

Enel Corporate Social Responsibility Protocol

Rome, [DATE: DD/MM/YY]

BETWEEN

Enel S.p.A., represented by:

AND

EPSU and EMCEF, represented by:

CGIL, represented by:

FILCEM, represented by:

CISL, represented by:

FLAEL, represented by:

UIL, represented by:

UILCEM, represented by:

hereinafter the "Parties"

1. Preamble

Pursuant to the Principles laid down in the Code of Ethics, implemented and verified in the Sustainability Plans approved by company management, and the certification of the Sustainability Audits, the Enel Group is progressively developing a company strategy aimed at defining and consolidating an integrated system of Corporate Social Responsibility (CSR).

This strategy is in line with the need, increasingly perceived at a national and European level, to link the activities of the company to the quality of work and social life, considering the resulting actions as a factor supporting the competitiveness of the business, enhancing its stability and strengthening its prospects for development.

In this connection,

- ↵ considering that the mission of Enel is to generate and distribute value in the international energy market, and to serve the community, while respecting the environment, the Parties believe that these activities cannot be carried out without a strong sense of Social Responsibility. This gives rise to the need to promote transparent and shared relations with all the Enel stakeholders;
- ↵ recognising that the corporate culture of Enel gives rise to the need for a system of high quality industrial relations, facilitating and enabling the Trade Unions to express opinions and put forward proposals relating to business strategies, with a view to seeking every possible convergence between the Parties, maintaining the distinction between their respective roles and responsibilities, as recently specified in the regulatory agreement and the comprehensive redefinition of the instruments and means of dialogue in the Industrial Relations Protocol of 1 December 2003;
- ↵ in the belief that the approach adopted by Enel to changing conditions in the world of work and in the socio-economic context is one of the reasons for its success, that has characterised its growth in connection with its distinctive values;

it is intended to reaffirm and relaunch a method capable of sustaining development, taking account of the transnational dimension the company has taken on. The need to compete in an increasingly globalised market gives rise to the need on the one hand to respect the diversity of traditions and cultures, and on the other to disseminate discussion, dialogue and participation, as a strategic instrument for dealing with difficulties.

The Parties therefore

- ↵ reaffirm the central role of human resources and the common objective of placing greater value on them as the indispensable and strategic element for the development and success of the company;
- ↵ take advantage of the opportunity, in line with the commitment on the part of Enel, to inform all the company stakeholders of the programmes and objectives adopted by the company, with forms of dialogue and involvement relating to Social Responsibility with the Trade Unions, as the representatives of the people working at Enel, while continuing with actions consolidated over time and confirmed also during the complex organisational developments taking place in the Group in recent years.

It is therefore the interest and intention of the Parties to move forward with a joint strategy of Corporate Social Responsibility (CSR), in a participatory perspective, facilitating rapid and timely decision-making processes, as required by the environment in which the company operates, in particular in the perspective of an increasingly competitive international market, that requires a coordinated approach to energy issues in order to deal with the commitments

arising from the response to climate change, while at the same time providing greater security and continuity of energy supplies.

The Parties recognise the importance of the global strategy of the Enel Group with regard to environmental protection, making provision for investment in research and collaboration with Italian and international institutions, with a view to placing greater value on the opportunities offered by the development of renewable energy sources, and the integration of Company development plans with European programmes and actions, and

- ↪ make a joint commitment to place greater value on the Enel Group, in relation to the market and citizens/consumers, and agree that the actions of the Group should be based on behaviour that is transparent, socially responsible and in compliance with the law;
- ↪ in this framework, they recognise the importance of joint research and study initiatives, relating to the planning and implementation of CSR-related activities.

On the basis of the above considerations,

the Parties recognise the present Protocol as providing a framework of principles, guidelines and joint intentions relating to Corporate Social Responsibility, delineating forms of implementation also relating to practices such as the joint bodies that are already part of the industrial relations culture of the Company, with a view to placing greater value on them and to promoting a constructive dialogue, and to concluding agreements on specific issues.

