for the needs of all our stakeholders, in order to make our contribution to a sustainable future.

This commitment has been rewarded with important results. For the sixth year in a row we are present in the prestigious Dow Jones Sustainability Indexes, the ethical investment funds show confidence in Enel and as of February 2010 constituted more than 18% of the share capital held by institutional investors, and our Sustainability Report is a significant reference, with over 450 indicators measuring our constant commitment to corporate social responsibility. Looking ahead, we hope that the Sustainability Report can be gradually integrated with our financial reporting, thus making it easier to read and ensuring a better evaluation of the Company's actions.

The transparency of our actions is ensured by a complex and stringent system of corporate governance, which enables us to constantly steer our actions toward the creation of value for all our stakeholders while being aware of the social and environmental importance of the operations in which the Group is involved and reporting them regularly to the market and society.

In its management of the economic, social, and environmental parameters that characterize its corporate social responsibility, or CSR, Enel already applies the same diligence and methods it uses to govern its business. To guarantee these commitments, every year we establish our CSR objectives and priorities in accordance with both the Group's strategy and the principles of the U.N.'s Global Compact, integrating this in our business plan and subjecting them to half-yearly planning and auditing. Likewise, our subsidiary Endesa, one of the largest electricity companies in the world and a leader in Spain and Latin America, has incorporated the values of CSR in its governance.

We want to be good citizens in all the countries that host our operations, constantly respecting diversity and trying to integrate with the different social situations. Several numbers show our ability to dialogue with society. In 2009, we involved more than 440,000 students throughout the world thanks to "Play Energy", an educational project about the world of energy. In Italy 100,000 people visited 64 Enel plants with "Open Plants", and in Chile 6,000 girls and boys participated in a soccer and volleyball tournament at facilities lit by Enel

and Endesa in cooperation with UNICEF and other institutions.

We are starting an internal communication campaign to disseminate knowledge of the new Code of Ethics among all our employees in order to regulate our corporate behavior according to uniform standards based on the utmost fairness.

Safety and the unique importance of the individual have always been at the heart of our values and distinguish Enel's corporate culture. The Company is deeply committed to disseminating and consolidating the awareness of safety issues, promoting responsible behavior by all its employees. The trend is one of the constant reduction of injuries at Enel. In the last five years (2005-2009), the Company has recorded a 56% reduction in the injury rate and 48% in the seriousness rate. In 2009, more than a million hours of training were dedicated to health and safety, with an expenditure of 105 million euro on safety activities. Other initiatives, such as the alternative procedure for settling disputes that we instituted together with all the Italian consumer associations, are aimed at satisfying our customers through a communicative and transparent approach. Enel's environmental strategy is consistent with our increasing ability to apply the best technologies available to reduce emissions of greenhouse gases and other pollutants. Our objective is to be able to generate electricity economically with close to zero emissions. In 2009, we were one of the 60 electricity companies of the 27 countries of the European Union that, as part of an initiative of Eurelectric, had their respective chief executive officers subscribe to a commitment to transform the European electricity industry into a "neutral" one from the point of view of CO₂ emissions by 2050.

Thanks to the significant percentage of our generating plants, including the nuclear ones, that are carbon-free, in 2009 we avoided the emission of about 100 million tons of CO₂ into the air. In practice, it is as if we had cancelled the emissions of about 60 million cars.

We are also keeping our promise to future generations with our deep commitment to innovation, research, and the development of new technologies, for which we have planned investment amounting to about a billion euro for the period 2010-2014. In effect, we believe that research and innovation are important for improving existing technologies and exploring new ways to find satisfying solutions to the problems that the energy world will have to face in the near future.

We support technological initiatives that will lead to the generation of electricity with zero emissions, even with the use of fossil fuels. Together with Endesa, we are testing the most promising technologies for the capture and storage of CO₂ (CCS), a solution that is essential for removing carbon from both the production of electricity and heavy industry in general.

Another concrete example is the effort we have put into smart meters. Beginning in 2001, Enel has been a world pioneer in the creation and installation of this technology, which is decisive for an intelligent use of electricity. We now have 32 million smart meters in Italy and intend to install 13 million more of them for Endesa's customers.

As far as our research is concerned, there are numerous examples of excellence: electricity generation from hydrogen, low-enthalpy geothermal generation, concentrated photovoltaic solar generation, the innovative thermodynamic solar Archimede power plant, and multi-generation systems like the Diamond, as well as – in the field of energy efficiency – the LED technology of the Archilede streetlights, smart grids, and electric mobility systems.

We believe that the task of the electricity industry is to ensure a supply of sustainable, economical, and accessible energy, while seeking to carry out as best we can our mission to grow and develop. We are aware of not only the successes, but also of the inevitable problems that such a policy entails.

To meet this challenge, Enel intends to adopt all the possible solutions, from nuclear generation and clean coal to renewable energy and energy efficiency. We feel the great responsibility of guiding the change towards a better future, in which our prosperity will depend on our respect for the environment and the innovation that we are able to achieve today, as well as on a better use of our resources and the priority we are able to establish for the value of knowledge.

Piero Gnudi
Chairman



Fulvio Conti
Chief Executive Officer
and General Manager