2. Principles

- 2.1 With reference to the approach to Corporate Social Responsibility (CSR), the Parties take a positive view of the policy objectives adopted by the European Union in this connection, starting from the Lisbon Council of 2000, that laid down the new strategic objective for the decade: for Europe to become the most competitive and dynamic knowledge-based economy in the world, capable of achieving sustainable economic growth with new and better jobs and greater social cohesion.
- 2.2 In particular the Parties adopt the definition laid down in the Green Paper of the European Commission of July 2001, according to which Corporate Social Responsibility is the voluntary integration on the part of enterprises of social and environmental concerns in commercial relations and in relations with stakeholders.
- 2.3 In the light of the Resolution of the European Parliament of 13 March 2007, the Parties are in agreement as to the importance of actions taken to promote company policies in support of Corporate Social Responsibility, starting within the company, dealing with

employment issues, and working towards a constant emphasis on the centrality of the person, taking “responsible competition” as the way towards development and growth.

- 2.4 It follows that in recognising their social responsibility and in making a commitment on their own initiative that goes beyond conventional and regulatory requirements, with which they shall in any case comply, the Group Companies shall strive to enhance the level of norms relating to social development, environmental protection and respect for fundamental rights, adopting a system of open governance, capable of conciliating the interests of the various stakeholders in the framework of a global approach to quality and sustainable development.
- 2.5 The Parties concluding the present Protocol jointly undertake to disseminate the culture, principles and values of corporate social responsibility as defined above. In this connection they will pay particular attention to the indications and initiatives of the European Commission.
- 2.6 The Parties jointly intend and undertake to respect, promote and implement, within their respective sphere of responsibility, the principles and conditions relating to the fundamental rights of workers, with due regard to the contents of the Tripartite Declaration on principles of multinational enterprises and social policy of the International Labour Office (ILO) with a view to reinforcing the positive effects of the activities of multinational enterprises in social and labour issues. The Tripartite Declaration lays down principles relating to employment, training, living and working conditions and industrial relations, which the Parties undertake to observe respecting the sovereign rights of the States in which Enel operates, complying with legislative and national regulations, taking account of local practices and conforming with the relative international norms. In particular, also with reference to the international norms adopted by the ILO, they uphold:
- ✓ The freedom of association and the effective recognition of the right to collective bargaining (ILO Conventions no. 87 and 98). All workers have the right to join a Trade Union of their own choosing and to enjoy trade union rights
 - ✓ The non-discrimination of Workers’ Representatives (ILO Convention no. 135). Workers’ Representatives shall not suffer any discrimination in relation to their representative role.
 - ✓ The prohibition of all forms of forced or obligatory labour (ILO Conventions no. 29 and 105).
 - ✓ The prohibition of child labour (ILO Conventions no. 138 and 182). Child labour is prohibited, and children shall enjoy the right to complete their education and schooling.

- ✓ The prohibition of discrimination in occupation and employment (ILO Conventions no. 100, 159 and 111). Workers shall not suffer discrimination in relation to their age, state of health, race, sex, religious belief, political opinion or social origin. Equal pay for men and women in relation to work of equal value shall be applied, together with the principles of equal opportunity.
 - ✓ The constant search for improvement in the conditions of health and safety at work (ILO Conventions no. 155, 167, 174 and 187).
 - ✓ Career guidance and vocational training with a view to promoting human resources (ILO Convention no. 142).
- 2.7 Social dialogue between the Trade Union Representatives on the one hand and Management on the other is intended to support the implementation of the commitment to Corporate Social Responsibility, and constitutes a factor contributing to the success of Enel. The Parties believe that the development of social dialogue can contribute, at various levels and in the various regions (Europe, Asia, America, etc.), to the construction of the Enel corporate identity.
- 2.8 These principles are intended to support the Enel commitment to sustainable development and to contribute to the progress of social dialogue at a multinational level.
- 2.9 The Parties share the commitment of Enel for the promotion of the principles of the Global Compact relating to human rights, employment, the environment and the campaign against corruption, as well as the promotion and recognition of the essential nature, in the implementation of working activity, of the General Principles of the Enel Code of Ethics, with particular reference to impartiality, honesty and correct behaviour; in the case of a possible conflict of interest, Confidentiality, Value of human resources, Equity of authority and Integrity of the Person; with regard to the Criteria of Conduct in dealings with employees and associates, in all the phases of work.
- 2.10 The parties jointly undertake to support the commitment to the campaign against corruption made by all Enel bodies by means of the adoption of the “Zero Tolerance of Corruption Plan” in order to ensure conditions of correct behaviour and transparency in the management of the affairs and activities of the company, to safeguard the company’s position and image, the work of its employees and all the other stakeholders.
- 2.11 The Parties moreover jointly hold that the human resource policies — both in management terms and with regard to the documents and bodies concerned with the culture and practice of industrial relations in Enel (Industrial Relations Protocol, Equal Opportunities, Joint Bodies on Safety and the Working Environment, Training and Employability Committee, Social Action Protocol, and so on) — have as their basic principle the “centrality” of the person, pursued by means of an approach to management based on the criteria outlined above, that may be summarised as: respect

for the person; social protection; motivation; development and promotion of vocational skills.

- 2.12 The Parties underline the validity of the system – that belongs to the consolidated Enel culture – based on the need to “listen” to the employees and not only in a direct manner, but also, in an effective manner, by means of constant dialogue with the Trade Unions: this dialogue takes place by means of negotiation, discussion, and other forms of interaction, as laid down in the Industrial Relations Protocol.

3 Means of implementation

The Parties have identified a number of means of implementation of the principles outlined above, that underlie the consolidated Enel industrial relations model, and undertake to promote them, in a constructive manner, with a view to negotiating further agreements.

This implementation shall take place in every Enel company in compliance with the principle of solidarity.

3.0 Sustainable development and environmental strategy

The Parties recognise sustainable development as a shared value, in the sense of the balanced and dynamic integration of the objectives of economic growth, competitiveness, the improvement of environmental protection and social cohesion, and this is essential for the implementation of the strategy and actions of Enel.

The shared objective is to work together on the development of an Enel environmental strategy, aimed at a continual improvement of the environmental impact of the activities to ensure that the regions and the local communities are provided with the best available technology and the implementation of the operations required for environmental maintenance, where possible restoring the original environmental conditions.

3.1 Health and Safety at Work

Physical and mental health and safety at work have always been at the centre of attention of the Parties, who make this a paramount objective, to be pursued at every level and with all the necessary resources to ensure that health and safety awareness is disseminated as an essential characteristic of the company and its workers, contributing to consolidating a state of well-being in the workplace, respecting and safeguarding the psychological and physical conditions of the working population.

An analogous level of attention is paid to the health and safety of workers employed by subcontractors.

The increasingly effective pursuit of a programme of “zero tolerance” in relation to accidents at work gives rise to the adoption of actions capable of taking effect at various levels. With regard to human relations, they may be summarised as follows:

- ✓ placing greater value on the role of the Employee Health and Safety Representatives and the adoption of joint measures for providing them with adequate training within the organisational context of the Group and the individual Companies/Divisions;
- ✓ promoting the activities of Joint Bodies on health and safety at work and environmental protection, as laid down in the “Industrial Relations Protocol”, to enable them to develop study and research programmes relating to all useful measures taking advantage of expertise in this area, also implementing and developing the provisions laid down during sector-level collective bargaining (Article 2 (5), Article 10 (3[^] D.V.);
- ✓ intensification of the actions aimed at raising the standards of subcontracting companies, with specific reference to those considered to be “emblematic” of the electrical sector, thus favouring the conditions for trade union actions which, in consideration of the nature of “electrical hazards”, can lead to the implementation of standardised forms of representation and safeguards for the employees, while respecting the freedom of collective bargaining and freedom of association; the Parties are jointly committed to monitoring compliance on the part of subcontractors not only with the provisions of law, but also with forms of behaviour in line with the Enel Code of Ethics, relating both to the employees and the environment;
- ✓ participation and support, with adequate resources, for health and safety awareness-raising campaigns;
- ✓ promotion, planning and management of training and retraining programmes relating to health and safety at work for all the workers, and in particular for those responsible for occupational health and safety protection, favouring and facilitating the participation of the workers in various forms of training in health and safety within the company;
- ✓ the commitment to strengthening instruments and operations of an organisational strategy that safeguards the physical and moral dignity of the worker in the event of accident, sickness or maternity.

3.2 Training

In line with the provisions of the Code of Ethics on the promotion and training of human resources, the Parties agree that lifelong learning represents a key resource for the

improvement of the know-how and competitiveness of the company, for which the enhancement of the degree of satisfaction and motivation of the employees is essential, as well as being a key factor in the development of the skills of the employees. For these reasons, they agree on the desirability of relaunching the role and operations of the “Joint body on training and employability”. In the Enel group the relaunching of the activities of the Joint body is intended to contribute to reinforcing the “participatory model” laid down by the national collective agreement for the electrical sector with a “bilateral” approach to training (Article 11 (2)). As a result, in addition to the role and the tasks expressly listed in the “Industrial Relations Protocol” (Clause 53 et seq.), the Joint body shall: formulate proposals for the “joint” development of training initiatives; design plans and training projects for obtaining EU funding; respond to training needs and set up specific research projects; identify bilateral instruments and the means by which training is to be provided. The Parties agree to provide the Joint body with regulations and resources to enable it to function.

3.3 Information

In order to promote the sharing of processes of modernisation of the company, the Parties recognise the strategic role of information, above all prior to new developments, with regard to changes in the world of work, whether concerning vocational developments, or territorial mobility (in Italy or abroad).

3.4 Social Facilities and People Care

Social facilities (recreational, cultural and sporting activities, medical assistance, supplementary pension plans) are part of the consolidated Enel company culture. Over the years these facilities have undergone a series of transformations, reflecting the need to satisfy changing needs arising from the development of the Italian social context. The Parties therefore confirm the relevance and significance of the “Social” pillar of Enel sustainability in the form of internal welfare services guaranteed by ARCA/FISDE/FOPEN and consisting of the three strands of social programmes, supplementary medical assistance, and supplementary pension schemes.

In particular, as founders of FISDE, they agree to keep track of the expression of interest on the part of other companies in the electrical sector in negotiating agreements with FISDE, to facilitate access by their own employees to specific forms of supplementary medical assistance, with a view to consolidating and further developing FISDE, and to search for joint solutions to achieve gradual cover for all the workers coming under the National Collective Labour Agreement for the Electrical Sector, pursuant to Article 50 of the said Agreement.

At company level the Parties undertake to proceed with the extension of the benefits provided by FISDE to all the employees of the Enel Group and to continue with the Enel-FISDE

collaboration on projects and initiatives in support of workers with disabilities, aimed at enabling them to acquire vocational skills and at the design and implementation of specific management initiatives.

Considering the significance that the Parties jointly attribute to supplementary pension schemes, strengthened in the framework of the reform that was implemented on 1 January 2007 (Legislative Decree no. 252/2005, as amended and integrated by Act no. 296/2006, the annual budget legislation for 2007), and the joint commitment to placing greater value on FOPEN as a mandatory supplementary pension scheme (implemented in the recent agreements to join FOPEN also by companies operating in the gas and water sectors, as well as other entities), the Parties confirm their intention to search for ways to further strengthen the benefits provided by the Fund.

Moreover, the Parties share the objective of contributing to the well-being of the organisation by identifying instruments and services for optimising the work-life balance, increasing the supply of services to employees and improving the quality of the working environment. Considering that, in this connection, Enel has set up its own People Care service under Personnel Management and Corporate Organisation, and taking account of the complementary nature of these objectives and the aims of the members of ARCA, the Parties agree to launch a collaboration project between Enel and ARCA, to be implemented by means of a programme of joint participation in the choice of feasible projects and their management in practical terms.

3.5 Equal Opportunities

In an awareness of the importance and role of the female labour force as a key resource, the Parties, agree on joint, renewed support, with resources and instruments to be defined, for the activities of the Enel National Equal Opportunities Commission, with a view to: a) extending initiatives for carrying out a normative survey with a positive impact on the issues of Equal Opportunities and Diversity in the group companies abroad, with particular attention to the new EU Member States. In this connection it appears to be desirable to set up a synergic relation between the Enel European Works Council (EWC), once it has been established; b) to identify suitable measures aimed at removing the factors that act as a barrier to gender equality in the workplace and in society; c) to identify instruments and means for encouraging women to remain active in the world of work starting from training, the work-life balance, working hours, career paths and greater participation in decision-making processes; d) to identify, also in collaboration with public institutions, objectives aimed at increasing the number of women taking apprenticeships and training programmes in science and technology, in particular in those sectors/areas where they are underrepresented.

In order to give effect to their intention to combat every form of discrimination, not only based on gender, but also on age, sexuality, state of health, race, nationality, political opinion and religious belief, the Parties agree to develop access-to-employment policies and career management schemes.

3.6 Enel Cuore

The Parties take note of the fact that Enel, in line with the provisions of its Code of Ethics, and in an awareness of its role in Italian society and in the countries in which it operates, has taken steps to set up a non-profit organisation for social purposes, *Enel Cuore* (“Enel Heart”) to coordinate and manage – in line with the autonomous decision-making and the other provisions regulating its activities – the funds allocated for charitable purposes and solidarity within the company. Enel Cuore promotes social solidarity with a particular focus on children, older persons, people in need of medical care and people with a disability, by making contributions and setting up programmes in favour of the beneficiaries, based on the funding of projects of a practical nature intended to provide lasting benefit.

In this connection, the Parties are willing to consider working together on the promotion of Enel Cuore, with a view to encouraging other non-profit bodies to put forward proposals for projects to be developed in the sectors and the areas of interest relating to the statutes of Enel Cuore.

3.7 Analysis and assessment of projects, cooperation on social objectives

The Parties, recognising the importance of disseminating good social practices among Enel companies compatible with local and national socio-economic and normative systems, jointly promote specific projects with a significant social impact, linked to territorial and sustainability issues.

In addition the Parties undertake to identify initiatives relating to best practices and sustainability, in the areas of:

- social inclusion with a view to benefiting ethnic minorities in the markets where the company operates;
- safeguarding the dignity the more vulnerable categories of customer, such as older persons and low-income groups.

3.8 European Works Council and European social dialogue

Considering the growing relevance in the context of European social dialogue of issues relating to Corporate Social Responsibility and in particular, the Electrical Sector, the series of projects and initiatives on the issues promoted by Eurelectric and the two European

Federations EPSU and EMCEF, the Parties undertake to work together to enable the Enel Group to make a positive contribution both as a case study and a promoting body. Moreover, they agree on the desirability of giving due recognition to the issues arising from Corporate Social Responsibility in the negotiations in progress on the setting up of a European Works Council for Enel, once it has been established.

The envisaged programme of information and consultation in relation to the European Works Council is jointly identified as an important instrument for dissemination of CSR issues throughout the Group, and for the implementation of the Principles in the present Protocol, in compliance with local and national socio-economic and normative systems.

3.9 Industrial Relations

In connection with the principles outlined above, and having particular regard for the principles laid down in the Code of Ethics, “inspired by an ideal cooperation with a view to the mutual advantage of the Parties involved, while respecting their roles”, the Parties confirm the mutual interest in maintaining and developing the model of Industrial Relations consolidated by Enel and agree on the desirability of examining measures correcting and/or supplementing the Industrial Relations Protocol of 1 December 2003, with a view to achieving greater overall effectiveness and efficiency, for the purposes of safeguarding the positive aspects of trade union negotiation, also in order to achieve a better balance between the parent and the subsidiary companies.

More generally, the Parties underline the fact that strongly participatory relations closely embedded in the life of the company are an effective instrument also for dealing in an effective manner with societal developments. In this connection the present Protocol confirms and reaffirms the commitment of the Parties to the setting up and regulation of an Income and Occupational Support Fund for the electrical sector (cf. joint statement signed at the time of the renewal of the collective agreement), to be jointly managed, designed as an instrument for dealing with the governance of occupational tension in conditions of social equilibrium.

3.10 Annual Meeting

In the month following the publication of the Sustainability Audit, an annual meeting shall be held between the Parties, in the course of which Enel shall provide detailed information concerning:

- key aspects of the Sustainability Audit, including economic and financial aspects, and environmental protection;
- the Sustainability Plan, with a focus on the Joint Guidelines for the five-year period;

- proposals for CSR actions and programmes, with particular regard to Health and Safety of the Workers, Training, Equal Opportunities and safeguards for diversity.
- the evolution of the global strategy of the Group in terms of environmental protection.

In relation to these issues, the Trade Unions shall formulate observations and proposals, that may be discussed in specific joint meetings with Communications/CSR Management and Personnel Management.

As part of its activities, the Enel Industrial, Occupational and Environmental Observatory shall constantly monitor the application of and compliance with the present Protocol. In cases in which it is considered necessary and/or in connection with specific requests, it may require information and documents in this connection, in line with the principle of transparency and information in relation to stakeholders, as well as formulating observations and carrying out an assessment of the degree of implementation and applicability of the present Protocol.

4. Final Provisions

4.1 Duration of the Protocol

The present Protocol shall be valid for three years. Six months before it expires, the Parties shall undertake a joint examination of the content, and provision shall be made for amendments or integrations to be adopted on a consensual basis.

4.2 Information

The Parties undertake to utilise, within their sphere of responsibility, all the instruments of communication at their disposal. In particular, in order to disseminate the contents of the present Protocol as widely as possible, the company will make space available on the company Intranet and on Enel web-TV, also for an in-depth treatment of specific aspects of the Protocol.

Signatures of the duly authorised representatives of the Parties hereto